
This is a reproduction of a library book that was digitized by Google as part of an ongoing effort to preserve the information in books and make it universally accessible.

Google™ books

<http://books.google.com>



89
11

State University of Iowa
LIBRARIES
BINES

UNIVERSITY OF IOWA



3 1858 003 452 111

State University of Iowa
LIBRARIES
BUSINESS



UNIVERSITY OF IOWA



3 1858 003 452 111

W. Smith
A. H. C.

16

THE
BANKERS' MAGAZINE,

AND
Statistical Register.

EDITED BY J. SMITH HOMANS.

"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."

VOLUME FOURTH,
FROM JULY, 1849, TO JUNE, 1850, INCLUSIVE.

BOSTON:
WM. CROSBY AND H. P. NICHOLS,
111 WASHINGTON STREET.
1849-50.

State University of Iowa
LIBRARIES
Digitized by Google

GENERAL INDEX

TO THE

FOURTH VOLUME

OF THE

BANKERS' MAGAZINE AND STATISTICAL REGISTER.

FROM

JULY, 1849, TO JUNE, 1850, BOTH INCLUSIVE.

	Page
Agricultural Products of the United States, Tabular View of,	385
Albany, a Review of the several Banks of,	157, 243
Assignats (The) of France, their Depreciation in 1793,	317
Bank Capital of the several States in 1814, 1817, 1849,	242
of Cities in the United States,	243
Bank Circulation and Deposits, Remarks on,	910
Bankers (Private) of Europe, Asia, Africa, and South America,	209
Banking, as a Profession for Young Men. By a Bank Teller,	924
Banking in Connecticut,	9, 586
Massachusetts,	79, 169, 675, 1009
Vermont,	80
New York,	25, 119, 155, 212, 736, 954
Ohio,	295, 412
South Carolina,	232, 542
Tennessee,	413
Alabama,	637, 769
Great Britain,	35, 117, 211, 279
Ireland,	201
Canada,	445
Brazil,	205
Banking Securities, on the Choice and Value of,	215
Bank Items, 77, 165, 243, 330, 411, 492, 576, 672, 694, 768, 864, 960	248, 938, 491
Bank-Note Paper, Improvements in,	232
Bank of Charleston, Annual Report of,	117
Bank of British North America, Quebec, Annual Report upon,	249, 917, 938, 941, 945
Bank of England, Notices of,	489
Bank of the United States, Remnant of,	77, 85, 331, 167, 576, 664, 672, 767, 865, 914, 961
Bank Robberies,	207
Bankruptcies in London, — Liabilities, Assets, Dividends,	663
Banks and Banking, List of Essays on,	568, 864
Banks, Frauds upon,	

	Page
Bank Statistics, Maine,	476, 478
New Hampshire,	937
Vermont,	493, 565
Massachusetts,	357, 479, 587, 930, 934
Rhode Island,	239, 240, 768
Connecticut,	14, 77
New York,	157, 212, 237, 238, 244, 361, 736
New Jersey,	492, 577, 666, 668, 673, 750, 770
Pennsylvania,	241, 478, 244, 492, 493, 798, 802, 932
Maryland,	242, 592, 672, 864
Virginia,	796, 936
North Carolina,	753
South Carolina,	232, 360, 411
Georgia,	355, 412, 865, 961
Ohio,	15, 354, 594
Kentucky,	162, 237, 752
Indiana,	567
Tennessee,	413, 754
Missouri,	236, 358, 492, 674, 933
New Orleans,	167, 245, 494, 673
Canada,	445, 929
Bills of Exchange on England, on the Quotations of,	250
History of,	461
and Promissory Notes, on the Law of,	253, 273, 803
Boston, Revenue and Expenditure of Real Estate of, 1841 - 1849,	553, 570
Public Water-Works of,	828
British Bank of London, Plan of,	259
Navigation Laws, Operation of the,	436, 451, 668
Business Men, on the Intellectual Occupations of,	227
California Gold Mines, Coin, &c.,	264, 391, 413, 559, 927, 954, 1021
Canada, a Review of the Banks of,	445
Capital, its Origin and Growth, Application and Uses,	147
Cayuga County Bank vs. Warden and Griswold, Case of,	187, 273
Cincinnati, Trade of,	300, 669
City Bank of New York, Account of the Robbery of,	85
City Insurance Company, a new Plan of,	1005
Coal Regions of Cumberland, Alleghany County, Md.,	394
Statistics of Pennsylvania and Great Britain,	898, 904
Trade of London, Historical Sketch and Statistics of,	898
Cotton, Statistics of,	386, 389, 455
The Foreign Demand and Consumption of,	455
Counterfeits, described,	489, 490
Cuba, on the Annexation of Cuba and the United States,	404, 470
Currency and the Tariff. By a Baltimore Banker,	6
and the Constitution,	265
Deaths of Bank Officers,	84, 252, 336, 420, 500, 570, 772, 868, 964
Economist (London), Views of,	287, 292, 455
Editorial Correspondence,	80, 250, 313, 578
Europe, Finances, Loans, &c. of,	435
Foreign Exchange, Quotations of, Rates of, &c.,	250, 329, 602, 636, 858
France, Finances of,	304, 708, 766

	Page
Francis. Chronicles of the Stock Exchange,	545, 645, 709, 805, 869, 981
Gallatin (Albert), Public Service and Opinions of,	773
Gilbart (F. W.) on Banks and Banking,	279, 287, 1015
Gold Mines of Siberia and California,	22, 264, 391, 413, 418, 559, 927, 1021
and Gold Coins, &c.,	165, 246, 489, 573, 663, 669, 856, 954
Great Britain. Finances, Revenue of, &c.,	643, 644, 706, 947, 966
Account and Statistics of the National Debt of,	121, 399
Archbishops and Bishops of, their Annual Income, &c.,	923
Banks of,	35, 117, 259, 279, 301
Circulation and Coin in,	164
Cotton, Linen, and Woollen Goods Trade of,	387, 455
Gurney on the Finances of,	399, 416
Individual Incomes in,	248
Population and Wealth of,	218
Prominent Bankruptcies in, Dividends, Assets, &c.,	207
Railroads of, Capital, Length, Dividends,	312, 913
Banking System of,	279
Guarantee Society of London,	249
Gurney (Samuel) on Bankruptcy in Great Britain,	401, 415
Hope & Co., Amsterdam. Their Demand on Mississippi,	346
Homestead (The), New Laws for,	859, 1013
Law Decisions in Maine,	50, 513
New Hampshire,	515
Massachusetts,	42, 62, 408, 465, 277, 896
Connecticut,	44
New York,	45, 112, 187, 407, 595, 273
Pennsylvania,	48
Maryland,	57, 97, 179
Georgia,	511, 889
Ohio,	512
Kentucky,	594
Missouri,	54
Tennessee,	54
Louisiana,	55
Alabama,	52
Supreme Court, United States,	509, 889
Great Britain,	63, 76
Legal Miscellany. Agency,	50, 408
Banks and Banking, 43, 46, 49, 50, 52, 76, 97, 101, 111, 466, 511, 595	
Bank Checks,	44, 47, 76, 595
Bank Bonds,	52, 98
Bills of Exchange and Notes, 42, 45, 47, 48, 52, 101, 187, 253, 273,	
407, 509, 513, 515, 597, 803	
Brokers and Bankers,	54, 62, 76
Corporations,	49, 100, 111, 465
Currency of the State,	54
Damages,	511
Duties, Loss by Leakage,	57, 510
Forgery, Fraud,	110, 407
Insurance,	510
Letters of Credit,	49

	Page
Legal Miscellany.	
Liability of Indorsers,	58, 54, 187, 192, 803
Life Insurance,	63, 70, 73, 144
New York Dry-Dock Bank Case,	914
North American Trust and Banking Company,	596
Notice of Protest, 49, 51, 52, 53, 101, 102, 187, 192, 253, 313, 512	465
Partners in Trade,	465
Rights of Stockholders, 50, 97, 101, 112, 277, 466, 468, 469, 767	62, 469
Stock-Jobbing,	179, 467
Transfers of Bank Stock by Executors,	45, 179
Trustees,	51
Waiver of Notice of Protest,	43, 46, 107, 466, 512, 596
Usury	50
Transfer of Judgment from one County to another,	63, 144
Life Insurance.	
Recent and Important Cases in the English Courts,	73
Construction of "Commit Suicide,"	138
Premiums and Policies, Defects, Statistics, &c.,	1033
On the Moral Duty of,	166, 249
New Systems of,	311
Companies in London, Shares, Capital, and Dividend,	370
Its Advantages to the Working Classes. By Dr. Cook,	35
✓ London and Westminster Bank (The), Account of (with a plate),	209
List of the Private Bankers in,	435, 437
Stock Exchange, An Account and Rules of the,	165, 247, 311, 415, 488, 667
Stock and Money Market of,	16
Mint and its Operations detailed,	636
Exchange on, from 1822 - 1849,	898
Historical Sketch of the Coal Trade of,	729
Mann (Horace) on the Evil of large Wealth,	434
Mexico, Finances of, Agreement respecting. July, 1849,	517
McCulloch (J. R.) on Interest and the Effect of the Usury Laws,	602, 836
On Foreign and Domestic Exchange,	318, 382
Mississippi (Valley of the), Trade of,	247, 337, 363
Mississippi, Bonds and Repudiation of,	16
Mint (London), Royal Commissioner's Report upon,	168, 572, 962, 976
U. S., Operations of,	81, 167, 251, 332, 417, 497, 573, 674, 771, 866, 962
Money Market, Notes on the,	1
Mont de Piété of Paris, Account of the,	559
Murchison (Sir R. I.) on the Gold Mines of California and the Ural,	421
National Currency, Remarks on,	25, 155
New York, New Banking Laws of,	78
Loans and Stocks of,	557
(City), Revenue and Expenditures of, 1846 - 48,	1034
Wealth and Prosperity of,	318, 385
New Orleans, Annual Report upon the Trade of, 1848 - 49,	95
Notaries Public, Origin and Public Duties of,	192, 253, 758
Forms of Notice of Protest,	313, 803
Notice of Protest, On the Law of,	472
Perkins (Jacob), Memoir of,	331
Post-Office, Statistics of the,	860, 968
Pound Sterling (The), on the Value and Quotation of,	337, 363, 247
Repudiation in Mississippi, History of,	

	Page
Revolutions in Europe, the Effects of,	489
Riches, on the Distribution of, (From the London Atheneum,)	172
Russia and Siberia, on the Gold Mines of,	22, 359
Spain, Finances and Public Debt of,	415, 431
State Finances. Pennsylvania,	80, 301, 740, 569
Maryland,	248, 747
Virginia,	537, 541
South Carolina,	542, 544
Tennessee,	484
New York,	78, 730
Georgia,	231, 480
Alabama,	572, 666
Michigan,	488
Stock Exchange, Chronicles and Characters of,	545, 645, 709, 805, 869
An Account and Rules of the,	437, 435, 545
Stocks, Fluctuations in Boston, New York, &c.,	78, 760, 764
Great Britain,	947, 948, 949, 950
Quotations of,	495, 496, 574, 670, 762, 862, 958
Suffolk Bank System, Notice of the,	79
Suicide, Liabilities of Life Insurance Companies for,	70, 73
Times (The London), on Taxation, &c.,	129, 391, 399, 470
Tobacco, Annual Consumption and Tax in Great Britain, 1801-1841,	706
Treasury Notes. Counterfeits,	261
Treasury Notes as a National Circulation, Advantages of,	421
United States, Quotations of Loans of,	82, 667
Finances of,	261, 501
Usury, on the Origin of,	114
Laws, on the Operations of the,	581, 677, 517, 677, 683
Virginia, Remarks on the Gold Regions of,	1002
Wealth of Nations, The,	130
On the Progress of, and the Preservation of Order,	292
Whipple (John), Remarks on the Importance of the Usury Laws,	683

LEGAL CASES CONTAINED IN THIS VOLUME, WHEREIN BANKS WERE PARTIES.

Maine. Bank of Cumberland v. Badger. <i>Duty of Cashier,</i>	50
Globe Bank v. Small. <i>Release as Indorser,</i>	51
Ticonic Bank v. Smiley. <i>Indorsement,</i>	514
Massachusetts Phenix Bank v. Commonwealth. <i>Bank Tax,</i>	43
Crowninshield v. Chase. <i>Liability as Stockholder,</i>	277
Hutchins v. State Bank. <i>Transfer of Stock,</i>	467
Demmon v. Boylston Bank. <i>Application of Deposit,</i>	396
New York. Bank of Orleans v. John Curtis <i>et al.,</i>	44
Mechanics' Bank of N. Y., v. Collins,	45
Chautauque County Bank v. Risley,	47
Delaware and Hudson Canal Co. v. Westchester County Bank,	47
Bank of Ithaca v. Bean. <i>Stockholders' Evidence,</i>	114
Cayuga Co. Bank v. Warden & Griswold. <i>Demand and Notice,</i>	273
Bowery Bank v. Decker. <i>Fraud,</i>	407

	Page
New York. <i>Leavitt v. N. A. Trust and Banking Co. Usury,</i>	598
Connecticut. <i>Middletown Bank v. Jerome,</i>	45
Pennsylvania. <i>Mechanics' Bank v. Wingate,</i>	49
<i>Bank of Penn Township v. Hanson. Transfer of Judgment,</i>	50
<i>Coombs v. Bank of Kentucky. Agency,</i>	50
Maryland. <i>Marine Bank v. Biays. Rights of Stockholders,</i>	97
<i>Whittington v. Farmers' Bank. Dividend,</i>	97
<i>City Bank v. Bateman. Authority of Cashier,</i>	98
<i>Union Bank v. Ridgely. Cashier's Bond,</i>	98
<i>State v. Bank of Maryland. Insolvency,</i>	98
<i>Union Bank Tennessee v. Ellicott. Transfer of Assets,</i>	98
<i>Farmers' Bank v. Duvall. Usage,</i>	98
Supreme Court U. S. <i>Bank of Potomac v. M'Laughlin. Fraud,</i>	509
<i>Bank of the State of Alabama v. Crawford. Notes,</i>	509
<i>Augusta B. and Ins. Co. v. Hugg. Insurance,</i>	511
Georgia. <i>Central Bank v. Howard. Damages on Bills,</i>	511
<i>Central Bank v. M'Dougald. Authority,</i>	511
<i>Bank of Augusta v. Walker. Notice of Protest,</i>	512
<i>Shultz v. Bank State of Georgia. Partnership, &c.,</i>	889
New Hampshire. <i>Bank of Orange Co. v. Colby. Demand,</i>	515
<i>Merrimac Co. Bank v. Brown. Indorsement,</i>	515
Maryland. <i>Union v. Cochran. Application of Funds,</i>	98
<i>Hodges v. Planters' Bank. Rights of Stockholders,</i>	99
<i>Bank of Maryland v. Ruff. Payment, Insolvency,</i>	99
<i>Planters' Bank v. Farmers and Mechanics'. Usage,</i>	100
<i>Union Bank v. Planters' Bank. Usage,</i>	100
<i>Duncan v. Savings Institution. Banking Powers,</i>	100
<i>Planters' Bank v. Bank of Alexandria. Charter,</i>	100
<i>Farmers and Merchants' Bank v. Planters' Bank. Limitations,</i>	101
<i>State v. Farmers and Merchants' Bank. State Tax,</i>	101
<i>Stockholder v. Farmers' Bank. Rights of Stockholders,</i>	101
<i>Bank United States v. Norwood. Sufficiency of Notice,</i>	102
<i>Whittington v. Farmers' Bank. Sufficiency of Demand,</i>	102
<i>Bank of Columbia v. Magruder. Usage, Days of Grace,</i>	103
<i>Union Bank v. Clopper. Accommodation Indorser,</i>	103
<i>Bank of Columbia v. Raborg. Usage, Grace,</i>	104
<i>Bank of Gettysburg v. Agnew. Demand,</i>	104
<i>Farmers' Bank v. Duvall. Waiver of Notice,</i>	104
<i>Savings Institution v. Duncan. Usury,</i>	109
<i>Maine Bank v. Merchants' Bank. Forgery,</i>	110
" " <i>Authority of Cashier,</i>	112
Alabama. <i>Bank of the State v. Comegys. Cashier's Bond,</i>	52
" " <i>Posey. Discharge of Indorser,</i>	52
" " <i>Dickinson. Foreign Bills,</i>	53
" " <i>Hallett. Notice of Protest,</i>	53
" " <i>Tillman. Lost Bill,</i>	53
" " <i>Davis. Cashier's Indorsement,</i>	53
" " <i>Terrill. Fraud of Director,</i>	53
Tennessee. <i>Union Bank v. M'Clung. Release of Indorser,</i>	54
Louisiana. <i>Gaines v. Merchants' Bank of Baltimore. Seizure by Sheriff,</i>	55
Kentucky. <i>Briscoe v. Bank of Commonwealth. Bills of Credit,</i>	595

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. IV.

JULY, 1849.

No. I.

THE MONT DE PIETE.

[THERE are now in this city some twenty or thirty pawnbroker establishments, which pay, we believe, a sum for a license, and which secures fortunes to some very respectable members of the Jewish persuasion. We do not find fault with these last for their prosperity, but we find fault with that apathy, on the part of the public, which allows money to be made from that portion of the commonwealth which can least afford to pay extravagant interest for the use of money. Who are those who may be seen every night stealing, with conscious misery, timidly into those stores on Chatham street, over which the three gold balls hang mysteriously, yet full of meaning? The poorest of the poor, the wife of the mechanic out of work, with his unused tools; the child of the widow bringing a faded shawl, the decent covering exchanged for the necessary food; perhaps the wife of the inebriate parting with the ring that connected her for life with misery, in order to stifle the cravings of an appetite that becomes, ungratified, madness. None but these deal with the pawnbrokers, (except, indeed, the thief,) the neediest of the needy, the wretchedest of the wretched. How much does the State allow these poor creatures to be fleeced of in interest? Twenty-five per cent. and a forfeiture after one year. That law which prohibits the capitalist from loaning his money at more than seven per cent. permits this enormous usury when the poorer classes are concerned. Now there are many men in this city who are sincere philanthropists, who give their time to, and expend their money for, those of their fellow beings less fortunate than themselves. Why not increase the power of the poor to help themselves? Of all charities those are best that help by teaching—that relieve the distress and point out the means of preventing its occurrence. The savings bank and the pawnbroker's establishment could be conjoined. Thus, the poor man who saves from daily labor a few dollars, will have the satisfaction not merely of laying up the basis of a property for himself, but also of contributing to alleviate the sufferings of a fellow laborer. The savings of honest industry would thus be twice blest. Such a savings would be very popular; the difference between interest upon the loans at seven per cent. and the deposits at five per cent. will pay the expenses of such an institution, which would prove a double blessing.—*New York Mirror.*]

Observations on the Benevolent Institutions of Europe, entitled *Mont de Piété*, for the loans of money in small sums.

Mont de Piété (*Monte di Pietà*,) is the name of a benevolent institution which originated in Italy in the fifteenth century, the object of which was to lend money to necessitous people at a moderate interest. The Jews, who were the great money-lenders in that age, exacted an enormous interest, and as much as 20 to 25 per cent. The papal government and other Italian governments established a kind of bank, which lent money upon pledges, for a fixed term, at a low rate of interest, intended chiefly to defray the unavoidable expenses of the establishment; at the expiration of which term, if the capital lent and interest were not repaid, the pledges were sold, and the surplus money, after paying the debt incurred, was restored to the owners. In most instances, however, the term might be renewed by merely paying the interest. The difference between these establishments and those of the ordinary pawn-brokers seems to have been that they were intended mainly for the benefit of the many borrowers, and not for the profit of the lenders, and that every reasonable facility was afforded to the former. The administration of the *Monte di Pietà* was therefore conducted upon economical and strictly equitable principles, and it was under the inspection of the government as a public benevolent institution. This at least was the original principle, although it may occasionally have been deviated from in after-times, in consequence of the cupidity or necessities of the governments themselves. In times when capital was more scarce or less generally diffused than it is now, and when loans of money were difficult to be got, the *Monte di Pietà* was a most useful institution. Leo X., some say Paul III., sanctioned the first establishment of a *Monte di Pietà* at Rome, which was under the direction of a society of wealthy persons, who, having contributed the necessary funds, lent upon pledges small sums not exceeding thirty Roman scudi, a little more than six pounds sterling, to each person. The money was lent for a term of eighteen months. The establishment was under the inspection of the treasurer of the Apostolic Chamber. Large storehouses were annexed to the office, which stood in the district della Regola, near the banks of the Tiber. (Richard, *Description de l'Italie*, vol. v.) Other establishments of a similar nature existed at Milan, Florence, Naples, and most other towns of Italy. That of Padua is one of the oldest on record, having been established in 1491, when the Jewish banks, which lent at usurious interest, were shut up. (Scardeoni, *De Antiquitate Urbis Patavii*.)

This institution was introduced into other countries, especially into the Netherlands, and *Monts de Piété* were established at Brussels, Antwerp, Ghent, and other places. In Spain there were also similar establishments at Madrid and some other large towns, but in no country were they so generally spread as in Italy, the original country of benevolent institutions during the middle ages.

When the French under Bonaparte invaded Italy in 1796-7, they plundered the *Monte di Pietà* of Milan, Modena, Parma, and most other towns. At Rome, Pope Pius VI., being pressed by the French to pay an enormous sum for war contributions, was obliged to seize upon the

richer pledges in the Monte di Pietà, for the re-payment of which he gave bonds; but these bonds lost all value in the subsequent invasion of Rome by the French in 1798. The Monte di Pietà have been re-established in most Italian cities.

The *Monti Frumentarii*, in several parts of Italy, are storehouses of corn, which is lent to poor cultivators on the same principle as money is by the Monte di Pietà.

In 1833 the number of pawnbrokers in the metropolitan district was 368; 386 in 1838; and 383 in 1842; in the rest of England and Wales the number was 1083 in 1833; 1194 in 1838; and 1304 in 1842; in Scotland the number was 52 in 1833; 88 in 1838; and 133 in 1842: making a total of 1820 establishments in 1842, which paid £16,522 for their licenses, besides the license which many of them take out as dealers in gold and silver. The increase in England is to a considerable extent chiefly in places where the business of a pawnbroker has not hitherto been carried on; and in Scotland, according to the "New Statistical Account," the extent of this change is remarkable. The business of a pawnbroker was not known in Glasgow until August, 1806, when an itinerant English pawnbroker commenced business in a single room, but decamped at the end of six months; and his place was not supplied until June, 1813, when the first regular office was established in the west of Scotland for receiving goods in pawn. Other individuals soon entered into the business; and the practice of pawning became so common that, in 1820, in a season of distress, 2043 heads of families pawned 7380 articles, on which they raised £739 5s. 6d. The capital invested in this business in 1840 was about £26,000. Nine-tenths of the articles pledged, are redeemed within the legal period. (Dr. Cleland's "Former and Present State of Glasgow," 1840.) There are no means of ascertaining the exact number of pawnbrokers' establishments in the large towns of England. A return of the amount and nature of the dealings of pawnbrokers would supply much valuable evidence of the condition and habits of the people. The only return of the kind which we have seen was supplied by a large pawnbroking establishment at Glasgow to Dr. Cleland, who read it at the meeting of the British Association for the Advancement of Science in 1836. The list comprised the following articles:—539 men's coats, 355 vests, 288 pairs of trousers, 84 pairs of stockings, 1980 women's gowns, 540 petticoats, 132 wrappers, 123 duffies, 90 pelisses, 240 silk handkerchiefs, 294 shirts and shifts, 60 hats, 84 bed-ticks, 108 pillows, 262 pairs of blankets, 300 pairs of sheets, 162 bed-covers, 36 table-cloths, 48 umbrellas, 102 bibles, 204 watches, 216 rings, and 48 Waterloo medals. It was not stated during what period these articles were received. There were at that time in Glasgow, above thirty pawnbrokers. In the manufacturing districts during the prevalence of "strikes," or in seasons of commercial embarrassment, many hundreds of families pawn the greater part of their wearing-apparel and household furniture. (Paper read in 1837 by Mr. Ashworth, of Bolton, "On the Preston Strike in 1836.") The borough-reeve of Manchester stated on a late occasion (April, 1840) that a clergyman had shown him sixty-seven pawn-tickets from one family, and he said there were thousands in similar circumstances

"going inch by inch," in consequence of the stagnation of industry. The practice of having recourse to the pawnbrokers on such occasions is quite a different thing from the habits of those who, "on being paid their wages on the Saturday, are in the habit of taking their holiday clothes out of the hands of the pawnbroker to enable them to appear respectably on the sabbath, and on the Monday following they are again pawned, and a fresh loan obtained to meet the exigencies of their families, for the remainder of the week." It is on these transactions and on such as arise out of the desire of obtaining some momentary gratification that the pawnbrokers make their large profits. It is stated in one of the reports on the Poor-Laws, that a loan of 3*d.*, if redeemed the same day, pays annual interest at the rate of 5200 per cent; weekly, 866 per cent.

4 <i>d.</i>	3900 per cent.;	weekly,	650 per cent.
6 <i>d.</i>	2600	"	433
9 <i>d.</i>	1733	"	298
12 <i>d.</i>	1300	"	216

In a petition presented to parliament in 1839, it is stated, that on a capital of 6*d.* thus employed (in weekly loans) pawnbrokers make in twelve months 2*s.* 2*d.*; on 5*s.* they gain 10*s.* 4*d.*; on 10*s.* they clear 22*s.* 3½*d.*; and on 20*s.* lent in weekly loans of sixpence, they more than double their capital in twenty-seven weeks; and should the goods pawned remain in their hands for the term of twelve months (which seldom occurs,) they then derive from 20 to 100 per cent. The "Loan Fund Societies," which are protected by an act of the legislature, and advance small sums under £15 at five per cent. are of no advantage to the habitual dependants upon the pawnbroker.

The "Pawnbrokers' Gazette" is a stamped weekly publication, which contains advertisements of sales, and other information of use to the trade, amongst whom it exclusively circulates.

The act for the regulation of pawnbrokers in Ireland is the 28 George III. c. 43 (Irish statute.) It requires pawnbrokers to take out licenses and to give securities; appoints the marshal of the city of Dublin corporation registrar of licenses; directs returns to be made to him monthly, upon oath, of sums lent; and allows the registrar a fee of one shilling on each return. The stamp duty on licenses amounted to £2775 in 1842.

In 1837 Mr. Barrington founded the Limerick Mont de Piété, as a means of providing funds for the public charities of that city. He erected buildings at his own expense, and sent competent persons to Paris to make themselves acquainted with the mode of conducting the Mont de Piété in that capital. A capital of £4000 was raised on debentures, bearing interest at 6 per cent.; and the establishment was opened on the 13th March, 1837, under the control of a committee. In the course of eight months £13,000 had been lent on 70,000 pledges at a rate of interest, amounting to one farthing per month for a shilling, no charge being made for duplicates. Six-sevenths of the amount advanced, was in sums under 5*s.* Four months after the establishment was opened, the value of articles redeemed on Saturdays averaged about £140, the inter-

est on which amounted to £3 3s. 6d., while the pawnbroker's charge would have been £9. Towards the close of the year 1839 Mr. Barrington published a short pamphlet showing the further progress of the institution. The capital had been increased to £15,350, and a clear profit of £1736 had been realized since March, 1837. Small sums are lent to poor persons of known respectability of character on their personal security. This plan is attended with valuable effects upon the conduct and character of the poorer classes.

In Appendix E, "Poor Inquiry (Ireland,)" there is an account of the Ahascragh Loan Society, which shows that where individuals can be found to superintend the details, the ruinous plan of applying to pawnbrokers may be partially obviated. This society had borrowed £720, partly from the county Galway trustees, which sum had been disposed among 400 borrowers, and no loss had occurred during the two years in which the society had been in operation, chiefly in consequence of the attention of the Rev. H. Hunt, the treasurer. In the evidence taken at an examination by the commissioners of inquiry in the county of Leitrim (p. 93) it was stated that there were no pawnbrokers in the barony; but a class of men called usurers are to be met with in every direction, "and they bind both borrowers and sureties by solemn oaths to punctual repayment of the principal, and of the interest, which is exorbitant in proportion to the smallness of the sum lent." The witness, who was a magistrate, further stated, that a case had recently come before Lord Clements and himself, in which a man had bound himself to pay 12s. a year in quarterly instalments for the use of 15s. principal. Such facts show the expediency of affording every encouragement to establishments conducted under the immediate control of the law. In some instances in Ireland, pawnbrokers keep spirit shops under the same roof or in an adjoining house. The report just quoted states that people were beginning to lose their reluctance to wear the forfeited property of their neighbors; and most of the poor persons examined stated that a few years ago they were ashamed to go to the pawnbrokers, but this feeling appeared then to have been much weakened. The scarcity of capital in Ireland occasions many individuals to have recourse to pawnbrokers for purposes unknown in England, such as obtaining the means of purchasing a pig or buying seed.

In the year 1661 a project existed for establishing Monts de Piété in England. It is extremely doubtful whether a public institution for lending money on pledges would answer in London. Many branch establishments would be necessary, and they would scarcely be so economically conducted as the establishments belonging to private individuals. The rates of interest charged by pawnbrokers are high; but the average profits of their trade are not so great as might be inferred from a hasty glance at the preceding tables, which nevertheless fully prove that having recourse to pawnbrokers is an improvident mode of raising money. It is, however, a great convenience to many persons who could not raise money for temporary purposes in any other way. Those pawnbrokers who take out a license to receive pledges in gold and silver do a considerable amount of business in that way, and of course not with the poorest classes. In 1838 a company was formed in London, called

the "British Pledge Society," which proposed lending money at one-half the rate of interest allowed by the 39 and 40 George III. c. 99, and without making any charge for duplicates. This society also pledged itself to make good losses in case of fire, for which casualty pawnbrokers are not liable. The bill of incorporation, after being read a first time in the house of commons, was abandoned.

There is a Mont de Piété at Moscow on a very extensive scale, the profits of which support a foundling hospital. They are numerous in Belgium. From a paper read by Rawson W. Rawson before the London Statistical Society in 1837, the following appear to be the terms of the Mont de Piété of Paris:—"Loans are made upon the deposit of such goods as can be preserved to the amount of two-thirds of their estimated value; but on gold and silver, four-fifths of their value is advanced. The present rate of interest is 1 per cent. per month, or 12 per cent. per annum. The Paris establishment has generally from 600,000 to 650,000 articles in its possession, and the capital constantly outstanding may be estimated at about £500,000. The expense of management amounts to between 60 c. and 65 c. on each article, and the profits are wholly derived from loans of 5 francs and upwards. Articles not redeemed within the year are sold, subject however, as in England, to a claim for restoration of the surplus if made within three years."

The statistical tables published by the French minister of commerce show the operations of the Mont de Piété of Paris and those of the large towns in France during the year 1833. The number of articles pledged in Paris in 1833 was 1,064,068; average sum advanced on each, 14s. 11d. The number of articles redeemed was 844,861: on 178,913 articles the interest was paid and the duplicate renewed; 50,656 articles, on which the sum of £36,391 had been advanced, were forfeited, being one-twentieth in number, but less than one-twentieth in value.

[Bohn.]

OPINIONS OF THE CURRENCY AND THE TARIFF

BY A BALTIMORE BANKER.

Extracts from a printed "Address to the President of the United States, March 1849; attributed to a Baltimore Banker.

The Public Revenue.—The people, sir, expect you to put an end to the partizan disturbance and agitation of the tariff question, and protect for the future, the general interests of the country, from the blighting influence of this old *party issue*, which originated in ignorance, and has been kept alive by fraud.

You must have a steady and reliable revenue, equal to the current expenses of the government, the maintenance of its credit, and the liquidation of the national debt; and it must be raised by import duties. This much the administration requires—the country requires that those duties should be discriminating in their character, not only with a view

to the greatest yield of revenue, but also with special reference to the development, extension and security of our home productions, of every kind and character. The country needs, requires and will have protection, not for protection's sake, but for her *own* sake. The claptrap, fraudulent *advalorem* principle, must be abandoned, and the system of specific duties and minimum rates adopted. The interests of the country demand the regulation of the tariff on such principles as will prevent the aggregate balance of trade from being so largely and frequently turned against us, the exportation of coin, and its consequences, pressure, panic and prostration. Duties which we pay into the treasury, at home, are but the *interest* on a sum of money, the *whole principal* of which is to be paid to a foreign country, either in kind or in coin. The government, viewed apart from the people, is concerned only about the *interest*, but the *principal* stares the people in the face. These principles are so completely axiomatic that it is next to impossible to reason on them, except with children, in the Peter Parley style. Free trade, "free will," and free masonry, are appropriate subjects for the amusement of abstractionists, but they are quite too scholastic for the American people, who view subjects in their practical bearings, and prefer the pursuits of commerce to the study of metaphysics—a tangible reality to an abstract nonentity. The people, sir, don't want either the tariff of '42 or of '46. The one was whig—the other democratic.—They are both wrong, if for no other reason than the fact just stated. A tariff to accomplish its proper objects must come out free from the imprint or stamp of *any party*, either sectional or political. It must not be either a cotton planter's or a cotton spinner's tariff. Let it be a common sense, a national, an American tariff. Such a bill can be framed. But to do it, you must call to your aid the best informed, practical, public economists in the country, wholly irrespective of mere party differences. On this and kindred subjects of great commercial and national importance, we might learn a useful lesson from the modes of investigation and procedure adopted by the British parliament; but we are, politically, at least, a people "wise in our own conceit"—we must discover—not imitate.

The Currency.—The people expect you, to a limited extent, "to regulate the currency," but neither by the recharter of the Bank of the United States, nor yet by retaining, in its present shape at least, that anomalous financial mud-machine—the sub-treasury; nor are they at all partial to "the pet-bank system." These schemes have all been tried, and all found wanting. The politicians of the country assailed and destroyed the first. The people have condemned the second, and the banks themselves, the last. Intelligent bankers, and men of practical sense and business experience, can see obvious reasons why the government should be strictly her own banker, and collect, and keep her funds entirely separate from any and all local banking institutions. A connection must, in the nature of things, result in rapid expansions, and ruinous contractions, injurious alike to the people and to the banks. They can see also equally strong reasons for the collection of the revenue in *specie*, or, at least, discretionally so. Its effects are highly salutary. It contracts the credits and currency of the country, tightens

the money market, raises the rate of interest, lowers the value of commodities, and *checks imports* just when they *ought to be checked*—that is, when revenue is flowing too freely into the treasury, and when, as a necessary consequence, too much foreign debt is being contracted. If the treasury did not, under such circumstances, take the coin, it would soon go out of the country, and that, too, in much greater quantity.—The effect, in the one case, is to produce a temporary, but highly necessary tightening and pressure. In the other, the consequences are complex, cumulative, and more remote, and the result, when it comes, and come it must, is great commercial distress, revulsion and prostration.

It is true that, to the intelligent banker, or merchant, all this is indicated by the *rate of foreign exchange*, but with this marked difference, the one is a reason, the other a feeling. The one acts immediately on us, and without us. The other is something to be acted on by us, and may be postponed, or disregarded. The one is a barometer, indicating the weight, the other a thermometer, indicating the temperature of the financial atmosphere around us. It is safest and best for the country to have both. I affirm, sir, without fear of rational contradiction, that the collection of the revenue, in coin, is a necessary adjunct of a judicious tariff. So much for the *collecting* feature of the present sub-treasury system, which is in the main rational and correct. Its other half, however, the disbursing and transferring feature, is a monstrosity. As a whole, it is quite mythological, and might be moulded into a centaur or a mermaid, to suit the taste of the secretary, to whose vivid genius we owe the profound discovery that coal may be safely, if not profitably, carried to New Castle, and that the currents of the national revenue may be made to run counter to those of trade and exchange, without injury to the country. That the government, in certain contingencies, may have in possession, in transitu, or process of distribution, *one-twentieth* part of all the coin in the country, and retain, employ, or disburse it, wholly regardless of the relations of trade, and the consequent tendencies of exchange, and yet do no harm. This is a discovery creditable alike to the country and the age.

The law, as a whole, betrays, on the part of its author, a most profound and happy ignorance of the great and primary laws of commercial and social life—those imperious edicts of civilization, the laws of trade and practical finance, against which country politicians and nescius lawyers may butt their brainless heads, without the slightest ultimate danger to either. Some little perturbation may result from the concussion, but the craniological must speedily yield to the commercial law.

Currency and commerce, in a national and comprehensive sense, are subjects utterly unintelligible to the masses, whether rural or urban, and none, but a fool or a knave, would attempt to work them up into *party issues* for popular decision.

National conventions, it is true, with an impertinence of modesty, suited to their ignorance and irresponsible character, have found no difficulty in summarily deciding these grave questions, and framing, out of their decrees, a political decalogue for partizan devoteeism.

BANK STATISTICS.

CONNECTICUT.

Report of the Bank Commissioners to the General Assembly of Connecticut,
May, 1849.

The undersigned, in pursuance of their appointment and the laws of this State requiring them to visit the several banks in the State once in each year, and oftener if they deem it expedient, and to enquire whether they have been and are managed and conducted according to law, would respectfully report the result of their examinations.

They have required the cashier of each bank to answer certain interrogatories, showing the condition of the bank of which they have charge at three different periods of time, viz. the first of October, January and April. Satisfactory answers have very generally been returned with commendable promptness. From these returns and from personal examinations of the books and officers of the several banks in the State, we can with confidence say to your honorable body and to the public, that they are all sound and eminently worthy of the confidence of the public so far as any demands can of right be made upon them. We believe there is not a more sound and safe currency in existence, than that furnished by the banks in this State. We know of no better system of banking than ours. Indeed all experience proves that those states that have departed from a similar one, viz., a *bona fide* paid up cash capital, legitimately applied to the proper business for which bank charters are obtained, find that difficulties of a serious nature soon become apparent. Hence, the constant legislation called for by the people of those states where they have unfortunately resorted to some other basis for their bank issues than the one above referred to. * * *

It will be seen by tables hereinafter given, that the circulation of the banks is less than it was one year since by nearly four hundred thousand dollars. Causes beyond the control of the banks have produced this result; and one more prominent perhaps than any other, is the par value of their bills in Boston, and the near proximity to it in New York, which is very different with the banks west and south. In consequence of this state of things, the bills of our banks are sought after for remittance to those two great commercial points, especially when money at those points is worth from ten to fifteen per cent. per annum.

Another and very important reason may be found in the operations of the sub-treasury system, in diverting from the ordinary channels of trade so large an amount of the basis of the circulating medium and placing it where it is not necessarily required for any purposes connected with the general business of the country.

It is very gratifying to us to be able to report, that a much stronger anxiety is manifested by directors and other officers of the banks to accumulate a reserved fund of sufficient amount to enable them to make their dividends uniform, than was formerly felt. There are a few exceptions; and whenever we have found banks that were dividing their earnings too close, and regarding their present prosperity without any

consideration of future adversity, we have not hesitated to remonstrate with them most earnestly against the practice, and urge them to commence at once laying aside a portion of their earnings for this most desirable object. Some of the banks have the last year declared large semi-annual dividends, although no one has violated their charter or the laws of the State by encroaching upon their capital.

We think no bank should ever, under any circumstances, make a larger dividend than they may reasonably expect always to sustain. We think the policy to be bad, for the reason, in the first place, that there would be temptations to the financial officers of banks to resort to practices not the most commendable, to make the greatest possible amount of earnings, and a spirit of rivalry may be promoted between different institutions, and the funds of the banks perverted from business which it is the duty of the banks to sustain, and of great inconvenience and even hardship to those who have occasion, or are under the necessity of doing business with them; and in the second place, we do not believe the best interest of a very considerable portion of the stockholders will be promoted by it; for it is a fact, that a very large amount of the stock of the banks in this State is held by females, minors, and old people, who depend mainly for the means of their support upon the earnings of their stock, and when their income is large, corresponding habits of living will be very likely to be induced; and should a reverse of fortune to the banks take place, which may and indeed must be expected, they would be required perhaps to pass one or more dividends, especially when little or no surplus is reserved; an event which would be productive of no small inconvenience, to say the least, to a large class of stockholders. We would much rather never see a semi-annual dividend of more than three and a half per cent. and all earnings beyond that carried to the credit of profit and loss, until a sufficient sum should be accumulated to meet all ordinary losses, and make sure regular dividends, and at such times as the banks were of sufficient ability to make an extra dividend. We believe the interest of the public, the banks, and the stockholders, would be promoted by this course of policy. We feel great confidence that the example of some of our best managed banks will be soon followed and adopted by all.

The system of par redemption in Boston, causes almost the entire circulation of the banks in this State to flow to that point, where it is redeemed by the Suffolk Bank; consequently, funds have to be placed by our banks to meet such redemption, to an equal amount, or dishonor and loss of credit follow: therefore, the real strength of a bank is for its redemption required at that point. All the banks in the State redeem their entire circulation at Boston, once in about sixty days, except the very small amount redeemed at their counters, and except a portion of those in Fairfield county, who redeem about one-eighth in New York. The public have no cause of complaint that this salutary check upon bank issues exists, as it accomplishes what no legislation ever has or can, and at the same time, compels all our banks to keep their discount line within a healthy limit, which is not only beneficial to them, but to those who borrow money at their counter, and as it enables the customer to obtain facilities instead of capital. Although the system, at first

view, appears somewhat arbitrary, yet the practical operation of it is of the greatest advantage to the banks, and of almost perfect security to the bill holders.

The general principles upon which the banks in the State are conducted, meet with our entire approbation. We do not mean to say there are no exceptions, for there are a very few cases that have not been approved of by us, and whenever we have found them, we have not hesitated to point out the error and usually satisfactory results have followed.

The opinion was expressed by the commissioners in the last annual report to the legislature, that some of the banks were in the habit of going abroad for paper, to the neglect of our own citizens, and the belief then was, that public opinion would be very apt to correct the evil. We have, during the past year, investigated this subject with a very close scrutiny, and we are happy to say, that so far as we have been able to discover, a considerable improvement has been made in this particular. Yet there are good and valid reasons why our banks should, at certain periods of the year, find it necessary to use some portion of their surplus means out of the State, without at all interfering with their domestic business, and thereby be better prepared at other periods when a demand from their customers should be increased by the fair course of trade, to attend to their wants. We therefore deem it advantageous to the people of this State, to have an amount of banking capital sufficient to furnish all the facilities that a fair and legitimate business may require at all times.

We have found upon examination, that the law of last session requiring ten per cent. specie in the vault of the bank upon the circulation to have been complied with, and we have also found that more specie is received at the counter than is called for in the redemption of the bills of the bank at that point, which proves that ten per cent. is fully equal for all demands from that quarter; and also proves that the public prefer bills to specie, for ordinary business transactions.

We found on an examination of the profit and loss account of the several banks, that some portions of them received a premium, varying from one-fourth to one-half per cent. for drafts at sight on New York and Boston. Of this practice we do not complain, provided it is not made a condition upon which they discount the paper offered at the counter. There are, undoubtedly, many cases when it may be an accommodation to the customer of a bank, to obtain a draft on some bank in New York or Boston, by paying a fair premium for the same; and as the deposits of the banks in this State accumulate at those points by the legitimate course of trade, why should not they be permitted to make the same use of them as any mercantile house would, under similar circumstances. It is true, when the money market becomes stringent in our commercial cities, great inducements are not unfrequently held out to the officers of banks to furnish facilities at rates not to be realized by the ordinary course of trade; and it is the opinion of many, that the officers of these institutions, do, under such circumstances, make use of their funds abroad, to the exclusion of the business in their own vicinity. We are not satisfied that this opinion is well founded as

respects the great portion of the banks. If there are any exceptions, it should in our judgment, be confined to some two or three, as a very general preference has been given to good paper at home. It not unfrequently happens, that notes are offered for discount that may be good, and the bank have the ability to discount them, yet the parties are not sufficiently known, to have the confidence of the directors, or may be of such a character as to be inconsistent with the interests of the bank to discount. It should also be borne in mind that directors and other officers of banks have a great responsibility resting upon them, requiring much discretion in its exercise. To avoid losses is a prominent duty they owe to the stockholders and the public; and as it is impossible to discriminate correctly in all cases, that they should sometimes err is to be expected; and those who offer paper for their investigation should not charge them with partiality, without good evidence. The offerer of paper not unfrequently entertains a very different opinion of its value from that of a board of directors.

Those banks that have formerly been under the necessity of taking a large amount of real estate for debts previously contracted, have been gradually lessening the same, until many of them have disposed of the whole, except their banking house; and we have been assured by the officers of those who have not as yet been so fortunate as to accomplish so desirable a result, that no pains shall be spared to close the balance at the earliest period, as it is most manifestly injurious to the interest of all concerned, to hold it a moment longer than is necessary to an advantageous sale.

One of the provisions of the revised statutes, requires the cashiers of banks to give notice to the assessor of the towns where owners of bank stock reside, the market value of such stock during the month of September next, preceding the time required by law for giving such notice. This provision was made by the last legislature. The law had for many years required assessors to place bank and other stock that were taxable in the list at its value; which value was to be fixed by them as the value of other property. The propriety or good policy of the provision made at the last session is very much doubted by many. The tendency of it is to induce a fictitious or a fraudulent value, and in some instances to operate very unequally; a few individuals, owning stock, by a combination with each other, can either raise it very considerably above its real value, or depress it much below, and that too without the knowledge of the cashier; for he can be governed in his action only by the sales made during the month of September.

If two or more stockholders were disposed so to do, they might make a very few sales during that month to each other, at a price far above its value, and by so doing, the cashier would be bound to return it to the assessor at that price, and by the publicity so given innocent persons might be led to make purchases; so on the other hand the same persons could by mere fictitious sales during the month of September, cause a return to be made much below the value, and thereby deprive the public of its just proportion of taxes, and also induce those less informed to sell their stock at a loss. Besides, if no efforts were made to either increase or diminish the value of the stock, the opera-

tion of the law will be unequal. The stock of a bank that declares a dividend in the month of October, will be just as much higher as the amount of the last six months earnings, so that stock that would sell at one hundred and three in September, would bring but par after the dividend. There would be just as much propriety in making a law that the interest should be added to the principal on notes of hand, that are taxable for the purpose of taxation, as there is in the present law relating to bank stock. If there were any considerable sales of stock in this State by which a market value could be fixed by a competition, the case might be different, but there are but very few sales made, and it may be seen by reference to the report of last year nearly one-half of the capital stock of banks in this State is held by the State, school fund, school, ecclesiastical and other societies, and in trust for minors and others, and females, and a large portion of the balance is held by elderly people who have no wish to change the same.

The whole amount of banking capital paid in on the first of April last, was eight million nine hundred eighty-five thousand nine hundred sixteen dollars, seventy-six cents, (exclusive of the amount in the Winsted Bank,) which will be increased the present year three hundred ninety-two thousand one hundred and twenty dollars by the amount subscribed to the four banks chartered at the last session of the general assembly, so that the whole amount of banking capital in the State paid in will be \$9,378,036 76.

There is about two and a half millions of chartered capital located in different parts of the State that has not yet been taken up, and which the directors or stockholders now have the right to add to the above amount of \$9,378,036 76.

The aggregate circulation and loans of the banks at three different periods of the year ending April 2d, 1849, is as follows :

	Circulation.	Loans.
April 2d, 1849,	\$4,891,265 06	\$13,424,653 99
October 1st, 1848,	4,023,235 06	13,281,093 33
April 1st, 1849,	4,511,571 06	13,740,561 07

Showing a decrease of circulation between the two first periods above named of \$868,030 00, and between the two last, an increase of \$488,246 00, and at the last mentioned period \$379,094 00 less than April 1st, 1848.

Showing an increase of loans and discounts, since Oct. 1st, 1848, of \$359,497 74, and since April 1st, 1848, of \$315,937 08, which increase is about the same amount as that of capital and additional surplus made the past year.

Three of the banks chartered by the last legislature had commenced business before the first of April last, and exhibits made to us indicate that a prosperous business may be done at the points where they are located, and that facilities of the nature that banks usually furnish were required at those points. The caution and prudence evinced by the officers in their preliminary arrangements, augur well for the interests of the stockholders and the public. The Winsted Bank did not go into operation until about the 20th of April, consequently, no statement is

made of that institution. We have received a note from the cashier of this bank since the commencement of this report, saying that \$37,375 of the capital is paid in, and bills discounted to the amount of \$27,854 42, and the circulation \$22,400.

Annexed hereto may be found an abstract of the condition of all the banks in this State, as made from the returns to us about the first of April last. Also, an abstract of their condition for the last thirteen years, and also a balance sheet of each bank.

All which is respectfully submitted.

NELSON BREWSTER, HENRY G. TAINTOR, STARR FERRY,
Bank Commissioners.

HARTFORD, May 9th, 1849.

Condition of the Banks in Connecticut, April 1, 1849.

NAMES.	RESOURCES.				
	Specie.	Due from Banks.	Due from Brokers.	Stocks, Bonds, &c.	Bills Discounted.
Hartford,	\$72,744	\$85,042	\$23,752	\$2,094	\$1,845,612
Phoenix and Branch	59,794	60,629	45,390	.....	2,086,408
Farmers and Mechanics,	46,160	36,427	2,489	8,666	1,055,063
Exchange,	31,904	39,513	3,528	8,360	975,178
Connecticut River Co.,	13,000	13,637	22,064	18,000	362,291
New Haven,	21,915	87,306	.....	38,436	488,696
New Haven County,	23,219	63,667	65,686	52,239	586,460
City,	19,578	86,164	62,626	5,000	578,567
Mechanics,	20,597	70,404	.....	.....	511,091
Bridgeport,	21,570	97,223	11,000	28,376	344,407
Connecticut and Branch,	25,191	76,138	23,907	52,419	406,925
Fairfield County,	17,841	30,026	.....	37,239	217,814
Stamford,	9,774	9,420	21,488	7,331	126,213
Danbury,	11,661	11,808	.....	51,713	142,526
Norwich,	12,097	19,408	.....	37,192	294,219
Thames,	9,517	10,513	.....	5,565	365,177
Merchants,	7,335	17,417	346	.....	302,731
Union,	8,414	40,662	.....	.....	142,690
Whaling,	7,800	18,473	4,000	29,067	193,643
Stonington,	8,579	3,779	.....	.....	102,660
Mystic,	5,132	2,130	2,000	.....	101,769
Jewett City,	3,736	3,678	.....	4,650	67,221
Middletown,	20,765	8,717	18,352	9,158	493,621
Middlesex County,	10,661	10,199	16,405	.....	311,136
East Haddam,	7,299	1,706	9,675	5,578	130,329
Saybrook,	6,405	7,159	13,315	.....	51,178
Tolland County,	13,426	22,327	.....	.....	197,894
Thompson,	5,546	16,572	.....	20,000	71,695
Windham County,	6,570	35,264	.....	.....	100,732
Windham,	4,332	12,658	3,000	704	77,457
Meriden,	7,422	6,500	.....	.....	219,260
Iron,	13,275	42,439	.....	.....	212,323
Waterbury,	6,223	20,895	20,297	265	75,082
Manufacturers,	3,675	1,280	16,531	285	59,033
New London,	5,006	10,257	.....	.....	193,327
Quinnebaug,	7,566	7,851	.....	99,662	250,130
	\$575,676	1,087,757	385,858	522,010	13,740,591

Bank Statistics.

15

NAMES.	LIABILITIES.				
	Capital.	Circulation.	Deposits.	Due Banks.	Surplus.
Hartford,	\$1,134,600	\$484,011	\$216,434	\$66,539	\$134,088
Phoenix and Branch,	1,285,600	530,016	281,784	26,181	113,013
Farmers and Mechanics,	545,200	340,378	180,998	28,001	75,387
Exchange,	525,000	248,732	257,974	19,010	36,640
Connecticut River Co.,	250,000	119,343	53,499	927	8,525
New Haven,	364,800	136,756	97,746	27,066	12,099
New Haven County,	515,675	189,007	65,400	17,055	26,000
City,	500,000	172,378	90,375	15,010	24,110
Mechanics,	300,000	153,096	114,372	45,142	18,707
Bridgeport,	210,000	207,215	87,627	11,906	29,114
Connecticut and Branch,	327,100	171,000	81,268	14,276	29,688
Fairfield County,	100,000	171,830	19,795	5,381	16,755
Stamford,	60,000	86,540	30,244	1,869	5,639
Danbury,	89,500	106,267	24,699	2,771	9,997
Norwich,	210,000	80,514	52,623	24,066	9,709
Thames,	262,400	87,793	45,266	3,474	4,051
Merchants,	191,741	70,853	77,696	4,462	7,158
Quinebaug,	250,000	72,834	46,764	9,885	6,148
Union,	100,000	73,970	11,578	2,493	9,000
Whaling,	163,750	54,559	23,904	3,770	9,194
New London,	150,875	44,487	11,626	57	4,562
Mystic,	52,700	46,193	8,622	1,292	7,268
Southington,	59,650	39,354	15,166	1,719	9,173
Jewett City,	44,000	34,822	2,961	1,141	2,533
Middletown,	369,300	95,784	50,523	8,597	28,061
Middlesex County,	221,000	87,789	28,893	2,259	7,432
East Haddam,	71,240	52,642	24,262	2,911	8,756
Saybrook,	23,650	37,800	17,544	2,224	.....
Windham,	60,000	31,717	6,123	142	2,254
Windham County,	62,700	74,990	3,578	.....	3,178
Thompson,	60,000	47,360	3,503	2,101	3,127
Tolland County,	80,800	86,819	45,844	10,181	14,800
Meriden,	155,000	66,286	7,459	1,900	2,592
Iron,	105,580	123,717	31,698	822	5,652
Waterbury,	47,785	48,411	31,036	.....	.....
Manufacturers,	36,270	36,414	11,359	.....	.....
	\$3,965,916	4,511,571	2,100,272	364,966	684,316

OHIO.

Condition of the Banks of Ohio.

LIABILITIES.	55 Banks, May, 1847.	54 Banks, November, 1848.	56 Banks, May, 1849.
Capital,	\$5,071,729	\$6,654,418	\$6,914,943
Circulation,	7,281,029	9,166,630	9,251,260
Deposits,	3,356,837	4,170,360	4,330,233
Bank Balances,	1,051,860	980,170	745,131
Bonds,	806,000	1,091,212	1,034,665
State Tax,	17,864	18,750	26,688
Surplus Fund,	269,004	495,430	503,733
Miscellaneous,	474,406	411,906	1,170,422
Total Resources,	\$19,323,719	\$22,978,926	\$23,976,075

RESOURCES.	May, 1847.	November, 1848.	May, 1849.
Loans,	\$10,936,661	\$12,673,848	\$14,981,133
Specie,	2,026,551	2,900,700	3,026,375
Bank Notes,	1,081,561	1,259,437	1,176,088
Bank Balances,	519,868	990,162	957,886
Eastern Funds,	1,262,166	1,656,554	971,966
State Bonds,	1,170,270	1,799,451	1,891,376
Miscellaneous,	1,331,640	833,744	972,672
Total Resources,	\$18,328,719	\$22,978,926	\$23,976,075

§3—For particulars as to the various items of Resources and Liabilities of the several Ohio banks, our readers are referred to pp. 219, 604, of our preceding volume. Two new Branches of the State Bank of Ohio have been established since November, 1848,—viz :

Guernsey Branch Bank, Washington,	Capital, \$59,990
Licking County Bank, Newark,	“ 42,000

Although Ohio is the third State in the Union as to population, its bank capital is not two-thirds of that of Rhode Island, with a population of about 135,000.

THE ROYAL MINT—COMMISSIONERS' REPORT.

The commissioners appointed to inquire into the existing constitution of her Majesty's Mint, and the alterations required in its present official arrangements, have recently published a very able Report, from which the following description of the Mint has been compiled :—

The constitution of the mint, in regard to its personal establishment, is composed of three principal branches—the general government, the operative, and the “check” department—under one or other of which the duties of the various subordinate members necessarily place them. The exact theory of this organization is no where to be found on record; but it is marked out by the general tenor of the “master's indenture,” the sole written authority by which the mint is constituted, and is in close accordance with the practical working of the system.

The general government is vested in the master and his deputy, assisted by the mint board. The appointment of master having, however, for many years past, been held with another office, he has usually taken little part in the management; and the deputy master, as his representative, is consequently the real executive head.

The board of principal officers is conjoined in the superintendence, but has no independent powers apart from him; nor are those which it can or ought to exercise with him, defined with any precision. Its authority is chiefly exerted in ordering prosecutions for offences against the coinage laws; in regulating the internal arrangements, or what may be termed the police of the mint; in sanctioning certain minor heads of expense; and in engaging any extraordinary assistance needed in the working departments. Some of its attributes, as described in the indenture—such as the impressment of workmen, and the discretionary punishment of the moneys, if refractory—are obsolete powers exer-

cised by the master and the principal officers in former times, but wholly inapplicable to present circumstances; and none of those possessed by it are at all necessary to the good government of an establishment so purely executive, and, consequently, so little calling for the exercise of deliberative functions. One of the most marked defects in the constitution of the mint is the absence of any undivided controlling authority, capable of acting with the vigor and promptitude peculiarly required in an establishment of which the responsibility, however great in amount, is limited in its compass, and, unlike that of the great revenue departments, which extends over the ramifications of a widely-spread administration, connected with all the trading interests of the country, is restricted to the details of a single and definite object, confined to a particular locality, and having neither influence nor relations beyond the walls of the mint. The occupation of the operative branch is that of fabricating coin of standard weight and fineness, and of certain prescribed forms and denominations, from the bullion introduced, or, according to the official term "imported," into the mint for the purpose of coinage. Formerly, the master and worker was an interested as well as responsible agent in this work, deriving the larger portion of his emolument from fixed rates per pound weight, out of which he defrayed, at his own risk, all the expenses of manufacture. Latterly, this uncertain profit has been commuted for a fixed salary; his practical intervention in any part of the work has wholly ceased; and although his responsibility still subsists, he is left with only a nominal control over the parties by whom the work is performed, the order of whose duties is as follows:—The master's assayer, an officer paid partly by salary and partly by fees, determines the fineness, and consequently the value of the gold and silver bullion "imported," and directs the proper combination of the ingots for producing standard bullion when melted.

The melter and refiner converts the bullion thus prepared into bars of standard fineness and of the proper form and dimensions for the subsequent operations of coinage. He is nominally the master's first clerk, but receives no salary, and performs no duties in that capacity. His responsibility and his emolument are wholly determined by formal agreements with the master, and by the amount of work executed in conformity with these written obligations, which leave him at liberty to carry on, also in the mint, the operations of refining and melting on his personal account.

The privilege thus allowed appears to us particularly objectionable in regard to the refining process, which cannot, like that of melting, be carried on under the constant supervision of a "check" officer, but must be left to the refiner's own discretionary management, and unavoidably leads to a mixture of the precious metals belonging to the mint with that under the operation of refining on his own account. His sole obligation is to return such quantity of fine gold or silver respectively, as the metal delivered to him may be computed to contain, according to the assay previously made of it; and it hence becomes impossible to ascertain that the property confided to him on the public account is not made in some measure available as capital for carrying on his private business.

The company of moneyers, consisting at present of the provost and four other members, besides two apprentices, execute all the work of converting the bullion, as received from the melter into coin. Their work is open to inspections during its progress, and is held liable to be finally rejected if not properly executed; but there is no intervention in their operative proceedings beyond this ultimate check. They account for the whole of the bullion delivered to them against all risk, and it accordingly remains in their sole custody during the progress of the work.

Their responsibility and emoluments are, like those of the melter, determined by the conditions of a formal written agreement; but when the yearly value of the coinage falls short of £500,000, each member of the company is entitled to an allowance of £40, under a treasury order, dated March 24, 1743, which assigns as the motive for this allowance, "that they may not be too far exposed to temptation by their necessities."

Although they assert a privileged and exclusive right, and acknowledge a reciprocal obligation to perform the work for which they thus contract, yet when called upon by the master of the mint in his official capacity, and required by us, as your majesty's commissioners, to submit their books to our inspection, they refused to produce that containing the general account of their receipts and disbursements, called by them their "cash book." They had previously produced certain other books and documents, some of general record, others of account, relating to their functions in the mint, but from such cursory inspection of them as it was possible to make in the presence of one of their body, and from subsequent explanation, it was found that these books and documents did not furnish any satisfactory information respecting their working expenses or losses, this being obtainable only from the "cash book." Their attention being then drawn to the fact, that no conclusion could be formed respecting the fairness of their contract, if the particulars of their working expenses and loss by waste were not disclosed, they still persisted in withholding this book, and insisted that their statement of their expenses and profits, consisting of gross sums wholly unexplained, should be received without other proof of its correctness than their own allegation.

It appears that they also possess, in their alleged corporate capacity, both freehold and personal property. They consider this property as "private," and deny the right of the government to call for any information respecting it; and although they have communicated some circumstances of its nature and amount, they are insufficient to show the extent of the profits derivable from it, which can only be ascertained by reference to the "cash book" already mentioned, in which, as stated by them, all their money transactions, including the periodical division of their profits of every kind, are recorded. When asked to declare the amount received by each moneyer on this division for a specified period, the reply of the provost was, "I cannot tell you, for I keep no private accounts. I have kept no private accounts since I have been a moneyer;" and the senior moneyer replied to a similar question, referring to the year 1847, that he knew neither what the provost might have

received, nor what he had himself received in that year, although he admitted that he had kept the accounts of the company since 1840, and had most likely assisted in making the distribution for the year 1847.

The company is continued by electing new members from among the apprentices, each of whom pays £1,000, as an apprentice fee, and serves at least seven years before he can be elected a moneyer; but it is provided by the present indenture, that no new apprentice can be taken without the previous written sanction of the master of the mint, a condition which appears to have been insisted on by the treasury since the early part of the last century.

The chief engraver, an officer paid for his services by a fixed salary, but with the liberty of continuing the private exercise of his profession, designs and executes the dies requisite for the impression of the various coins authorized to be struck. The superintendent of machinery, a salaried officer, first appointed in 1816, who combines with this office that of clerk of the irons, has the general charge of the machinery and apparatus, and superintends some part of the work of preparing the dies for use.

The irregular and discordant character of the arrangements for the work of the coinage is sufficiently manifest from this description of them. The master retaining the title, and even the responsibility of "chief worker of the mint," is divested of the functions and control specially belonging to this designation, without being enabled to act efficiently as a general superintending head of the establishment. The greater part of the operative duties devolves on parties nominally subordinate, but practically independent, who discharge them, not as executive officers of the government, but in the capacity of contractors, with specific obligations and liabilities. The remuneration to which these entitle them is both arbitrary in rate and unlimited in amount; for, although the prices stipulated purport to be the result of previous bargain, they cannot if the moneyer's pretensions are submitted to, be regulated by competition, while the work is so little of the nature of ordinary employment, that they can scarcely even be subjected to comparison, and the experienced result is, that they are determined by precedent.

It accordingly appears that, while the commercial prices of melting gold and silver bullion have been reduced within the last twenty years in the proportion of a third, the melter's rates are still the same as were fixed in the year 1815. The prices of the moneyers' contract have, in like manner, continued without change from the year 1770; and although a charge has since been imposed on them of part of the working expenses of the new machinery introduced when the mint was rebuilt, by which their previous manual labor was superseded, and their operations were, of course, proportionately facilitated, it forms only a small percentage on the average amount of their receipts. At these respective rates, the joint amount of the clear profits admitted to have been made on the two contracts in a single year, that of 1843, exceeds £30,000.

The "check" department comprises offices partly of great antiquity, but in part also of comparatively recent origin, the order of whose functions is as follows:—The comptroller exercises a general supervision over the whole of the mint accountability, both operative and financial,

extending in some degree to every transaction which involves responsibility for either money or bullion. His power of control is, however, of a negative character, as he can neither reverse nor stop, by his authority, any proceeding which he may deem improper, although he may withhold his requisite concurrence, or may resist it as a member of the mint board. The queen's assay-master's functions of control are less comprehensive than those of the comptroller, being chiefly directed to the chemical examination of the metal composing the coin, both during the progress of fabrication and after completion; but his power of intervention is greater, as it enables him to direct the re-combination and re-melting of any bullion which he may find to deviate from the standard of fineness. His office is accordingly the most effective check on all the proceedings of the operative departments, and is the principal guarantee for the integrity of the coin put in circulation; and, although of great antiquity as well as importance, the definite and unvarying nature of its object exempts it in a great measure from the need of revision. The queen's clerk exercises a restraining authority of the same kind as that of the comptroller, but of more limited extent. The surveyors of the meltings and of the money presses respectively attend the operations of the melter and of the moneymen, and exercise some specific powers of control over their proceedings. The clerk of the irons, whose appointment is united with that of superintendent of machinery, is the officer whose duty it is to check any surreptitious or irregular use of the dies, both when in use for the coinage and when in progress of manufacture or repair, and is responsible for the safe custody of them when not in use. The most important defect in the "check" branch, considered with relation to the security which it affords, is the want of sufficient precision in the regulations by which its proceedings are directed, and of proper connexion between the several members of which it is composed. With relation, however, to the general system of the mint constitution, it seems to be misplaced. Excepting the peculiar duties of the queen's assay-master, all the controlling powers above described truly belong to the chief superintending authority in the establishment. They were properly ascribed to co-ordinate officers, when the master had a personal interest in the transactions subject to control; but, placed in the hands of officers now deemed subordinate to him, when he has ceased to be an object of reasonable jealousy, and ought to be himself the chief official check on the integrity of others, they manifestly stand in an inverted order.

The constitution thus described presents to view anomalies and contradictions of the most remarkable kind. The ostensible head of the department is designated by a title, the proper functions of which he does not exercise; he is held bound, nevertheless, by the responsibilities belonging to the title, while enjoined to delegate the functions, and permitted to transfer the primary obligations to other parties; and he is subject, as respects these responsibilities to the control of officers, who are at the same time deemed subordinate to him. The executive establishment is split into sections, which act independently the one of the other, and almost independently of any superior authority. They exercise their functions on different principles; and receive their remuneration

ration from different sources, and in different forms. And one of them, arrogating to itself a close monopoly of its particular employment, nevertheless denies to the employer, by withholding necessary information, the means of equitably regulating the terms of remuneration, though his right to decide upon them cannot be disputed. And, finally, a deliberative governing body is solely occupied in controlling executive details, for which, collectively, its members have no responsibility, and of which, individually, they have no direct knowledge. These inconsistencies may, in part, be inseparable from the circumstances with which they are connected; but there can be no doubt that they chiefly arise from the partial and unsystematic nature of the successive modifications which the mint constitution has undergone: and we are persuaded that they can be thoroughly remedied in no other way than by an entire reconstruction of the system, on uniform principles adapted to present circumstances, and to the general progress of improvement in manufacturing science.

The following is the establishment of which the mint at present consists:—

1. A master and worker. The salary is £2,000 a year. The office of master of the mint is usually conjoined with some other high official situation. In 1845, the Right Hon. W. E. Gladstone was president of the board of trade and master of the mint, and he was also a cabinet minister; on his retiring from office, his successor in the mastership of the mint was vice-president of the board of trade, but was not in the cabinet.

2. The principal officers, forming a board, viz:—

The deputy master,	Comptroller,
King's assay master,	King's clerk,
Superintendent of machinery and dies.	

3. Officers in the service, viz:—

The master assayer,	Probationer assayer,
Weigher and teller,	Surveyor of meltings,
Surveyor of money-presses,	Chief engraver,
Second engraver,	Medallist,
Clerk assistant and deputy master.	

Besides these there are four clerks in the mint-office, two porters, and two or three other inferior persons.

The following is the process which at present takes place, from the time at which an ingot of gold is imported into the mint, to the period when it is issued from the mint in the shape of money, as stated in evidence to the committee on the royal mint, April 18, 1837, by J. W. Morrison, Esq., the deputy-master.

The bullion or ingots are brought to the mint, and it being ascertained that such ingot has been melted by approved refiners in the trade, and also an assay upon the purchase by the king's assayer, they are taken into the master's assay-office, where pieces are cut out for him to assay; the ingots are then locked up under the keys of the deputy-master, comptroller, and king's clerk, and as soon as the ingots are re-

ported by the master assayer, they are weighed by the weigher and teller in the mint-office, in the presence of the importer and the mint officers and the clerks, who calculate the fineness of each ingot, and ascertain the standard value of the whole importation, when a mint bill and receipt is given to the importer, signed by the deputy-master and witnessed by the comptroller and king's clerk; the mint being bound to return an equal weight of standard coin. The ingots are then made up into pots of a certain weight, and a portion of alloy or fine metal calculated, which is to be added in the melting to produce the standard; they are then cast into bars fit for the moneyer's operation; an assay being made by the king's assayer, with reference to the delivery of the bars, from a sample taken from each pot by the surveyor of melting for that assay, the moneyer rolls the bars to proper thickness, and cuts out the piece for the stamping of the intended coin; and having made that piece of the right weight, they are coined, and are put into bags of a given weight to be examined by the king's assayer, the comptroller, the king's clerk, weigher and teller, at the process called the *pix*.—[*Bohn.*]

THE GOLD MINES OF SIBERIA.

From the Newark Daily Advertiser.

The mines, the commerce, and the population of Siberia, are entitled to far more attention, especially in this country, than they have ever received. More important to Russia than India is to England, that remote region is to the great northern power what the west is to us—the natural and congenial prolongation of her empire, the field of enterprise for her more active and energetic sons, and the fruitful source of wealth and political aggrandizement. And yet, bounded by the shores of the Pacific, it seems plain that the whole, or nearly the whole of its foreign commerce on the ocean will ultimately fall into our hands. Its only sea coast, at all available, lies, fronting our own California and Oregon settlements, and an active and mutually beneficial intercourse must soon spring up between them.

Since our first national existence, Russia has looked upon this country with a friendly eye. And no foreign power has a juster estimate of us than her present Emperor. It is remarkable, that he has passed by England to come here for his model war steamer, and here too he found engineers and machinists to construct his gigantic system of rail roads. And there is good reason to believe that the friendly relations, now so happily existing between us, must become more intimate and important. We may well therefore, take note of whatever concerns the character and development of the largest of all empires, whether of ancient or modern times.

The mines of Siberia, from their number and richness, are one of its most distinguishing features. They yield gold, silver, copper, tin, lead, zinc, and quicksilver, and an inexhaustible abundance of that most useful metal—iron. The iron mines are in the far east, that is, the nearest approaching our far west: they are at Nertchinsk, on the head waters

of the Amour, a noble river emptying into the Pacific by a mouth nine miles wide, and for a large part of its course, full 1500 miles, navigable by steamboats. How tempting a theme for philosophic speculation—American steamers soon to sail on the broad Amour! Such beyond doubt, is the natural and unavoidable progress of events. Before 80 years have passed, our population will have numbered more than 200,000,000, and long before then, a voyage on the Amour, strange as it now sounds, will be a familiar affair in American enterprise. There is still an untold significance in that old prophetic line, “Westward the star of empire takes its way.” Truly, “there is a tide in the affairs of men” flowing sublimely and irresistibly on, and now, more than ever before, we are able to get a glimpse of that vast and magnificent future to which it is bearing the human family.

More gold, as a preparation for such a future, considering the increase of population, is absolutely necessary for convenience, as well as desirable for ornament; and gold, from Siberia as well as from California, seems to be forthcoming, as to a providential call. Our accounts of the Siberian gold mines are fragmentary, still enough is known to show their high importance. In 1847, the produce was \$18,000,000. In 1848, it was a fraction short of \$20,000,000. These mines are wrought by private enterprise and a single family, the Demidoff, married to a niece of Napoleon, is said to have long received every year the enormous sum of \$2,000,000, in gold and other metals. In Siberia, the same as in California, every one is allowed to dig, except on private lands, and the very poorest often become the most rich. There is a lump of gold in one of the cabinets of St. Petersburg weighing 78 pounds, the largest in the world: worth, at \$16 the ounce, full \$15,000. The government receives fifteen per cent. for transporting the metal, coining it, and delivering the coin. Hence the Russian treasury is overstocked with cash. At the date of March 31, 1847, the gold bullion, entirely unproductive, in the imperial treasury, amounted to \$85,000,000. By an order then issued, \$22,500,000 was invested in public stocks—mostly French and English. And again in May 1848, there was lying idly in the vault \$82,000,000. This goes beyond the plethoric hoardings of our own sub-treasury; though to our advantage in the comparison, it must be remembered, that the Russian government debt rises \$250,000,000 above ours.

The great extent of the Siberian placers are worthy of special study as regards their bearings on this history of the future. They are larger than those of California even according to our widest calculations. To exhibit the estimate formed of them by those competent to judge, we recur to the recent work of Sir George Simpson, Governor of the Hudson Bay's Territories in North America, and also to that of Sir R. J. Murchison, President of the Geological Society of England. Both of these most intelligent persons have visited Siberia. Sir George says:

“The whole surface of the country from the Uralean Mountains to the Yablonnoi chain, would appear to be one vast bed of the precious metals. The government reserves to itself all the mines, turning them to excellent account, both as sources of revenue and penal colonies.—The washeries, however, are open to private enterprise. When capi-

talists wish to embark in the work, they employ peasants of experience, and there are instances in which peasants have earned \$40 a day during the two or three months of the working season.

"As an instance of the speculative character of this occupation (i. e. the mines,) one individual, who embarked in the business about three years ago, obtained no returns at all till this season, when he was richly repaid for his outlay of more than a million of dollars, by obtaining gold to the amount of \$4,200,000.

"The precious metals are more abundant in Siberia than in all the rest of the old world, the most precious of them being perhaps more plentiful than in all the rest of both hemispheres taken together.

"At present the mines and washeries are very unfavorable to the settlement and cultivation of the country, by calling away laborers from more steady occupations to the pursuit of precious metals. Already has the effect been seriously felt in Kra-noyarsk, where a pood* of meat has risen in ten years from \$1 35 to \$15, and where fowls have risen from 20 cents a piece to \$1 20. When, however, these mining and washing operations shall have been reduced to a more regular system, they will afford an extensive market for the produce of the surrounding country, and thus in the end become the firmest support to the very agriculture they now embarrass.

"Setting aside the temporary distraction and embarrassment which a new and brilliant speculation must occasion to more steady pursuits, these establishments, as a whole, must be allowed to produce a vast demand for labor, and to yield a profitable return for capital. But they are in my opinion destined to be of political importance as well as of commercial value."

Sir R. I. Murchison, knighted for his geological researches, says :

"It is a fact, that within the last four years only, A TENTH PORTION OF the earth's surface, Chinese Tartary and Siberia, has been for the first time made known to us as in many parts AURIFEROUS ; and when, from one portion of it only, Europe is already supplied with so large an amount of her chief circulating medium, well may political economists beg for knowledge at the hand of the physical geographer and geologist, and learn from them the secret on which the public faith of empires may depend."

These Siberian gold regions, the description of which reminds us of the daily accounts from California, began to be discovered some twenty years ago quite extensively—though during the last ten years only has their vast value been fully revealed. Simpson, like a true Briton, hints at their "political importance"—possibly remembering that, during the Napoleon wars, British gold set the continental armies in motion against France : and that Russia now has not only an army of near a million of men, but a tremendous purse to sustain it on a vigorous war footing, independent of England. For ourselves, we are not inclined to the gloomy view of this subject, but would rather regard these recent discoveries as furnishing the necessary means and resources of the age progressively opening upon the world. Civilization has shone only on small patches of Europe and America. It must yet spread over the globe.

* 86 lbs.

NEW BANKING LAW OF NEW YORK.

COMPTROLLER'S OFFICE, *Albany, May 1st, 1849.*

Sir :—I transmit to you herewith, a copy of two acts of the Legislature, passed at the recent session, containing provisions of much importance to the banking institutions of the State.

The first of these is an act amendatory of the general banking law. It will be perceived that the first section makes a material change in the character of the stock securities required to be deposited with the Comptroller, as a security for the redemption of circulating notes. Under the previous law, the Comptroller could receive no other than stock of the State of New York, bearing, or made equal to six per centum. The present act provides that one-half the amount of stock securities deposited in this office, may consist of stocks of the United States, "in all cases to be, or to be made equal to a stock producing an interest of six per cent. per annum."

Banking Associations and Individual Bankers who have heretofore deposited stocks of this State, and who may desire to avail themselves of this provision, will be permitted to withdraw the securities now held, and to substitute therefor stocks of the State of New York and stocks of the United States in equal proportions.

The succeeding sections of the act referred to, are intended to enable the stockholders of the safety fund banks, as their respective charters shall expire, to preserve the continuance of their institutions, by a re-organization under the provisions of the general banking law and the several acts amendatory thereof.

To facilitate the transition from one system to the other, without embarrassment to the banks, or the community, the Comptroller is authorized to receive a deposit of securities in amounts of not less than \$10,000, which may be increased from time to time for three years, within which time the deposit must be made equal to the minimum sum of \$100,000, required to be pledged by associations formed under the original provisions of the general banking law.

By the second of the acts hereto annexed, the Legislature have prescribed the manner of giving effect to the provision of the Constitution which imposes a personal liability upon stockholders in moneyed incorporations, in the event of their failure.

The nature and extent of this liability is wisely defined, to the end that each stockholder shall be responsible for himself only, for an additional amount equal to the stock he may hold, and that our citizens investing their capital in moneyed institutions may know in advance, the utmost limit of the liability to which they may be subjected.

It is hoped and believed that the provisions of this act, will be satisfactory to those interested in our banking institutions, and to the community at large. The interest of stockholders and of the public, in respect to the soundness and safety of the capital employed in the business of banking, may be regarded as identical. It is conceived that the limited liability now imposed, so far from exposing shareholders to

increased hazard, will tend to ensure the safety of their investments by inducing vigilance and prudence in the administration of their affairs, and thus afford new safeguards for the protection of their own interests and the rights of their creditors.

With this additional inducement to the exercise of reasonable care, and with the results of past experience to serve as a warning against the danger of illegitimate and expansive operations, it is hardly conceivable that a moneyed institution possessing a *bona fide* capital and administered under the guidance of honest directors, should suffer a loss of its entire capital and expose its owners to further contributions.

Very Respectfully,

WASHINGTON HUNT, *Comptroller.*

CHAPTER 313.—An act amendatory of the act entitled “An act to authorize the business of Banking,” passed April 18, 1838, and the acts amending the same.—*Passed April 10, 1849.*

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

SEC. 1. The stocks which banking associations or individual bankers now or hereafter to be organized under the provisions of the act “To authorize the business of banking,” passed April 18, 1838, and the amendments thereto, shall hereafter deposit with the Comptroller, shall be New York State Stocks, in all cases to be or to be made equal to stock producing six per cent. per annum; or at least one-half the amount so deposited shall be in the stocks of the State of New York, as before mentioned, and not exceeding one-half in stocks of the United States, in all cases to be or to be made to be equal to a stock producing an interest of six per cent. per annum; and it shall not be lawful for the Comptroller to take such stocks at a rate above their par value, or above their current market value.

SEC. 2. The shareholders or a majority of them in amount, who shall be owners of any incorporated bank, continuing the business of banking until the expiration of their charter, and who shall have associated themselves for the purpose of banking, under the provisions of the act to authorize the business of banking, passed April 18, 1838, and the amendments thereto, shall be entitled to receive from the Comptroller, who is hereby authorized to issue to the association so formed, circulating notes in amounts of not less than \$ 10,000 upon the deposit of securities of the kind required by the provisions of the above mentioned act, and the amendments thereto, to an amount equal to the circulating notes so issued. But if such banking association so formed, shall not have deposited with the Comptroller, during the three years next following the date of their articles of association, an amount equal to that now required by law of banking associations, as security for circulating notes previous to commencing the business of banking, the Comptroller is hereby empowered to retain the interest accruing upon securities so deposited until such association has complied with the provisions of the act above recited in relation to the amount of security to be deposited in the office of the Comptroller.

Sec. 3. If the shareholders or a majority of them in amount of any incorporated bank, within one year of the expiration of its charter, shall file with the President thereof a notice in writing, that they intend to avail themselves of the provisions of the second section of this act to associate for the purpose of banking, it shall be lawful for the directors of said bank to purchase and hold such stock and other securities as the Comptroller is or may be authorized to receive for circulating notes under the provisions of the act to authorize the business of banking, passed April 18, 1838, and the various acts amending the same, to such an amount as they shall deem for the interest of the shareholders thereof.

Sec. 4. An association heretofore or hereafter formed to take the place of an incorporated bank whose charter has expired, or is about expiring, may, where all the stockholders of such incorporated bank have assented to its organization, under the act to authorize the business of banking, take and hold, in addition to such real estate as is prescribed by the twenty-fourth section of the act to authorize the business of banking, such other real estate as at the time of the transfer of the property of the incorporated bank having been received by it in payments of debts previously contracted to said bank, or purchased by it under judgments or decrees in chancery in favor of said incorporated bank according to law.

CHAP. 226.—An act to enforce the responsibility of stockholders in certain banking corporations and associations, as prescribed by the constitution, and to provide for the prompt payment of demands against such corporations and associations.—*Passed April 5, 1849.*

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

Sec. 1. Whenever default shall be made in the payment of any debt or liability, contracted after the first day of January, one thousand eight hundred and fifty, by any corporation or joint stock association for banking purposes, issuing bank notes or any kind of paper credits to circulate as money, after the first day of January, one thousand eight hundred and fifty, the stockholders of such corporation or association shall be individually responsible, equally and ratably, such responsibility to be enforced as hereafter provided and in no other manner for the amount of such debt or liability, with interest, to the extent of their respective shares of stock in any such corporation or association, as hereinafter provided.

Sec. 2. The term "stockholder," as used in this act, shall apply not only to such person as appear by the books of the corporation or association to be such, but also to every equitable owner of stock, although the same may appear on such books in the name of another person; and also to every person who shall have advanced the instalments or purchase money of any stock in the name of any person under twenty-one years of age, and while such person remains a minor, to the extent of such advance; and also to every guardian or other trustee who shall voluntarily invest any trust funds in such stock; and no trust funds in the hands of such guardian or trustee shall be in any way liable under

the provisions of this act, by reason of any such investment, nor shall the person for whose benefit any such investment may be made, be responsible in respect to such stock, until thirty days after the time when such persons, respectively, become competent and able to control and dispose of the same: but the guardian or other trustee making such investment as aforesaid, shall continue responsible as a stockholder until such responsibility devolves upon the person beneficially interested therein; and in respect to stock held by a guardian or other trustee, under a transfer of the same by a third person, or under positive directions by a third person for such investment, the person making such transfer, or giving such directions, and his executors and administrators, shall, for the purposes of this act, be deemed a stockholder, and the estate of such person, if he be deceased, shall be responsible for the debts and liabilities chargeable on such stock according to the provisions of this act.

Sec. 3. The persons who shall be stockholders of any corporation or association described in the first section of this act, at the time of contracting any debt or liability by such corporation or association, shall be responsible therefor, as declared in the said first section, but shall be exonerated from such responsibility in respect to any stock which shall have been transferred, previous to any default in the payment of such debt or liability, on the books of such corporation or association, to any resident of this state, of full age, in good faith and without any intent to evade such responsibility; and every assignee of any stock so transferred previous to such default, shall be responsible for debts and liabilities to the extent of such stock, in the same manner as if he had been the owner at the time of contracting such debt or liability, with the same exception in his favor, in respect to any stock transferred by him as herein provided; and the same rule of responsibility shall apply to each subsequent assignee.

Sec. 4. A book shall be provided and kept by every corporation or association described in the first section of this act, in which shall be entered the names and residences of the stockholders in such corporation or association on the first day of January, one thousand eight hundred and fifty, and the names and residences of the original stockholders of every corporation or association organized after the day last mentioned, so far as the same are known to the officers of the bank: the number of shares held by each stockholder; every registered transfer of stock upon the books of the bank after the said last mentioned day; the names of the assignor and assignee, with their residences and the number of shares transferred. The said book shall be at all times during the usual hours of transacting business, open to public inspection. A neglect to provide and keep such book ready for examination as herein provided, shall subject the corporation or association whose duty it is to provide and keep the same, to a penalty of one hundred dollars for every day's neglect. And a refusal by any officer of such corporation or association to exhibit such book to any person, demanding the inspection thereof, as herein provided, shall subject such officer to a penalty of fifty dollars. The said penalties may be sued for and recovered with costs by any person who will prosecute for the same; the one

moiety thereof to be paid to such person, and the other moiety to be paid into the treasury of this state. In all proceedings under the provisions of this act, the said book shall be presumptive evidence of the truth of the contents thereof; but such presumption may be repelled by evidence by any party or person interested in repelling the same.

Sec. 5. After the expiration of twenty days from the service of any summons and complaint or declaration or proceeding for the recovery of any demand against any corporation or association described in the first section of this act, upon any debt or liability, exceeding one hundred dollars contracted after the first day of January next, in which the precise sum demanded shall be stated, the plaintiffs shall be entitled to enter an order or rule for judgment, upon filing such complaint or other proceeding with due proof of personal service thereof upon any officer of such corporation or association, and judgment shall be rendered thereon for such demand, with interest and costs, whether an answer to such complaint or other proceeding has been served or not, unless an order shall have been filed in the office of the clerk where such judgment might be entered, granted by a justice of the supreme court or county judge, that the entry of such judgment be stayed until the issue joined or to be joined by the parties be disposed of. But no such order shall be granted without proof by affidavit to the satisfaction of such judge, that the defendant in such suit has a good defence on the merits to such demand or some part thereof arising upon facts set forth in such affidavits.

Sec. 6. Upon the return of an execution against the property of any corporation or association described in the first section of this act, unsatisfied in the whole or in part, or upon proof satisfactory to any justice of the supreme court, that any such execution although not returned, cannot be satisfied out of any property of the defendant, he shall at once make an order declaring the insolvency of such corporation or association.

Sec. 7. Any creditor of any such corporation or association having a demand exceeding one hundred dollars, arising from a debt or liability, contracted after the first day of January next, the payment of which shall have been refused by such corporation or association, may at any time after ten days from the time of such refusal, apply to a justice of the supreme court for an order declaring such corporation or association insolvent, and for an injunction as hereinafter provided. If in the opinion of such judge, upon the facts presented, it be expedient in order to prevent fraud or injustice, he may grant an order for a temporary injunction, restraining such corporation or association and its officers, from paying out or in any way transferring or delivering to any person any money or assets of such corporation or association, or incurring any debt or obligation, until such order be vacated or modified.

Sec. 8. Upon the hearing of the parties on such short notice as the judge shall appoint, he shall determine whether such corporation or association be clearly solvent or otherwise, and may require the officers thereof to exhibit any and all of its books, papers, accounts, assets and effects, and to be examined on oath touching the same, before him, or a referee to be appointed by him. If he determine that such corporation or

association is clearly solvent, he shall, notwithstanding, continue the order for a temporary injunction, if one has been granted, until the demand of the applicant be fully paid with his costs on such application; unless it shall have appeared by affidavit or otherwise that such corporation or association have a good defence on the merits to such demand.

Sec. 9. If the judge determine that such corporation or association is not clearly solvent, he shall make an order declaring the same insolvent, and shall also by order restrain such corporation or association and its officers from exercising any of its corporate rights or any rights or privileges granted to it by law, and from collecting or receiving any debts or demands, and from paying out or in any way transferring or delivering to any person any of its property, money or effects, until such order be vacated; and he shall immediately appoint a receiver of the property of such corporation or association.

Sec. 10. Any one or more stockholders of any such corporation or association owning stock to the amount of one-tenth part of the capital thereof paid in, may at any time in like manner apply to any justice of the supreme court, for an order declaring such corporation or association insolvent, or in imminent danger of insolvency. And if on the facts verified by affidavit presented, such justice shall deem it necessary or expedient, in order to prevent fraud, undue preference or injustice to creditors, he may grant an order in the nature of a temporary injunction, as specified in the seventh section of this act; upon a hearing of the parties as soon as may be practicable, he may require the exhibition to him, or to a referee to be appointed by him, of all the books, papers, accounts, assets and effects of such corporation or association; and an examination of the officers, servants and agents thereof, under oath; and if he determine that such corporation or association is not clearly solvent, or that it is in imminent danger of insolvency, he shall make an order declaring such determination, and shall by order restrain the said corporation or association and its officers, in the same manner as provided in the ninth section of this act, and shall also appoint a receiver of the property of such corporation or association.

Sec. 11. Every receiver appointed according to this act, after giving security, shall take into his possession all the property, effects, books, papers, accounts and demands of such corporation or association, including the securities, if any, which may have been deposited with the Comptroller, belonging to such corporation or association. He shall immediately give notice, by publication in such newspapers as the Comptroller or any justice of the supreme court shall direct, requiring the creditors of such corporation or association to exhibit and establish their demands before him within thirty days from the time of his appointment. Such receiver shall possess all the powers of receivers of corporations under the third article of title four, of chapter eight, and part third of the Revised Statutes in respect to the settlement of all demands exhibited to them, and in all other respects except as herein otherwise provided; and all such powers now conferred by law on trustees of insolvent debtors as may be applicable, and shall be subject to all the duties and obligations by law imposed on receivers of corporations except as herein modified.

Sec. 12. Under the direction of the Comptroller, all securities deposited with him belonging to such corporation or association, shall be converted into cash by the receiver, with the least possible delay, and the receiver shall also convert into cash the effects and demands of such corporation or association, and for that purpose may sell at auction any of the said demands which any justice of the supreme court shall authorize to be sold; and within ninety days from the time of his appointment, unless such time be enlarged by a justice of the supreme court, which may be done for a period not exceeding ninety days, such receiver shall declare a dividend of the cash in his hands among the creditors of such corporation or association.

Sec. 13. Before making such dividend, the receiver shall deduct and retain the sums necessary to defray the expenses of the proceedings, and all sums which he may have paid in order to exonerate any property of such corporation or association from any pledge for specific lien or levy, under execution or attachment. He shall then apply the money in his hands to the payment of the bills or notes held by bill holders of such corporation or association, who shall have presented the same, in just and equal proportions. If any surplus remain, he shall divide and pay the same to and among the creditors of such corporation or association having demands founded on any debt or liability contracted after the first day of January, one thousand eight hundred and fifty, whose demands shall have been ascertained, in proportion to their respective demands; and if any further surplus remain, he shall divide and pay the same to and among all other creditors of the said corporation or association whose demands shall have been ascertained, in proportion to their demands respectively. Such payments to creditors shall be made in the order prescribed by law, in respect to the duties of receivers of corporations.

Sec. 14. If there shall remain unsatisfied any debts or liabilities of such corporation or association, contracted after the first day of January, one thousand eight hundred and fifty, the receiver shall, within thirty days after the declaration of the said first dividend, and without waiting for the actual payment of the sums divided, render to a justice of the supreme court residing in the district where the business of such corporation or association was conducted, a particular account of the said debts and liabilities so remaining unsatisfied, and a preliminary account of all his proceedings, under oath, in which shall be set forth the amount of cash realized by him, the expenses and allowances claimed by him, all payments that he may have made, the amount on hand to be divided, and the dividends declared by him.

Sec. 15. The said receiver shall at the same time report and submit to such justice a true and accurate list and statement of the persons who, since the first day of January, one thousand eight hundred and fifty, were stockholders of such corporation or association, the nominal amount of stock held by each, and the residence of each stockholder; so far as the same can be ascertained. The said list and statement shall be made up from the stock books, ledger and list of stockholders kept by such corporation or association and shall show when each stockholder acquired and transferred the stock standing in his name.

SEC. 16. The said justice shall thereupon refer the said report and list of stockholders to a referee, to be appointed by him, with directions after giving notice to all persons concerned, to apportion the debts and liabilities of such corporation or association contracted after the first day of January, one thousand eight hundred and fifty, and remaining unsatisfied, among the said stockholders, ratably in proportion to their stock, according to the principles in this act declared, and to report his proceedings to such justice, or some other justice of the supreme court in the same district.

SEC. 17. The said referee shall cause notice of his appointment, and the time and place of hearing on the matters so referred to him, to be given to each stockholder whose name appears on the said list at least ten days before such time, which notice shall be served on such of the said stockholders as may then reside in the county where the principal office or place for conducting the business of such corporation or association was situated, either personally, or by leaving a copy thereof at the residence of such stockholder, with some person of suitable age, and such notice may be served upon all other stockholders, by publishing the same in one advertisement, containing the names of all such last mentioned stockholders, for at least three weeks, in such newspapers as any justice of the supreme court may direct, and the same shall always be published in the paper designated by law for the publication of legal notices, and in a paper if there be one, printed in the county where the chief office for conducting the business of such corporation or association was located.

SEC. 18. On such hearing, the said referee shall hear the allegations and proofs of all parties and persons interested in the matter referred, and particularly shall ascertain the persons who are chargeable as stockholders for the debts and liabilities contracted as aforesaid, and the amount chargeable to each, according to the rules and principles declared in this act. At the first special term of the supreme court held in the county in which such receiver resides, or in an adjoining county, after the expiration of six weeks from the time of his appointment, such referee shall report to the justice holding such term the apportionment of the debts and liabilities among the stockholders, made by him in detail, with the proofs taken by him on such hearing. If, in the opinion of such justice, further time is requisite to enable the said referee to complete the apportionment directed, or to take further proof in reference to the same, he may grant such further time, not exceeding ninety days.

SEC. 19. On the final completion of such apportionment, the same shall be reported at a special term of the supreme court, as hereinbefore directed, and on the coming in of any such report, the justice holding such term shall proceed to examine the same, and hear the allegations of the parties and persons interested, and may modify or amend the same or may refer the same back to the same or another referee for further proof or examination, or may confirm the same. If there be a further reference, notice of hearing thereon may be given by a general notice published in the same newspapers in which the first notice appeared for two weeks, and a report shall be made thereon within the time, to be specified in the order of reference.

Sec. 20. When the report of a referee, made according to the preceding section of this act shall have been confirmed by a justice of the supreme court at any special term thereof, after being modified or amended by him, the same, together with the order of confirmation, shall be filed in the office of the clerk of such county as shall be directed by such justice; and unless an appeal be allowed and entered therefrom as hereinafter provided, the said order of confirmation shall be final as a judgment against each stockholder for the amount found chargeable against him; and one or more executions thereupon may be issued against any one or more of the stockholders named in such report or order, for the sum or sums chargeable against him or them in the same manner and with the like effect as upon a judgment in the supreme court, at the instance of the receiver of such corporation or association, and the money collected on such executions shall be paid to and received by such receiver.

Sec. 21. The money so collected, after deducting all expenses, of proceedings, shall be without delay divided, distributed and paid over to the creditors of such corporation or association, in the same manner as hereinbefore provided, in relation to the first dividend, by the said receiver.

Sec. 22. The justice to whom any report by a receiver or by a referee, shall be made as herein provided, shall ascertain and allow the necessary expenses attending the execution of their duties, including the hire of such and so many clerks and such professional assistance as may appear to have been useful to expedite the business committed to them, and shall allow to them such reasonable compensation for their services, not exceeding the rate of five dollars for each day actually employed, as he shall deem proper, which allowances and expenses shall be deducted and defrayed out of the cash in the hands of the receiver before making dividends thereof.

Sec. 23. Neither the dividends herein directed to be made, nor the apportionment of the debts of such corporation or association among the stockholders thereof, shall be delayed or suspended by reason of the pendency of any litigation or controversy, for the recovery of any demand by or against such corporation or association, unless the same shall be expressly directed by a justice of the supreme court, residing in the district where the business of such corporation or association was conducted; and such delay shall in no case exceed one year, and if at the time of declaring any dividend, there shall be any prosecution pending in which any demand against such corporation or association may be established, the receiver may retain in his hands the proportion which would belong to such demand and the necessary costs and expenses of the suit or proceeding, to be applied according to the event of such prosecution, or to be distributed in some future dividend to creditors or among the stockholders.

Sec. 24. If after paying and discharging the debts and liabilities of such corporation or association as herein provided, and defraying all the expenses of the proceedings there shall remain or come to the hands of the receiver any other assets or effects of such corporation or association, the same shall be converted into cash as hereinbefore

directed, and shall be paid to the stockholders upon whom any such debts or liabilities were apportioned in just and equal proportion to the sums contributed and paid by them.

SEC. 25. No appeal from any determination or order of a justice of the supreme court, made pursuant to the fifth, sixth, seventh, eighth and ninth sections of this act, shall suspend or delay the execution of such order or the effect of such determination, unless there be filed with the notice of the appeal to the clerk of the court, a certificate of a justice of the supreme court to the effect that there is probable error in such order or determination, nor unless security be given satisfactory to such justice for the payment of the demand upon which the proceedings in those actions may be founded, whenever judgment shall be rendered therefor, with interest at the rate of ten per cent. and costs.

SEC. 26. No appeal from any order or determination made pursuant to the tenth section of this act, shall suspend or delay the execution of such order or the effect of such determination, unless there be filed, together with the notice of appeal to the clerk of the court, a certificate in all respects corresponding with that required in the last preceding section, nor unless security be given satisfactory to the justice granting such certificate to indemnify the stockholders upon whose application such order or determination was made, against all damages, costs, expenses and losses by reason of any debt or liability of such corporation or association created after the first day of January, one thousand eight hundred and fifty.

SEC. 27. No appeal can be made from any order of any justice of the supreme court under this act referring any matter to a referee.

SEC. 28. An appeal from the determination of a justice of the supreme court confirming the apportionment of the debts and liabilities of a corporation or association among the stockholders thereof, as provided by this act, may be taken by the receiver of such corporation or association or by any one or more of the stockholders affected by such apportionment, in the same manner and with the like security as provided by law in the case of appeals from a special term of the supreme court to a general term, or from the judgment of such general term to the court of appeals, in the same manner and with the like security and effect as appeals to the same court from any other like judgment, except that it shall not be necessary for a receiver so applying to give any security for costs or otherwise.

SEC. 29. If any such determination or judgment shall be reversed or modified so that a new apportionment of such debts and liabilities shall become necessary, the court in which such reversal or modification shall be made shall direct a new apportionment, and the matter shall be remitted to the proper justice of the supreme court for that purpose; and the same proceedings shall be had thereon to complete such new apportionments as are herein provided, in relation to the original apportionment.

SEC. 30. Every security taken under the provisions of this act shall be filed with such clerk of the supreme court, as the justice taking the same shall direct; and the same may be enforced by suit in the name and for the benefit of any person for whose benefit or indemnity the same was taken.

directed, and shall be paid to the stockholders upon whom any such debts or liabilities were apportioned in just and equal proportion to the sums contributed and paid by them.

Sec. 27. No appeal from any determination or order of a justice of the supreme court, made pursuant to the fifth, sixth, seventh, eighth and ninth sections of this act, shall suspend or delay the execution of such order or the effect of such determination, unless there be filed with the notice of the appeal to the clerk of the court, a certificate of a justice of the supreme court to the effect that there is probable error in such order or determination, nor unless security be given satisfactory to such justice for the payment of the demand upon which the proceedings in such action may be founded, whenever judgment shall be rendered therefor, with interest at the rate of ten per cent. and costs.

Sec. 28. No appeal from any order or determination made pursuant to the tenth section of this act, shall suspend or delay the execution of such order or the effect of such determination, unless there be filed together with the notice of appeal to the clerk of the court, a certificate in all respects corresponding with that required in the last preceding section, nor unless security be given satisfactory to the justice rendering such order or determination to indemnify the stockholders upon whose application such order or determination was made, against all damages, costs, expenses and losses by reason of any debt or liability of such corporation or association created after the first day of January, one thousand eight hundred and fifty.

Sec. 29. No appeal can be made from any order of any justice of the supreme court under this act relating any matter to a receiver.

Sec. 30. An appeal from the determination of a justice of the supreme court concerning the apportionment of the debts and liabilities of a corporation or association among the stockholders thereof, as provided by this act may be taken by the receiver of such corporation or association or by any one or more of the stockholders affected by such apportionment, in the same manner and with the like security as provided by law in the case of appeals from a special term of the supreme court to a general term, or from the judgment of such general term to the court of appeals, in the same manner and with the like security, except that as appeals to the same court from any other like judgment, except that it shall not be necessary for a receiver so applying to give any security for costs or otherwise.

Sec. 31. If any such determination or judgment shall be reversed or modified so that a new apportionment of such debts and liabilities shall become necessary, the court in which such reversal or modification shall be made shall direct a new apportionment, and the matter shall be remitted to the proper justice of the supreme court for that purpose; and the same proceedings shall be had thereon to complete such new apportionment as are herein provided, in relation to the original apportionment.

Sec. 30. Every security taken under the provisions of this act shall be filed with such clerk of the supreme court as the justice taking the same shall direct; and the same may be enforced by writ in the same and for the benefit of any person for whose benefit or indemnity the same was taken.

-Sec 31: Any creditor of any such corporation or association who shall have neglected to present his demand to the receiver before the first or subsequent dividend, and who shall present the same before the second or any other subsequent dividend, shall receive the sum he would have been entitled to on any former dividend before any distribution be made to others.

-Sec 32: Every issue of stock or of any other security of any such corporation or association, created in the first section of this act, upon any debt of liability contracted after the first day of January, one thousand eight hundred and thirty-four, shall be subject to the provisions of this act.

LONDON AND WESTMINSTER BANK.

Established 1834.



Engraved for the Bankers' Magazine.

In the act for renewing the Bank of England Charter passed in 1833 it was declared to be the law, that companies or partnerships consisting of more than six persons might carry on the business of banking in London. Immediately after the passing of this act a prospectus was issued proposing to form the London and Westminster Bank. The names however were taken up but tardily, and the bank did not commence business until March 10, 1834, and then only with a paid-up capital of £30,000, and of this capital a large portion is said to have been subscribed by shareholders who resided in the country.

Sec. 31. Any creditor of any such corporation or association who shall have neglected to present his demand to the receiver before the first or subsequent dividend, and who shall present the same before the second or any other subsequent dividend, shall receive the sum he would have been entitled to on any former dividend before any distribution be made to other creditors.

Sec. 32. Every issue of fact or of law joined in any suit against any corporation or association, described in the first section of this act, upon any debt or liability contracted after the first day of January, one thousand eight hundred and fifty, or against any receiver of such corporation or association, or by any such receiver under the provisions of this act, shall have preference at the court at which it shall be noticed for trial or argument, to all other causes; and every case made, special verdict rendered, bill of exceptions and demurrer to evidence taken on such trial, and every issue of law joined on the pleadings in any such suit, and every appeal from any order or determination, judgment or decree made or rendered under the provisions of this act, and every special motion relating to any proceedings had under this act, shall have a preference in the hearing and argument thereof in any court where the same may be pending.

THE LONDON AND WESTMINSTER BANK.

From the London Bankers' Magazine.

WITH AN ENGRAVING.

We commence our intended notices of the principal Joint Stock Banks of the kingdom with a memoir of the first of those established in the Metropolis—the London and Westminster Bank. The materials for the present narrative have been derived from an official but unpublished history of the Bank, in which its progress, from the date of its establishment, has been duly recorded. Omitting details, which are not required in a notice like the present, the following will, we believe, be found to be an accurate description of the history, principles, and mode of government of the establishment.

I.—ITS HISTORY.

In the act for renewing the Bank of England Charter, passed in 1833, it was declared to be the law, that companies or partnerships consisting of more than six persons might carry on the business of banking in London. Immediately after the passing of this act, a prospectus was issued proposing to form the London and Westminster Bank. The shares, however, were taken up but tardily, and the bank did not commence business until March 10, 1834, and then only with a paid-up capital of £50,000, and of this capital a large portion is said to have been subscribed by shareholders who resided in the country.

As the Bank Charter Act did not prescribe the way in which Companies of more than six persons were to sue or be sued, the directors of the London and Westminster Bank brought a bill into Parliament, in the Session of 1834, to authorize them to sue and be sued in the names of their public officers, in the same manner as those banking companies that were located beyond sixty-five miles from London. This bill was carried by large majorities through the House of Commons, although opposed by the influence of the Bank of England, and by Lord Althorp, then Chancellor of the Exchequer. The bill, however, was lost in the Lords. In consequence of this failure, the bank followed the plan of suing and being sued through the medium of trustees.

Previous to the commencement of business, the directors applied to the committee of private bankers for admission to the clearing-house. This was refused. The directors also applied for permission to have a drawing account at the Bank of England. This, too, was refused.

Notwithstanding these difficulties, the bank continued to advance; and by the date of the first annual report, March 4, 1835, the paid-up capital, increased by two calls of £5 each upon the shareholders, amounted £244,945.

At the commencement of the year 1835, the Bank of England instituted legal proceedings to prevent the London and Westminster Bank accepting bills drawn at less than six months after date. Supported, however by the legal opinions of Sir John Campbell, Sir William Follett, and Mr. Pemberton, the trustees continued to accept such bills, and resisted the proceedings of the Bank of England.

By the end of December, 1835, the number of shares issued had increased to 17,818. Soon afterwards the directors made a fourth call of £5 per share, payable the following April. This made £20 paid upon each share, and the whole paid-up capital exceeded £400,000. The dividend on the year ending December, 1835, was at the rate of 4 per cent.

At the commencement of the year 1836, the bank extended its branches. In addition to the branch at Waterloo-place, Pall-mall, opened on the same day as the head office in Throgmorton street, the bank opened, on the 4th of January, a branch at 213, High Holborn, and another at 87, Whitechapel; and on the 29th of February, another was opened in Wellington street, Southwark. In the following June a branch was opened at 155, Oxford street. In this year the bank obtained a larger accession of country business, in consequence chiefly of the formation of a great number of new joint-stock banks throughout the country. In this year, too, the directors issued 9,333 shares at a premium of £4 10s. per share, by which the sum of £41,998 10s. was realized as premiums. The total paid-up capital on December 31, 1836, amounted to £597,225, on which a dividend was paid at the rate of 5 per cent.

In the beginning of the year 1837, the suit brought by the Bank of England, was terminated by the Master of the Rolls granting an injunction to restrain the London and Westminster Bank from accepting bills at less than six months after date. The country joint-stock banks then adopted the practice of drawing upon the London and Westminster

Bank "without acceptance," in the same way as the Bank of Ireland draws upon the Bank of England. No practical difficulty was experienced, and the London and Westminster Bank lost none of its connections in consequence of this adverse decision. At the end of the year, the directors declared the usual dividend of 5 per cent.

In March, 1840, the dividend was raised to 6 per cent. upon the profits of the preceding year; and this rate has since been constantly maintained. In 1841 the directors issued ten thousand of the unappropriated shares at par to the existing shareholders, in the proportion of one new share to the holder of three shares. This raised the number of shares issued to 40,000, and the paid-up capital to £800,000.

In February, 1842, the bank opened a drawing account with the Bank of England. In 1847, ten thousand additional shares were issued at par to the shareholders, by which the paid-up capital was increased to one million sterling.

II.—ITS PRINCIPLES.

At the time the London and Westminster Bank was announced, it was contended by the advocates of the previous system that the principles of joint-stock banking were wholly inapplicable to the wants and habits of the population of London. Had the founders of this bank possessed zeal without discretion, they would probably have disregarded the peculiarities of the field of their operations, and have adopted entirely the system of banking so long acted upon in Scotland. They seem, however, to have combined the enlightened views of statesmen with the caution and practical knowledge of men of business. Hence, they followed or discarded the principle of Scotch banking according as they found them adapted, or otherwise, to the local circumstances of the London population. They seemed not so anxious to introduce a new system of banking as to guard against the imperfections of the one previously in existence. From the original prospectus and other documents issued by the company, we learn that the following principles were those ultimately adopted:—

1.—That the bank should consist of an unlimited number of partners. This is essential to its character as a joint-stock bank. It was ascertained that within the previous twenty years about twenty private banking-houses had stopped payment in London—that by most of these failures the public had sustained considerable losses, and that great difficulties and embarrassments had been occasioned by the interruption to business and the want of confidence which these failures had occasioned. A bank, composed of several hundred partners, all of whose property would be answerable for its obligations to the public, seemed the most effectual way of preventing the recurrence of these evils. To show the strength of the company and the extent of the confidence to which they are entitled, a list of the shareholders is published with the annual report of the directors.

Since the Act of 1844, these names have also been published at the commencement of each year in a supplement to the *London Gazette*.

The following is an analysis of those published in the past year:— Spinsters, 140; married women, 16; widows, 66; clergymen, 34; medical men, 13; naval and military officers, 45; solicitors, barristers, and writers to the signet, 9; men of title, 12; gentlemen and others, 731—making a total of 1,066. These are resident as follows:—

In London, and within fifteen miles thereof,	675
In other parts of England,	320
In Scotland,	42
In Ireland,	11
In other countries,	18
	<hr/> 1,066

2.—A second principle adopted was, that the bank should have a large paid-up capital.

It was observed that the London bankers did not carry on business with their own capital, but merely upon their credit. They were supposed to be men of property; and, in some cases, this supposition constituted the whole of their working capital. Hence, in some instances, London bankers had stopped payment who were perfectly solvent; but their property was not engaged in their business, and could not suddenly be realized to pay their debts. To obviate these inconveniences—to be prepared at all times for a withdrawal of its deposits—to be able to give adequate accommodation to its customers—and to support public confidence in seasons of extreme pressure, a large paid-up capital was deemed requisite. No idea seems to have been entertained of remaining satisfied with a small capital in order to pay larger dividends. The directors do not appear to have regarded themselves as mere agents, employed to obtain the most rapid return for a sum of money; but they acted as the founders of an establishment destined to take a high rank among the national institutions of the country. The capital of the bank was fixed at £5,000,000 sterling, divided into 50,000 shares of £100 each. All these shares are in the hands of the partners; and the paid-up capital of the bank is thus £1,000,000, with a power in the directors of calling up an additional sum of 4,000,000 sterling.

3.—It was observed that the London private banks were adapted only for the rich. An indispensable condition of having an account was, that a certain sum should be kept unproductive in the banker's hands. Thus the middle class of society, who had the means of employing the whole of their capital in their respective occupations, were altogether excluded from the advantages of banking. To remedy this defect, the London and Westminster Bank determined to open accounts with persons who had not the means of keeping large balances unemployed, but who were willing to pay the bank a small commission for conducting their accounts. The expense of keeping a banking account was also reduced by the prohibition of presents and Christmas-boxes to the clerks. Although the system of Christmas-boxes is sanctioned by the Bank of England, as well as by the private bankers, it is, we consider, a practice more honored in the breach than in the observance. Whether these presents are regarded as taxes upon the customers, or as charitable

donations to the clerks, they were deemed to be equally objectionable.

4.—A further attempt was made to popularize the system of banking in London, by allowing interest upon small sums of money lodged on deposit receipts. The savings banks could receive no more than £30 from a depositor in each year, and only £150 in the whole. Those parties who had further sums they wished to deposit in a place of security, upon the principle of receiving interest on the sums thus lodged, were provided with such a place in the London and Westminster Bank. Sums from £10 to £1,000 are received on deposit and interest allowed at a known rate, and they are at all times repayable upon demand without notice.

The London and Westminster Bank have not adopted the system of cash credits as practised in Scotland. These credits are valued by the Scotch Banks chiefly as an instrument for the issue of their notes; and it may be questioned whether the system can be rendered a source of profit to a non-issuing bank, without imposing heavy charges in the form of interest and commission upon the customers.

5.—While, however, the founders of the bank were thus regardful of the industrious classes of the community, they were not inattentive to the interest of the wealthy. Professional men, merchants, and gentlemen of fortune, have often large sums of money in their hands for a short time, waiting favorable seasons of investment. For these sums the private bankers would allow no interest. The London and Westminster Bank determined to take temporary or permanent lodgments of sums of £1,000 and upwards, upon special agreement as to the rate of interest and time of re-payment.

6.—Another principle of the bank, not announced in the prospectus, but adverted to in some of the annual reports—is that of keeping a large portion of its funds at all times in a convertible state. In conformity with this principle, we find, from the account of assets and liabilities attached to the reports of the years 1845 and 1846, that the amount invested in government securities was considerably more than the whole capital of the bank. The propriety of such a course must have been abundantly evident during the existence of the bank; for it would be impossible to find so many “pressures” on the market, or so much fluctuation in the value of money, within any similar period in the history of banking. None of these extremes are favorable to large banking profits. A state in which money is easy without being abundant, and valuable without being scarce, is most conducive to the welfare of both the banking and the commercial interests of the country.

7.—The last principle we shall mention, as adopted by the London and Westminster Bank, is the system of branches. This system, to the extent to which it is now carried, does not seem to have been contemplated by the original founders of the bank. The first prospectus announced merely that a bank would be established in the city, with a branch at the west-end of the town. But a power to establish other branches was inserted in the deed of settlement, and it was soon observed that, from the increasing extent and business of London, there were

districts which were inadequately supplied with banking accommodation. The mode of conducting business is the same at the branches as at the city office. A customer's check can be paid only at the branch on which it is drawn; but he may have money placed to his credit with that branch at any of the other establishments. Those country notes that are made payable at the London and Westminster Bank are, as matter of courtesy, paid at any of the branches. Each branch makes both daily and weekly returns of its transactions, which are laid before the directors, and the affairs of all the branches are subjected to the personal inspection of the general manager. At the same time, all the arrangements tend to localize the branches, so as to give them as much as possible the character of independent banks. The managers are selected for their experience in banking; and they give immediate replies to the inquiries of both their customers and the public. They are ready to afford every facility to the parochial and other authorities in conducting the financial arrangements of the districts. They allow the same rate of interest on deposits which is allowed at the city office; and in making advances or discounts, they are not restricted to the amount which their own funds can supply. Thus each district has, in a branch bank, all the advantages that could be derived from an independent local bank, combined with the additional security and accommodation to be obtained from a more extended and wealthy establishment.

III.—ITS GOVERNMENT.

The government of the bank is in a board of directors, consisting of not fewer than twelve members. Three go out annually by rotation, but are eligible for re-election. The present number is fifteen; but it can be increased at any time by a vote of the general meeting of proprietors. There is no governor, or deputy-governor, or permanent chairman. Five of the directors are trustees, and are also registered as the public officers of the company, in whose names, or any one of them, the bank may sue and be sued. The payment of the directors is fixed by the shareholders at their general meetings. This sum was voted annually until the year 1839. Up to that year inclusive, the annual profits are stated in the reports before the payment to the directors is deducted. In subsequent years these payments are deducted first, and the profits are announced "after defraying the whole expense of management, including payment to directors."

By the resolutions of the general meetings appended to the annual reports, it appears that the first payment to the directors was a sum of £2,500, voted at the general meeting in March, 1836, for the services rendered in the two preceding years. In subsequent years, the payment was £2,500, annually, until March, 1847, when the sum of £4,500, was voted for the year, 1846, and the same amount was to be continued in each future year. At the meeting in 1847, an additional payment of £2,000, was voted to the directors.

[We now annex the Prospectus and Summary of Profit and Loss, which will render our account of the Institution complete.]

The ORIGINAL PROSPECTUS issued by the London and Westminster Bank was as follows :

His Majesty's Government having declared the law to be that no obstructions exist to impede the formation of banks of deposits with an unlimited number of partners, it is universally considered that a joint-stock bank of deposits should be established in London and Westminster, with such an extent of capital as will ensure the perfect confidence and security of the depositors, and the greatest practical accommodation and assistance to trade and commerce.

Many noblemen, gentlemen, merchants, and tradesmen, considering that every circumstance combines to make it desirable for the public good at once to establish such a bank, the under-mentioned Committee has been formed on whom will devolve the duty of making the necessary arrangements for constituting the bank, of forming the direction, and of maturing the plan for the future management of the establishment, including the settlement of the deed of constitution, and the revision and alteration of the conditions of this prospectus, in their discretion.

The success of joint-stock banks is not experimental, but ascertained, and practically illustrated by the admitted prosperity of such banks in England, Scotland, and Ireland. This affords the best reason for anticipating similar success to the present more extended establishment, proposed to be conducted upon the same approved system of banking.

The advantages of joint-stock banks are obvious:—"Their capital cannot be diminished by either deaths or retirements; their numerous proprietors ensure to them confidence and credit, as well as ample business in deposits, loans, and discounts; and their rigid exclusion of every kind of mercantile and speculative transaction, affords a satisfactory guarantee to the community at large that their means are only employed in legitimate banking operations. They are under the management and control of men who are elected by the respective proprietors, who have no individual interest which can induce them to depart from an approved prudential course, and who are a safe and constant check upon every transaction and upon every officer in the several establishments; and their system of accounts are so accurate that there is little trouble in producing, at any time, a clear and full statement of their stock and business, however great the one or extensive the other."

It is intended, as far as may be practicable, to allow a graduated scale of interest on deposits; and while none of the best parts of the system pursued by London private bankers will be overlooked, it is proposed to give such other facilities to the public as have been afforded with so much advantage to all classes by joint-stock banks in Scotland, and by the various similar establishments more recently formed in England and Ireland.

It is proposed that the bank shall be designated "The London and Westminster Bank," and that the establishment shall be forthwith formed in the city; and for the accommodation of the public, a branch bank will be simultaneously established at the west end of the town.

It will be in the discretion of the directors, under the deed of constitution, to establish other branches where it may be deemed expedient.

The capital shall be £10,000,000, divided into 100,000 shares of £100 each, in order that the mercantile and trading community, and the public in general, who may become proprietors, may, by this extensive distribution of shares, acquire an interest in the prosperity of the establishment, and participate in its advantages.

Five pounds per share will be, in the first instance, payable by those becoming proprietors, to five of the under-mentioned committee as trustees, according to directions which will hereafter be conveyed to them individually; and any further call that may be required, will be made under the sanction of the directors and the deed of constitution.

No subscriber holding a smaller number than thirty shares shall be eligible to be elected a director.

The following is a Summary of the PROFIT AND LOSS ACCOUNTS, and a Statement of the ASSETS and LIABILITIES of the Bank from its commencement.

The amount of paid-up capital, and the amount of the surplus fund, on the 31st of December in each year; and the amount of profits made during the year, and the dividends and bonus paid out of the profit.

Date.	Paid-up capital.			Surplus fund.			Profits of the year.*			Dividends.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1834,	182,255	0	0	1,205	8	5	3,540	6	6	2,334	18	1
1835,	267,270	0	0	1,907	6	5	11,520	10	0	10,818	12	0
1836,	597,255	0	0	4,527	0	6	†22,483	14	1	29,864	0	0
1837,	597,290	0	0	7,067	11	2	32,404	10	8	29,864	0	0
1838,	597,280	0	0	20,839	4	1	43,635	12	11	29,864	0	0
1839,	597,280	0	0	33,100	11	1	48,098	3	0	35,836	16	0
1840,	597,280	0	0	46,215	3	11	48,951	8	10	35,836	16	0
1841,	786,300	0	0	56,007	16	8	51,300	0	9	41,507	8	0
1842,	800,000	0	0	63,126	10	10	†55,118	14	2	48,000	0	0
1843,	800,000	0	0	66,822	16	5	51,696	5	7	48,000	0	0
1844,	800,000	0	0	69,904	15	4	51,081	18	11	48,000	0	0
1845,	800,000	0	0	88,248	16	4	66,344	1	0	48,000	0	0
1846,	800,000	0	0	98,424	12	1	74,175	15	9	48,000	0	0
										Bonus	16,000	0
1847,	100,000	0	0	100,647	16	11	58,223	4	10	54,000	0	0
TOTALS,	1,000,000	0	0	100,647	16	1	628,574	7	0	525,9260	10	1

LEGAL MISCELLANY.

DECISIONS IN MASSACHUSETTS.

Bills of Exchange.—Agency.

MILLS & Co., Boston, wrote letters to B. in New Orleans, as follows: 1. "You may have opportunities to make advances on cotton shipped to this port, and we should be willing to accept against shipments to us, the necessary papers accompanying the bills, for such sums as in your judgment may be safely advanced. 2. We do not want cotton under limits. Your advances ought not to exceed three quarters the value. Under these restrictions, you may go on, and your bills shall be duly honored, accompanied by bills of lading and orders for insurance." B. showed these letters to C., and sold to him bills drawn on M. & Co. in favor of C's principals, and paid, with the money received from C. for cotton, which he shipped to M. & Co., in his own name. No bills of lading nor orders for insurance accompanied these bills, and

*These are the net profits after making all deductions, including the payments to directors, the income-tax, and £1,000 towards the preliminary expenses.

†Including interest on capital of new shares and premiums on new shares sold.

M. & Co. refused to accept or pay them. *Held*, in suits by the payees against M. & Co., as acceptors of the bills under their promise to accept, and pay them, *that they were not liable*; that B.'s authority was limited and special, and that he had exceeded it by drawing the bills without accompanying them with bills of lading and orders for insurance; and that C., the payees' agent, knowing the contents of M. & Co.'s letters to B., took the bills, on his personal confidence in B., and not on the obligation of M. & Co. to honor them. *Murdoch & Coolidge v. Mills*, Metcalf's Supreme Judicial Court Reports, vol. xi. When merchants in Boston authorize an agent to make advances on cotton at New Orleans, to be shipped to them, for sale, at Boston, and promise to accept bills drawn on them to an amount not exceeding three-fourths of the value of the cotton, the value at New Orleans is intended; and therefore, in a question as to the amount for which the agent is authorized to draw, evidence of the value of cotton at Boston is not admissible. *Ibid.*

Bank.

In adjusting the concerns of a bank, by receivers of its assets appointed pursuant to the provisions of Statutes, the bank tax imposed by Revised Statutes, c. 9 and 36, and due from the bank, may be set off against money due from the Commonwealth to the bank on loan: so, of money deposited in the bank by the agent of Charles River Bridge, in his capacity as agent,—*aliter*, of money deposited in the bank by the warden of the State Prison, in his capacity of warden.

2. An incorporated bank is not a person, within the meaning of the act of Congress (1797,) which requires priority of payment to be made to the United States, when any person indebted to them shall become insolvent, not having sufficient property to pay all his debts, or shall make a voluntary assignment of his property; or when his property shall be attached by process against an absconding, concealed or absent debtor, or when a legal act of bankruptcy shall be committed by him. *Commonwealth v. Phoenix Bank, ibid*, p. 129.

3. When the assets of a bank are put into the hands of receivers, pursuant to Statute of 1838, to have its concerns adjusted according to the provisions of Revised Statutes, c. 44, the United States, if creditors of the bank, are not entitled to priority of payment, under the act of Congress of 1797, there not being, in that case, such an insolvency of their debtor as is contemplated by that act. *Ibid.*

Usury.

The Bank of Orleans at Albion, in the State of New York, discounted a bill of exchange, deducting a little less than legal interest for the time it had to run, and gave the holder, at his request and for his accommodation, a draft payable in its own bills, on a bank at Albany, where by law it was required to redeem them at a discount not exceeding one-half of one per cent.: and the holder received those bills at par. The bank at Albany was the agent of the Bank of Orleans for the redemption of its bills, and paid the holder of the discounted bill in the paper of the

latter bank, which then passed current at par : and that bank paid to the bank at Albany the amount of said draft in full. *Held*, that these facts did not prove that the bill was discounted on an usurious consideration or agreement. "To constitute usury, within the prohibitions of the law, there must be an intention knowingly to contract for or take usurious interest ; for if neither party intend it, but act *bona fide* and innocently, the law will not infer a corrupt agreement." *Bank of Orleans v. John Curtis and others, ibid, 359.*

2. A. gave a note to B. payable on demand, and B., at the expiration of a year, computed the interest thereon at nine per cent., and took from A. a new note for the principal sum and for the interest so computed. Nineteen months afterwards, B. computed the interest on the second note, at ten per cent. per annum, and added compound interest, and A. gave him a new note for a sum which included the principal of the second note, and the interest thereon, so computed, and also another sum which was justly due from him to B. *Held*, in a suit on this last note, that by the Revised Statutes, c. 35, the plaintiff, on proof of the usurious contract, was entitled to recover the amount of the note, with interest thereon, deducting therefrom three-fold the amount of the interest, compound as well as simple, computed on the first two notes, and of the interest which had accrued on the note in suit. *Upham v. Brimhall, ibid, 526.*

DECISIONS IN CONNECTICUT.

Bank Checks.

A bill or check payable to a person, or bearer, is transferable by mere delivery ; and to support a recovery on such an instrument, it is only necessary for the plaintiff to allege and prove, that he is the lawful bearer thereof, and entitled to the moneys due thereon. *Hoyt v. Seeley. Connecticut Supreme Court of Errors Reports, vol. xviii., 353.*

Therefore, where the holder of a bank check, payable to W. or bearer, in an action against the drawer, alleged that it was delivered to W. and by W. to the plaintiff, and the proof was, that it was delivered by the defendant directly to the plaintiff. *Held*, that the legal effect of the facts alleged and of the facts proved, was the same ; and proof of the latter, without proof of the former, was sufficient to support a recovery. *Ibid.*

If the party purporting to be the drawer of a check, signed it, and it afterwards came into the hands of a *bona fide* holder, the presumption of law is, that it was put in circulation by such drawer, unless the contrary be shown by him. *Ibid.*

The general rule is, that it is the duty of the holder of a bank check, payable on demand, to present it for payment within a reasonable time, and if not paid, to give notice of the non-payment to the drawer. *Ibid.*

But where the holder of a bank check did not present it to the bank for payment until after the lapse of more than two years from the time he received it, and omitted to give any notice to the drawer of the non-

payment; but the drawer never had funds in the bank sufficient for the payment of the check before it was protested, except at one time, and then such funds were immediately drawn out by himself; the bank was not insolvent, and the drawer sustained no injury or loss from the delay in the presentment, or by the want of notice of non-payment; *held*, that neither the delay in the presentment, nor the want of notice of non-payment, exonerated the drawer from liability. *Ibid.*

Promissory Notes.

Where a promissory note was made payable to order, on demand, with interest, and was endorsed at the time when it was made; it was *held* to be a reasonable construction of the instrument, that neither the parties to it, nor the endorser, contemplated an immediate demand; but all regarded the real time of payment as future, and the endorsement as a continuing guarantee. *Lockwood v. Crawford, ibid, 361.*

But in such cases, the law requires that a demand be made in a reasonable time, in order to subject the endorser. What shall be deemed a reasonable time for this purpose, must, to some extent, be determined by the peculiar circumstances of the case: which may be proved by extrinsic evidence. *Ibid.*

Where it was shown that the endorser himself, as well as the parties to the note, which was made on the 25th July, assented to a future day of payment, viz., about the 1st October following; and before that time payment was demanded; it was *held*, that the demand was in reasonable time. *Ibid.*

Where the payee and holder of such note, which had been partially paid, called on the maker for the balance; and the maker, without inquiring for the note, or refusing payment because it was not shown to him, said he could not conveniently pay the balance then, and requested the holder to draw on him for it, at a future time; it was *held*, that a sufficient presentment and demand appeared. *Ibid.*

The fact that there was no consideration, or no fair consideration, for negotiable paper, between the original parties to it, is no defence against it, in the hands of a *bona fide* endorsee. *Middletown Bank v. Jerome, ibid, 443.*

DECISIONS IN NEW YORK.

Trustee.

Where a trustee in a mortgage given by a rail-road company to secure the payment of certain of its bonds, as they should become due and payable, suffered a portion thereof to remain unpaid after maturity, and neglected and refused to take possession of the mortgaged property, and to execute the trust by enforcing the mortgage, on the request of bond holders; without any sufficient excuse for such neglect and refusal. *Held*, that it was a proper case for the removal of the trustee; and he was removed, accordingly. *Mechanics' Bank of New York v. Collins, Barbour's Supreme Court Reports, vol. ii., p. 446.*

A trustee under a mortgage given to secure the payment of debts of the mortgagors has no right to compel the *cestuis que trust* to wait his pleasure in foreclosing the mortgage; or to coerce them to afford facilities to the debtor, to raise the means to pay the debts. And his attempting to do so is a clear violation of the trust. *Ibid.*

[This was a petition by the Mechanics' Bank, praying for the removal of E. K. Collins from his office of trustee. The Harlem Rail Road Company being indebted to the amount of \$82,500, executed to E. K. Collins, one of the directors of the Company, a chattel mortgage on locomotives, cars, horses, &c., to secure the payment of their bonds. The Mechanics' Bank being a holder of one of the bonds, to the amount of \$15,000, due and unpaid, demanded of Collins, the trustee, that he should proceed to foreclose the mortgage; after some delay, he finally refused on the ground that negotiations were pending which would enable the Company to pay their bonds. Thereupon the Bank petitioned for the removal of the trustee, which prayer was granted, and he was removed.]

As a general rule, where several persons are named as trustees, and any of them refuse to accept, the estate will vest in those who do accept; and the trust can be executed by them. *Burrill v. Sheill*, *ibid*, 457.

Usury.

Where a lender receives from the borrower a security for the payment of the sum loaned, with interest, and thereupon gives him his checks for the amount loaned, less the amount of a note which the lender holds against the borrower, which checks are payable in six months, without interest, the transaction is usurious. *Lane v. Losee*, *ibid*, 56.

Though the parties to an usurious transaction may reform it by cancelling the original security and making a new obligation for the amount due after deducting the usury, they cannot, by any transaction between them, render valid such original usurious security. *Miller v. Hull*, Denio's Supreme Court Reports, vol. iv., p. 104.

Accordingly where the holder of an usurious mortgage endorsed thereon an amount equal to the sum included in it for usury; *held*, that the mortgage was nevertheless void, though such endorsement was made with the assent of the mortgagor. *Ibid.*

The *bona fide* sale of one's credit by way of guaranty, or by making a note for another's accommodation, though for a compensation exceeding seven per cent., is not usurious, if the transaction be unconnected with a loan between the parties. *More v. Howland*, *ibid*, 264.

Banks and Banking.

Where the officers of a bank purchased State Stocks to carry on a private undertaking in which they were engaged, and signed a contract obliging the bank to pay for the same, and then took money from the

bank to fulfil such engagement; *held*, that they were liable to the receiver for the money so taken. *Austin v. Daniels, ibid*, 300.

And when the money for such purpose was taken by the cashier, with the assent of the president, who was the financial officer of the bank; *held*, that such assent did not protect the cashier, it appearing that he was a party to the private enterprise in which the money was to be used. *Ibid*.

The officers of the bank are the agents of the corporation, and are liable for an abuse of their trust wherever the agents of an individual would be. *Ibid*.

The Chautauque County Bank being prohibited by its charter from purchasing, holding, or conveying real estate, except in certain specified cases, and among others such lands "as shall have been purchased at sales upon judgments, decrees, or mortgages obtained or made for debts due the bank:" *held*, that the bank has no capacity, after the time for the redeeming had expired, to purchase the interest of a judgment creditor, who, by virtue of his own judgment had acquired the title of the purchaser of land sold under execution, though the bank had unsatisfied judgments against the debtor whose land had been sold.—*Chautauque Co. Bank v. Risley, ibid* 480.

Bills and Notes and Checks.

To make a written agreement to pay money a promissory note, it must be payable absolutely and at all events. *Worden v. Dodge, ibid*, 159.

Therefore, a promise in writing, to pay a sum of money out of the net proceeds of ore to be raised and sold from a certain ore bed, is not a promissory note. *Ibid*.

The notice of non-payment of a note, to charge an endorser, must show that the presentment was made at the proper time. *Wynn v. Alden, ibid*, 163.

Therefore, when the notice stated that the note had been "this day presented for payment," and payment refused, and the notice was without date, *held*, that the notice was defective. *Ibid*.

A co-partnership will be bound by a contract made by one of the partners in his own name for the account of the firm: *e. g.* if a promissory note be signed by one of the partners in this form "A. B. for A. B. & Co." the firm will be liable. *Staats v. Howlett, ibid*, 559.

An action may be maintained on a promise made upon a valid consideration by the defendant to a third person, for the benefit of the plaintiff, though the plaintiff himself was not privy to the consideration. *Delaware and Hudson Canal Company v. Westchester County Bank, ibid*, 97.

Accordingly, where G. and S. being indebted to the plaintiffs, placed a bill of exchange in the hands of the defendants for collection, who, upon a consideration thereof, undertook to collect it, to pay the amount when collected to the plaintiffs in satisfaction of their debt against G. and S., and the defendants having collected the bill; *held*, that the plaintiffs could maintain an action against them on that promise. *Ibid*.

A notarial certificate is evidence of the presentment of a note for

payment only where the notary himself made the demand; and where in his certificate he stated that he had *caused* the note to be presented, it was held not to be evidence of the fact. *Warwick v. Crane, ibid, 460.*

Corporations.

Where a person becomes a stockholder in an incorporated company by a transfer to him of the stock of an original subscriber, he adopts the contract of the assignor with the company, and becomes substituted in his place, both as regards his rights and his liabilities. *Mann v. Currie, Barbour's Reports, vol. 11, p. 294.*

The general principle is well settled that the right of an incorporated company to enforce a forfeiture of stock, and all previous payments, upon the failure of a stockholder to meet the calls made by the company, will not permit such company, or the receiver thereof, from collecting the balance due upon any share of its stock. *Ibid.*

A holder of stock is the one to be proceeded against by the receiver of such corporation, for the recovery of any sum due to the corporation upon the stock held by him; although he may in fact hold such stock as trustee for another, or have assigned it, provided no transfer has been made upon the books of the corporation. *Ibid.*

PENNSYLVANIA DECISIONS.

Bills and Promissory Notes.

The endorsee of over due paper takes it exclusively on the credit of the endorser, and subject, even without proof of *mala-fides*, to all the intrinsic considerations that would affect it between the original parties; but where the time of transfer is not admitted, and there is not, as there seldom can be, direct evidence of it, the principle which raises a presumption of consideration for the transfer, raises a presumption, also, that it was made in the usual course of commercial business, and, consequently, before the day of payment. *Snyder v. Riley, Barr's Penn. Supreme Court Reports, vol. 6, p. 164.*

In a suit upon a note by the endorsee, against the drawer thereof, if the evidence raise a suspicion to the extent of a *prima facie* case, the defendant may compel the plaintiff to show *when*, and *how*, he became the holder. *Ibid.*

If the transferee of a promissory note not negotiable were induced to take it by the declaration of the maker thereof, that it was a valid instrument, and would be paid at maturity; such declaration acted upon, *bona fide*, by the transferee, will preclude the maker from any inquiry into the adequacy of the consideration; or the fairness of the original transaction. *Ibid.*

An addition to a promissory note, if afterwards assented to by the drawer, is immaterial. *Ibid, vol. 7, p. 126.*

A foreign notary's protest, and certificate of notice to endorsers of a promissory note, is not by itself evidence of notice given. *Ibid, 433.*

The drawer of a bill of exchange may maintain an action thereon

against the acceptor, though it has not been endorsed by the payee. *Ibid*, 527.

Proof of mere failure of consideration for negotiable paper is not sufficient to entitle the drawer to call for proof of value paid by the holder; and where such notes have been obtained by fraud, evidence of a valuable consideration given by the holder to the payee is admissible, though not shown to have been the consideration of the note. *Ibid*.

The waiver of a protest by an endorser on the day of the maturity of the note, puts him in the same situation as if protest had been made and proved, and, there being no contradictory evidence, it is proof under the act of assembly of demand and refusal, and of notice. *Scott v. Greer*, Supreme Court of Pennsylvania, March, 1849.

Evidence of the contents of a notice posted up in a bank, offering to make collections on certain terms, is evidence where the president after notice to produce, fails to account for it, in an action against the bank for negligence in failing to make a collection, without proof that the plaintiff read the notice or acted upon it. *Wingate v. Mechanics Bank*, *ibid*.

Where a bank received for collection a note payable in another state, under an arrangement to collect it for seven per cent., and neglects to give information of non-payment, and fails to return the note to the depositor within a reasonable time, they are liable to an action. *Ibid*.

And if at the time of the trial the note is barred by the statute of limitations, and the bank has never until then returned it to the depositor, and there is no evidence of the insolvency of the maker, the measure of damages, will be the amount of the note with interest, less the seven per cent. for collection. *Ibid*.

Notice of protest for non-payment of a promissory note, personally delivered on the proper day, viz. 25th May, 1846, is not vitiated by being post-dated, by mistake, 26th May, 1846, the mistake being one which could not have misled the endorser. Action on a note for \$727 08, dated 22d January, 1846, by Thomas Mercer, Son & Co., payable four months after date, deposited for collection in the Mechanics Bank. It is a well settled principle of mercantile law, that notice of the dishonor of a promissory note or bill of exchange, need not be given in writing. It may be communicated orally to the party affected by it. The 26th May not having arrived when the notice was served, was an impossible day, and on that account should be disregarded. The test in such cases has been, whether or not the mistake has misled. *Lennig v. Tobey*. District Court of Philadelphia.

Letters of Credit.

Where a consideration is essential to the cause of action, it must be stated fully and truly, or the variance is fatal. *Ibid*, 401.

Hence, in an action for not honoring and paying bills drawn under letters of credit, where the consideration was averred to be the agreement of B. and H. (third persons) to guaranty and become bound for the re-payment of such sums as should be drawn under such letters, and the agreement of the plaintiff to procure such guarantee or security ;

but the evidence of defendants' assent to the giving of the letters by their agent showed that B. and H. or the plaintiff, had engaged to make due provision for the drafts; the variance was held to be fatal. *Ibid.*

Where the letter enclosing letters of credit on which the action was brought, also enclosed a paper called a confirmation, to be signed by plaintiff and returned to defendants, and that paper was proved by plaintiff's witnesses to be in court at the trial, and to contain an agreement by plaintiff as to covering the bills to be drawn under the letters, and that letter was tendered to plaintiff's counsel, but not read in evidence by him, the plaintiff was rightly non-suited. *Ibid.*

Transfer of Judgment.

Under the 30th section, act of 1832, a transcript of a balance due by executors may be filed in a different county from that in which probate was made. *Bank of Penn Township v. Hanson, ibid, 261.*

[In 1846, the bank recovered a judgment *de bonis testatoris* against the executrix, and procured an extract of proceedings in the Orphans Court of Philadelphia county, to be docketed in Montgomery county. On a *sci. fa.* upon that extract, this case was stated, and the question was, whether the plaintiff was entitled to judgment, the defendant, at the time of filing the extract, having been seized of real estate in Montgomery county.]

Agency.

Where one proposes to act for another generally, and the principal declines the proposal, but agrees to employ him for a particular purpose, and the agent continues to act beyond the scope of his agency without dissent, the principal will be taken to have assented to such acts, and is bound to compensate the agent accordingly. *Combs v. Bank of Kentucky, ibid, 543.*

Where an attorney is employed to solicit pardon for a fugitive from justice, to enable him to return to the State, so that the principal may use him as a witness in a claim for which suit has been brought, the amount of the claim is proper for the consideration of the jury in estimating the compensation for such agency. *Ibid.*

DECISIONS IN MAINE.

Banks—Bills—Notes.

A stockholder of the Frankfort Bank, against which a suit is brought, whose property was attached, is no party to such suit individually and has no right to appear and defend it: and may impeach the judgment rendered therein, when introduced against him. *Whitman (stockholder) v. Cox (Sheriff)*, Maine Supreme Judicial Court Reports, vol. ix, p. 335.

The cashier of a bank is the regularly authorized agent thereof, and whatever is done by him in that capacity, within the sphere of his duties, is the act of the bank. *Badger v. Bank of Cumberland, ibid, 428.*

A protest of a bill or note, duly certified by a notary public, is made, by statute, legal evidence of the facts stated in it "as to the notice given to the drawer or endorser" in any court of law: but it is not conclusive of those facts. *Bradley v. Davis, ibid, 45.*

The protest ought to be specific, as to the mode in which the notices were given, by stating whether they were verbal or in writing: and if in writing, whether the writing was delivered to the person or persons notified, or dispatched by some other mode of conveyance; and if the latter, by what mode, and when sent, and to what place addressed. But if the protest be defective, the necessary facts may be supplied by other proof. *Ibid.*

It is not essential to the validity of a notice, that it should be stated therein who was the owner of the note or bill, or at whose request the notice was given. When a notice is signed by a notary public, he is to be presumed to have been duly authorized by the holder of the bill or note, whoever he may be. *Ibid.*

If notice of the non-payment of a note, though left at an improper place, be nevertheless, in point of fact received in due time by the endorser, and so proved, or could from the evidence be properly presumed by the jury; it is sufficient in point of law to charge the endorser. *Ibid.*

The insolvency of the acceptor of a bill or draft does not excuse the holder for neglecting to make presentment thereof. *Hunt v. Waleigh, ibid, 271.*

If the drawer or endorser after full knowledge of the fact of an omission to make due presentment, promises to pay the bill, it will amount to waiver of such presentment, and bind the promissor to pay the bill. But such a promise, made in ignorance of the facts, will not be binding or a waiver of laches. *Ibid.*

When the maker of a promissory note dies before it becomes payable, the holder should make inquiry for his personal representative, if there be one, and present the note on maturity for payment. *Gower v. Moore, ibid, xii. p. 16.*

If it appear that the endorser knew that the note would not be paid on presentment, and that the maker had deceased, and his estate insolvent, such knowledge would not relieve the holder from his obligation to make the presentment and give due notice of dishonor. *Ibid.*

If a joint note be made by four persons, payable on time, and before its maturity two of the promissors pay "two-thirds of the within note, principal and interest, being their part," and it is thus endorsed thereon, they are not thereby discharged from the payment of the sum remaining unpaid. *Coburn v. Ware, ibid, 330.*

If at the time when an accepted bill, payable at a fixed time, and guaranteed to be paid according to its terms, became payable, the acceptor was solvent, and so continued for four months thereafter, and then became insolvent; and no notice of the non-payment was given to the guarantor during the next four years; he is by such neglect discharged from the payment thereof. *Globe Bank v. Small, ibid, 366.*

If a note is endorsed when over due, a demand is sufficient if made within a reasonable time after the endorsement. *Sanborn v. Southard, ibid, 409.*

DECISIONS IN ALABAMA.

Bank Bonds.

In a suit by the bank, against the cashier on his bond, to recover damages because he had failed to protest a bill of exchange, left with the bank for collection, it was proved that it was the duty of the cashier to attend to this department. It was also proved, that a resolution was introduced by a director, and passed, requiring the cashier so to arrange the duties of the various officers of the bank, as to give Mr. Ball, (an officer of the bank) the necessary assistance in his department. Under this resolution, a written memorandum of the various duties of each officer was drawn up and signed by all the officers, except two, by which Mr. Saunders, the second book-keeper, was charged with the duty of attending to the collecting register, and proceeded to discharge, and did discharge, that duty, until after the default complained of. This memorandum, agreed on by the officers of the bank, was by Comegys laid on the table of the board of directors, when in session, but it was not proved that it was read or acted on by the board: *Held*, that it was a reasonable inference, that the board of directors assented to, and approved of this arrangement of the officers of the bank—that as they did not dissent from it, they must be considered as acquiescing in the arrangement so made. *Bank of the State of Alabama v. Comegys*. Supreme Court Reports, vol. xii, p. 772.

[In this instance, Saunders was the notary public of the bank and also a clerk of the bank and in charge of the collection paper—and had noted the particular bill now sued on as due 1—4 February instead of 4 January. The circumstances show the folly of placing too numerous and various duties upon one officer of a bank, such as those of clerk and notary public, in a large commercial city.—*Ed. B. M.*]

Bills of Exchange and Notes.

An agreement, entered into by a bank, the holder of a bill of exchange, with the acceptor, that if the bill is not paid at maturity, his credit shall not suffer in bank; proof was brought to show that the bill was not sent to the ordinary correspondent of the bank, (the holder) but to an individual firm: and further, that if the bill had been sent to the usual agents of the bank in New Orleans and presented by them, without notice of this agreement, it would have been paid at maturity, by the acceptors, will discharge an endorser on the bill, who has no knowledge of, and does not assent to the arrangement. But where the endorser has been fully indemnified by the drawer, for whose use the bill was made, endorsed and accepted, he could not avail himself of the want of notice of the dishonor of the bill, or of an arrangement between the holder and acceptor, which would otherwise have discharged him from liability to the holder. *Decatur Branch Bank v. Posey*, *ibid*, 802.

A suit cannot be maintained at law, on a lost bill of exchange, endorsed in blank, whether lost before or after its maturity, unless an affidavit of the loss be made before suit is brought, as required by the act of 1828. Nor is the case varied by the fact, that the bill was drawn in sets, con-

sisting of first and second, and that the first only, on which the protest was made, is lost and the second is produced at the trial. *Ibid.*

When a bill is drawn within this state, payable at a place beyond its limits, interest and damages cannot be recovered against the acceptor, upon its dishonor, without proving the law of the place of payment, giving such interest and damages. *Branch Bank, Mobile v. Dickinson, ibid., 54.*

An assignee of a note cannot recover of the assignor usurious interest, which in a suit by the assignee, against the makers of the note, had been deducted from it, the assignee being a party to the contract, by which the usury was reserved. *Lloyd v. Pace, ibid., 637.*

An assignor is not responsible to the assignee, for any improper allowance made to the makers of a note, upon their plea, in a suit against them by the assignee. *Ibid.*

A notice of the dishonor of a note, given to the executor of an endorser, before he has qualified as such, is not such a presentment, as will take the case out of the statute of non-claim. *Mobile Branch Bank v. Hallett, ibid., 671.*

An action may be brought on a lost negotiable note, which had not been negotiated at the time of its loss. *Same v. Tillman, ibid., 214.*

The act of 1841, declaring that a note payable to the cashier, may be sued on and collected as a note payable to the bank, applies equally to notes which were executed at the time of its passage, and to those which have been since made. *Same v. Davis, ibid., 463.*

T. executed a note in blank, and handed it to Scott, a director, to be filled up with the sum of \$500, and to be used in the renewal of an existing note of the same drawer, and same amount held by the bank. Scott, in a violation of his trust, filled up the note for a larger sum, and had it discounted by the bank, for his own use; he sitting as one of the directors when the note was discounted, but did not communicate any of the facts to any other director. *Held,* that T. was liable to the bank on the note. *Same v. Terrell, ibid., 502.*

One who receives a bill or negotiable note, before its maturity, in payment of a debt, is *bona fide* holder, and is not affected by any force or fraud in obtaining the bill, of which he had no notice. *Barney v. Earle, ibid., 13, p. 106.*

A notice of the dishonor of a bill of exchange, which describes it correctly, but is silent as to the date and time of payment, is *prima facie* sufficient. The interpretation of such a paper is the province of the court, and not of the jury. *Saltmarsh v. Tutill, ibid., 390.*

H. drew a bill of exchange in favor of C. on Bower & Co. which was endorsed by C. and S. on Sunday, and handed by the drawer to Bower & Co. by whom it was transferred in substitution of a bill for the same amount on which T. had advanced money at a usurious rate, T. not having notice that the bill was endorsed on Sunday. *Held,* that T. did not receive the bill, *bona fide*, in the usual course of trade, so as to exempt the paper in his hands from a defence which would have been available against it, as between the original parties; and that the endorsement on Sunday, being in violation of a public statute, was void. *Ibid., 390.*

TENNESSEE DECISIONS.

Bills and Notes.

Fraud or want of consideration is no defence for either the maker or accommodation endorser of a promissory note, as against a *bona fide* holder for value, to whose possession it came before maturity, in the due course of trade, without notice; where, however, a note was purchased under such circumstances, at a discount, it will be held to have been negotiated in the way of trade, only to the amount advanced by the purchaser. *Holeman v. Hobson*, Humphrey's Supreme Court Reports, vol. viii, p. 127.

Previous dealers with a firm, have the right to an actual notice of dissolution, before a partner can claim exemption from responsibility for contracts made in good faith, with one of the number in the name of the firm. A circular transmitted to the dealer by a member of the firm, announcing the dissolution, would be actual notice; the receipt of a newspaper, containing a notice of the dissolution, to which paper, the dealer was a subscriber, though circumstances going to prove notice, would not *per se* be sufficient. *Bank of Tennessee v. Hutchins*, *ibid*, 418.

H. L. McClung and William B. French executed a promissory note for \$3,690, dated 30 July, 1844, payable four months after date, endorsed by defendant and discounted by the Union Bank of Tennessee. At the repeated solicitation of one of the makers, the bank permitted the note to remain without suit or other proceedings thereon, and without notice to endorsers of the delay, until May, 1846. *Held*, that the delay stated and proved was sufficient to discharge the endorsers of their liability. It is not necessary that there should be a positive agreement to accept of proposed terms of delay. An implied one will be sufficient, as in this case, when the bank acted upon the proposed terms in the same manner as if there had been an express agreement to postpone proceedings. *Union Bank v. C. McClung, executor*. Supreme Court, Sept., 1848.

MISSOURI DECISIONS.

Bills and Notes.

A negotiable note given by Blow to Siter, Price & Co. was placed in the hands of A. for collection; by him transferred to B. and H. to whom he was indebted and the amount placed by them to A's credit on their books. *Held*, that notice to B. and H. *at the time they gave credit to A.* that the note belonged to S. P. & Co. is sufficient to make them liable for the amount and interest to S. P. & Co.

A. having the *fiduciary* possession of the note, with a blank endorsement (which is but a power to transfer) might abuse his trust and make a valid transfer to a *bona fide* purchaser, for a valuable consideration *without notice*. But any other transfer would be void. *Siter, Price & Co. v. Benoist & Hackney*. Supreme Court Reports, vol. ix.

A note payable "in the currency of this state" or "in the current money of Missouri," is payable either in gold or silver coin, or in the notes of the bank of the State of Missouri. *Cockrill v. Kirkpatrick, ibid.*

DECISIONS IN LOUISIANA.

Before the Supreme Court, May 29, 1849.

C. C. Gaines vs. The Merchants Bank of Baltimore, et al.—Appeal from the Fourth District Court of New Orleans.

The sale of a promissory note, bond or other credits, never in the actual possession of the sheriff, confers no title to the purchaser. To make a valid seizure of tangible property, the thing levied upon must be taken in actual possession by the officer. So, where notes offered in evidence, before their maturity, have been withdrawn by leave of the court, on leaving certified copies of them in the record, the levying of a *f. fa.* upon the copies of the notes, and notice to the maker, will not constitute a legal seizure. A purchaser at a sheriff's sale, without a previous seizure, acquires nothing. A purchaser for relief in such case, must pursue the course indicated in article 711 C. P., which is applicable to cases where the sale is virtually defeated by other causes than the eviction of a purchaser from the thing purchased.

On the 1st of August, 1843, the Merchants Bank of Baltimore caused to be sold under an alias *f. fa.*, issued on a judgment against the President, Directors and Company of the Bank of the United States, all the right, title and interest, of said bank in any further dividend that might be declared in the estate of Wm. Kenner & Co. The plaintiff became the purchaser for the sum of \$1,000, which he paid to the sheriff. The present suit is to recover back this sum. The President, Directors and Company of the Bank of the United States have been made parties, by a curator appointed by the court for that purpose, and judgment was rendered in the District Court in favor of the plaintiff; and it was further adjudged that execution should first issue against the Bank of the United States, and in case of no property being found on execution issued, that the judgment be satisfied out of the property of the Merchants Bank of Baltimore. From this judgment both banks have appealed.

Eustis, Chief Justice.—It appears that the Merchants Bank of Baltimore undertook to sell certain assets belonging to the United States Bank, pending the litigation in which they were involved in the memorable suit, relating to the validity of the assignment made by that bank, which, upon the final decision was determined to be valid, except so far as the United States were concerned. This decision defeated the attempt of the Merchants Bank of Baltimore to reach the Bank of the United States under their execution.

The ground on which the plaintiff has recovered in the District Court is, that the sale under execution was a nullity, and that the plaintiff who was the purchaser acquired nothing under it.

The thing sold was the right, title and interest of the bank to the future dividends to be declared in the estate of Wm. Kenner & Co., and the sheriff in his deed undertook to convey to the purchaser all the right and title which the bank had to the said before described property. The estate of Wm. Kenner & Co. was under the administration of a

syndic, and the Bank of the United States was its creditor, and we are authorized in assuming that it became so in the ordinary course of its dealings. We infer from the evidence that the bank was the holder of bills or notes of that firm, on which the dividends received had been duly credited. Under the rule laid down in the case of *Trudeau v. McVicar*, 1 Annual Repts. 426, and under the articles 690 and 694 of the Code of Practice, by the description above noted, the debt due by Kenner & Co. to the bank was sold, and the title of this debt the purchaser had a right to exact from the sheriff. The evidence does not satisfy us that the sheriff ever took into his possession the obligations of Kenner & Co. which the bank held, or any title whatever to said debt.

In the case of *Fluker v. Bullard*, 2 Annual Repts. 338, we held that a sale under a *fi. fa.* of a promissory note, never in the actual possession of the sheriff, confers no title on the purchaser. To make a valid seizure of tangible property, the thing levied upon must be taken in actual possession by the officer. So, where notes offered in evidence before their maturity have been withdrawn by permission of the court, on leaving certified copies of them in the record, the levying of a *fi. fa.* upon the copies of the notes and notice to the maker will not constitute a legal seizure. *Galbraith v. Snyder*, *idem.* 492. A bond can be legally seized by the sheriff only by his obtaining actual possession of it. A purchaser at a sheriff's sale made without a previous seizure, acquires nothing. *Taylor v. Stone*, *idem.* 910.

However the fact of possession by the sheriff may be, no delivery of the title was ever made by the sheriff to the purchaser, notwithstanding his demand to that effect, and his notice to the sheriff not to pay over the money to the plaintiff until the evidence of the debt should be delivered to him. The good faith of the plaintiff in this transaction being unquestioned, the judgment of the District Court against the Merchants Bank of Baltimore for its recovery back must be sustained.

This suit grows out of the scramble for the wreck of the assets of the late Bank of the United States of Pennsylvania, and a similar one instituted by the plaintiff, was before this court on a previous occasion, and is reported in 2d Annual Repts. 280. The judge of the late Commercial Court of New Orleans, from whom the appeal was taken, nonsuited the plaintiff, on the ground that the remedy sought by the plaintiff was one of strict right, and that the party seeking to recover back money paid to a judgment creditor, being the proceeds of property sold under execution, ought to pursue the course indicated by the article 711 of the Code of Practice, and to make the judgment debtor a party to the suit. The Bank of the United States was made a party to this suit, and the District Court overruled an exception made by the *curator ad hoc*, that no cause of action was presented in the petition against said bank.

The article 711 provides, that if the purchaser has been evicted from the thing adjudged to him, on the ground that it belongs to another person than the party in whose hands it was taken, he shall in that case have his recourse for reimbursement against the seized debtor and the seizing creditor; but upon the judgment obtained jointly for that purpose, the purchaser shall first take execution against the debtor, and upon return of such execution, no property found, then he shall be at liberty to take out execu-

tion against the creditor. This article, it is true, relates to the eviction of the purchaser from the thing purchased by him, but it is declaratory, as we think, of a principle relating to cases where the sale is virtually defeated from other causes. In the present instance the money of the plaintiff has been applied directly to the benefit of the Bank of the United States in part satisfaction of the judgment held by the Merchants Bank. If the proceedings are irregular, satisfaction has been entered on that judgment to the extent of the amount made under execution. On this amount being recovered back by the plaintiff, the satisfaction entered must be rescinded, or a new judgment must be rendered, for the amount of which the Merchants Bank, on paying back the amount unduly received, are entitled to have the benefit. The Bank of the United States is thus the real party in interest in this litigation, and we think the district judge did not err in rendering judgment as prayed for in the original petition.

It is therefore ordered and decreed that judgment be affirmed with costs.

DECISIONS IN MARYLAND.

Duties on Sugar and Molasses.

We have obtained a copy of the recent case decided in the United States Circuit Court for Maryland, involving the duties chargeable on sugar and molasses lost by leakage during the voyage. The plaintiffs were Messrs. F. W. Brune & Sons—the defendant, Wm. H. Marriott, late Collector for the port of Baltimore, and the Court decided that under the tariff of 1846, no duty is legally chargeable upon sugars or molasses appearing by the invoice to have been shipped, but which have been lost by leakage or drainage during the voyage.

The following opinion was delivered by Judge Taney, (Chief Justice Supreme Court United States, and formerly Secretary of the Treasury,) and is written in his usually lucid style. The principle is one of much importance in a commercial view.

F. W. Brune & Sons vs. William H. Marriott; in the Circuit Court of the United States for the Maryland District, April Term, 1849. Brown and Brune for plaintiffs; Marshall (District Attorney,) for defendant.

We learn that an appeal will be taken to the Supreme Court United States in the present case.

This suit is brought against the Collector to recover certain duties paid under protest. It is submitted upon a case stated, in which it appears that upon sundry importations of sugar and molasses, there was a considerable loss by leakage during the voyage, and the quantity actually imported and received, as ascertained and certified by the proper officer, was much less in several cargoes than that stated in the invoices. The duties were, however, assessed upon the invoice amount, and this suit is brought to recover back so much of the money as was paid for duties upon that portion of the cargoes which was lost on the voyage by leakage.

The question arises upon the proviso in the 8th section of the Act of 1846, which declares that under no circumstance shall the duty be assessed upon an amount less than the invoice value, any law of congress to the contrary notwithstanding.

The question is whether this proviso includes the quantity as well as the price or value of the merchandize mentioned in the invoice. The clause is certainly not free from ambiguity. The Secretary of the Treasury in his circular letter of instructions to the Collectors, dated Nov. 25th, 1846, took notice of this difficulty; and expressed his opinion that it did not repeal the previous law which authorized allowances for deficiencies and for damages occurring during the voyage. The same opinion is more particularly stated in his letter of January 30th, 1847, to the Collector of the port of New Orleans, and the instructions given in this letter would apply directly to cases like the one now before us, and sanction the claim made by the plaintiffs. This instruction was, however, soon after recalled, and it seems was not afterwards acted upon. Nor are we able to discover, from the correspondence before us, the construction finally placed upon this proviso by the Department, nor to ascertain precisely the classes of cases, to which it was supposed to extend, or to which it was supposed not to apply; we think the construction first given as above mentioned, is the true one; and that it was not the intention of the Act of 1846 to annul the previous laws upon that subject. The principles of justice would seem to require that the merchant should be charged with duty only upon the merchandize which he actually introduces into the country. He imports nothing more and brings in nothing more for sale or for consumption.

He could not protect himself by insurance for ordinary leakage and damage, in articles which from their nature are liable to such casualties without paying a premium heavier perhaps than the amount of loss; nor is it, we believe, one of the hazards usually, if ever, undertaken by the underwriters.

And if the duty is charged upon what is lost as well as what arrives, he will in fact pay in almost every case a higher duty on his importation than the law intends to impose. And the proviso would be inconsistent with the other provisions and with the spirit of the tariff of 1846, if it be construed to exact such duties; for this law is avowedly framed on the most liberal principles of commerce, and contemplates a reduction of duties upon articles of this description to a lower standard. It would hardly comport with this policy to place in the law a proviso which, upon articles so important in commerce as sugar and molasses, would in many cases make the duties higher than they had ever been before; and indeed, in almost every cargo, make them higher than the rate specified in the law. We think the proviso refers to the price stated in the invoice and not the quantity, and did not repeal the former laws authorizing reductions and allowances to the importer in the cases mentioned.

There is another difficulty, however, in this case, since none of the previous laws make any specific provision for loss in quantity in sugar or molasses by leakage on the voyage; nor does it appear that the Treasury Department have formed any definite opinion on this particular question, or established any settled or uniform rule on the subject; for we find upon examining the correspondence and instructions of the Department, as we have already said, that different instructions were

given at different times, and finally an order was given to make the allowance on molasses but not on sugar. We do not see how, from the terms of this law, or any previous act of Congress, this distinction can be made; for the clause in relation to liquors in the law of 1799, chap. 22, sec. 59, vol. 1, 672, can hardly be construed to embrace molasses.

It is, however, evident we think, that under the act of 1842, wherever the duty was *ad valorem*, it was charged only upon the merchandize actually imported or brought in. For the 16th section, which regulates the manner of ascertaining and charging the *ad valorem* duties directs the appraisers by all the ways and means in their power to ascertain the value in the foreign market, and to charge the duty upon that value. They were not confined in any case to the invoice; and, consequently, if the goods actually imported were found to be of less value than the price stated in the invoice, the duties were chargeable only on the value ascertained by the appraisers; and whether this diminution in value was occasioned by damage to the quality on the voyage or loss in quantity could make no difference; for the appraisers saw and appraised only the goods received and imported into the country, and it was the value of these goods which they were required to appraise and upon which the duty was to be assessed, and not upon merchandize which was stated in the invoice, but had not been actually brought in.

The construction of the 16th section of the act of 1842, is confirmed by the 21st section in the same law, which expressly provides that where any deficiency in the quantity mentioned in the invoice found in any package, the importer is to be allowed for it in estimating the duties. It is true that the language in which this provision is made would seem to make it applicable only to dry goods. But it can hardly be supposed that any distinction was intended to be drawn between dry goods and groceries, or that a rule deemed just as to one, would have been denied to the other; on the contrary it shows that congress intended to impose the duty only upon the merchandize imported, and that the construction we have given to the 16th section is the one which congress intended it should receive.

Now as this appears to have been the policy of the government, uniformly manifested before the tariff act of 1846, we do not think that the provision in relation to the invoice value could have been intended to change it. A different construction would make the law not only unjust in its principles, but would in a multitude of cases be likely to enhance the duties on sugar and molasses above the tariff of 1842, instead of reducing them. The language of the proviso does not require such a construction, and it would be opposed to the general legislation of congress, and more especially to the general scope and policy of the act of congress in which it is found.

The next question is: how is this deficiency to be ascertained and estimated. Regularly this should, it would seem, be done by the appraisers. For some of the items which make up a dutiable value of the goods would, perhaps, be the same upon the quantity of sugar or molasses received, as upon the quantity invoiced. But others certainly, and the more important ones, would not. We understand that since the

act of 1846, no appraisement is made unless there is an excess over the quantity invoiced or the goods are undervalued in the invoice. But the individual of course cannot be deprived of a legal right, if he produces the best evidence which the nature of his case will permit. And in this case the returns of the weigher and guager shew precisely the deficiency in quantity; and the invoice shews the amount upon which the duty was assessed, and the deficiency is admitted to have arisen from leakage on the voyage.

In the absence of any official appraisement, the only rule of abatement approximating to exact justice between the parties would seem to be this—to estimate the dutiable value of the sugar and molasses lost by leakage in the same manner and upon the same principles that the dutiable value of the amount mentioned in the invoice is ascertained, and to reduce the assessment accordingly. It appears, indeed, that in the importation of sugar from Cuba, the price of the hogshead is charged separately in the invoice, and it has been argued that as these hogsheads are actually imported, there ought to be no deduction of that item nor upon the charges at the foreign port, which also under the act of congress constitute a part of the value upon which the duty is to be assessed. But this would hardly be just to the merchant. For the hogsheads are of much more value in Cuba than in this country, and they enhance the price of the hogshead of sugar in the foreign market. And as a smaller number would be required to contain the diminished amount of the sugar received, it is just that an abatement should be made for them in the same ratio with the sugar; for otherwise the cargo of sugar, from the unnecessary number of hogsheads would be assessed at a higher value than it was really worth in the foreign market—that is to say, higher than the quantity actually received was worth in the port of Cuba. And the same may be said of most of the charges of any importance, certainly so far as concerns the commissions, which would necessarily be reduced in proportion with the value of the merchandize shipped.

Besides, in the invoices of sugar from Porto Rico there is no separate charge for the hogsheads. The invoice states that so many hogsheads of sugar were shipped at such a price, and undoubtedly the manner in which it is put up, and the price of the hogshead which contains it, form a part of its value in the foreign port; and constitutes, therefore, a part of the sum in the invoice upon which the duty is charged—yet if one or more hogsheads are lost by leakage and the importer is entitled to an allowance for it, the only mode by which the abatement could be made would be by the price of the hogshead of sugar as charged in the invoice.

The papers which accompany the cargo do not show what was the price of the hogshead, and if there is no appraisement, the collector has no mode of ascertaining the reduction, except by the price of the sugar. But to make an allowance for sugar imported from Porto Rico by this rule, and to refuse the abatement for the hogshead in importations from Cuba, would be to establish a different tariff for these two islands, and would, in effect, make it higher on the sugars of the latter than on those of the former.

Independently, however, of this consideration, we think for the reasons above stated, that where there is no appraisal, the reduction should be made on the whole dutiable value of the article. For no duty ought to be exacted beyond what the law has imposed—and if it is not practicable to ascertain the precise amount of the loss, the merchant ought not, on that account to be made liable to a charge, which evidently was not intended to be imposed upon him. The same reasoning applies to the allowance upon the importation of molasses both from Cuba and Porto Rico, in which the hogsheads are always separately charged. The reduction, in the opinion of the court, ought to be made in proportion to the dutiable value of the part lost.

The remaining question is, what duties were paid under protest within the meaning of the act of 1845. That act requires that the protest shall be made in writing, signed by the claimant, at or before the payment of the duties, and set forth distinctly and specifically the grounds of objection. The protest of April 9th, 1847, cannot apply to payments previously made, and the plaintiff is not entitled to recover them.

But it is sufficient to cover all subsequent payments, and a particular protest in each case is not required by the law. The object of the protest is merely to give notice to the officer of the Government that he means to claim the deduction, and to make known to him the grounds upon which he makes the claim. In these respects this protest is sufficiently explicit, and covers all the cargoes upon which the duties had not been finally assessed and adjusted by the collector. The protest is not required to be made at or before the payment of what are called the *estimated* duties. For this payment is necessarily regulated by the invoice quantity, as well as the invoice price.

The importer cannot at the time know whether there has been any loss by leakage, nor can he know after it has been ascertained by the Weigher or Guager whether the Collector will exact duties upon the amount stated in the invoice. The payment is legally made when the duties are finally determined, and the amount assessed by the Collector; and a protest before or at that time is sufficient notice, as it warns the Collector before he renders his account to the Treasury Department, that he will be held personally responsible, if the portion disputed is not legally due, and that the claimant means to assert his right in a court of justice. The payment of the money upon the estimated duties, is rather in the nature of a pledge or deposit than a payment. For it remains in the hands of the proper officer, subject to the final assessment of the duties, and if more has been paid than is due, (which is most commonly the case,) the overplus belongs to the importer and is returned to him.

Upon the whole, the court is of opinion that the plaintiffs are entitled to recover for the amount of the deficiency in the sugar and molasses by leakage, as mentioned in the case stated; that the reduction ought to be made according to the dutiable value of the portion lost; and that the protest of April 9th, 1847, covers all cargoes where the duties had not before been finally assessed and adjusted by the Collector.

RECENT DECISION IN MASSACHUSETTS.

STOCK SALES ON TIME.—*Henry G. Stebbins v. Louis Leo Wolf.*—This was an action of assumpsit, brought to recover from the defendant the sum of \$1512 03, paid by the plaintiff as difference on three hundred and twenty-five shares of Harlem Rail Road stock, alleged to have been bought by them on the defendant's order and account, at "sixty days, buyer's option," and not taken by him at maturity.

At the trial in the Court of Common Pleas, it appeared from the testimony of several of the witnesses, that the parties from whom the plaintiffs alleged that they had purchased three hundred of the shares in question, had other contracts for sales and purchases of shares in the same stock, during the sixty days; and the defendant contended that it was incumbent upon the plaintiff to show, in order to take the case out of the stock-jobbing act of New York, that these parties had *all* the shares necessary to meet *all* of their contracts of sale in this stock, including the contract in question. The judge ruled this point in favor of the defendant.

With regard to the remaining twenty-five shares, it appeared that the contract for them matured on Sunday, in which case, by the rules of the board of brokers of New York, where the purchases were alleged to have been made, it would fall due on the Saturday previous. The defendant contended that he was not bound by such rules, not being a member of the board, but that he had, at common law, the whole of Monday, in which to meet his engagements, and that this action, having been commenced on that day, was prematurely brought, as to these shares. This point was also ruled by the judge in favor of the defendant. The jury under the ruling of the court, found a verdict for the defendant, and the case came before the Supreme Court, upon exceptions.

Wilde, J., delivered the opinion of the Court. He said that as to the first ruling, the first question was whether this case came within the provisions of the "stock-jobbing act" of New York; and the second was, upon whom was the burden of proof, to show that the vendors had not sufficient shares of the said stock to meet all their contracts of sale in it. The case, he said, did come within the provisions of that act. The vendor must hold the stock which he has contracted to sell, free from all other obligations. As to the burden of proof, where a contract was in writing to pay a sum of money, and imparted a consideration on the face of it, if the defendant would avail himself of a defence of illegality, the burden of proof was on him who set up the defence. But this was a different case. The plaintiff must here show a legal contract. The law requires that the vendor should be the owner of the stock, and this is a part of his contract, and must be proved by him.

As to the second ruling, he said that if the contract matured on Sunday, the defendant had the whole of the following Monday to perform it in, and the action was brought too soon. The contract was made in New York, and must therefore be governed by the rule of law in that state. This rule, in reference to choses in action falling due on Sunday was not uniform, but was fully settled in New York. (20 Wend. 20.) The exceptions were therefore overruled, and judgment must be entered for the defendant on the verdict.

IMPORTANT CASES IN LIFE INSURANCE.

From the English Common Law Reports.

Borradaile v. Hunter.

Abraham Borradaile, executor v. Sir Claudius Stephen Hunter, Bart. In the English Court of Common Pleas, 1843. Action on a policy of insurance on the life of the Rev. William Borradaile, for £1,000, by the London Life Association (of which Society the defendant was one of the trustees.)

The policy contained a proviso that in case "the assured shall die by his own hands, or by the hands of justice, or in consequence of a duel" the policy to be void. The assured threw himself into the Thames and was drowned. Upon an issue whether the assured died by his own hands, the jury found that he "voluntarily threw himself into the water, knowing at the time that he should thereby destroy his life, and intending thereby to do so; but at the time of committing the act he was not capable of judging between right and wrong."

Held, (Tindal, C. J., *dissentiente*) that the policy was avoided, as the proviso included all acts of voluntary self destruction, and was not limited by the accompanying provisos to acts of *felonious* suicide.

The precise phraseology of the policy was as follows: "provided, and it is hereby declared to be the true intent and meaning of this policy of assurance, and the same is accepted by the said assured upon these express conditions, that in case the assured shall die upon the seas (except in such passages as are allowed by the rules of the society) or go beyond the limits of Europe, or enter into or engage in any naval or military service whatsoever, unless license be obtained from a court of directors of the said Society, or shall die by his own hands, or by the hands of justice, or in consequence of a duel, or if the age of the said assured does now exceed thirty-six years, or if the said assured be now afflicted with any disorder which tends to the shortening of life, or if a certain declaration bearing date the 28th May, instant, made and signed by or in behalf of the assured, and forming the basis of the contract between the said assured and the Society, contains any untrue averment, this policy shall be void."

Plea by defendant, that true it is that the said William Borradaile died, as in the said declaration mentioned; but that the said W. B. after the making of the said instrument or policy of insurance, viz. on the 16th day of February, 1838, so died by his own hands, whereby the said instrument or policy of assurance became void.

Replication, that the said William Borradaile did not die by his own hand, *modo et forma*—upon which issue was joined.

The cause was tried before Erskine, J., at the London sittings after Michaelmas term, 1841; when it was proved on the part of the defendant, that on the night of the 16th February, the deceased threw himself from Vauxhall Bridge and was drowned; and it was contended that it was not competent to the plaintiff to go into any question as to

the insanity of the deceased, inasmuch as if his death was in fact occasioned by his own hand or act the policy was void, and it was immaterial whether he was sane or insane. On the part of the plaintiff it was argued that the real question to be tried was, whether the deceased had committed *suicide*, such being the sense of the words "shall die by his own hands;" and that the question to be considered was, whether the assured was or was not in a sane state of mind at the time he committed the act; or, in other words, that it must have been the intentional act of a sane man having the control of his will, to bring it within the condition in the policy.

The learned judge expressed his opinion that if the mind of the deceased was so far gone that he did not know the consequences of the act and the mind was not moving to the act, it was not within the proviso.

The jury, after retiring, returned the following verdict: "That Mr. Borradaile threw himself from the bridge into the water with the intention of destroying life; and, previous to the said act, there is no evidence of insanity." This finding not being considered satisfactory by the learned judge, as not indicating the state of the assured's mind at the time he committed the act in question, the jury again retired, and then returned their verdict in these words:—"That Mr. Borradaile voluntarily threw himself from the bridge with the intention of destroying life; but at the time of committing the act, he was not capable of judging between right and wrong."

It was submitted by the plaintiff's counsel, that this was in substance a verdict for the plaintiff. The judge, however, thought the verdict had better be entered *pro forma* for the defendant; with liberty for the plaintiff to move that it be entered for him, with £1,177 damages, which were assessed by the jury; being the £1,000 insured by the policy with interest thereon at 5 per cent. from the 1st of July, 1838, when the money became payable according to the stipulation of the policy.

In Hilary term, 1843, Sir Thomas Wilde, Serjt. obtained a rule nisi to set aside the verdict for the defendant, and enter a verdict for the plaintiff accordingly.

The question in this case is as to the meaning of the term "dying by his own hands." The defendant submits that if the deceased, by his own personal agency, destroyed his life, intending to do so, the policy is avoided. The plaintiff, on the other hand, insists that, although the deceased may have destroyed his life in the manner stated, still if he was insane at the time or incapable of distinguishing right from wrong, the policy is not avoided.

The learned judges, not being unanimous, now delivered their judgments *seriatim*, as follows:—

Maule, J. In the judgment I am about to deliver, I have not stated the facts, not having adverted to the circumstance of my opinion being delivered the first; they will, however, no doubt be fully stated by the learned judge before whom the cause was tried.

I have had much doubt in this case, but the conclusion at which I have at last arrived, is, that the verdict for the defendant was right. The question is, what is the meaning, in the policy on the testator's life, of the words "in case the assured shall die *by his own hands*."

In construing these words, it is proper to consider first, what is their meaning in the largest sense, which, according to the common use of language belongs to them; and, if it should appear that that sense is larger than the sense in which they must be understood in the instrument in question; secondly, what is the object for which they are used. They ought not to be extended beyond their ordinary sense, in order to comprehend a case within their object, for that would be to give effect to an intention not expressed; nor can they be so restricted as to exclude a case both within their object and within their ordinary sense, without violating the fundamental rule which requires that effect should be given to such intention of the parties as they have used fit words to express.

The words in question in their largest ordinary sense, comprehend all cases of self-destruction, and certainly include the case of the present testator; but, as it is admitted that in their largest sense they comprehend many cases not within their meaning, as used on the present occasion, it is to be considered whether the case of the testator falls within the object for which they are used in this policy. A policy by which the sum insured is payable on the death of the assured in all events, gives him a pecuniary interest that he should die immediately, rather than at a future time, to the extent of the excess of the value of a present payment over a deferred one, and offers therefore a temptation to self-destruction to this extent. To protect the insurers against the increase of risk arising out of this temptation is the object for which the condition in question is inserted. It ought, therefore, to be so construed as to include those cases of self-destruction in which, but for the condition, the act might have been committed in order to accelerate the claim on the policy, and to exclude those in which the circumstances, supposing the policy to have been unconditional, would show that the act could not have been committed with a view to pecuniary interest. This principle of construction requires and accounts for the exclusion from the operation of the condition of those cases falling within the general sense of its words, to which it is admitted not to apply—such as those of accident and delirium. To apply it to the present case: it appears by the finding of the jury, that the testator voluntarily threw himself into the water, intending to destroy his life, but that at the time he did so he was not capable of judging between right and wrong; and, as a man who drowns himself voluntarily may do it to found a claim on a policy, though he may not think it wrong to do so, or though his mind may be so diseased that he does not know right from wrong—which, as I understand the finding of the jury, was the case with the testator—it seems to me that the object of the condition would not be effected, unless it comprehended such a case of self-destruction.

For these reasons, I think the defendant ought to retain the verdict, though I cannot but distrust my opinion when it differs from the judgment of the Lord Chief Justice.

Erskine, J. The only issue in this cause was raised upon a traverse by the plaintiff of an averment in the plea that the assured, William Borradaile, died by his own hands. Upon the trial of that issue before

me at the London sittings after Michaelmas term, 1841, it appeared in evidence that the testator had thrown himself from the parapet of Vauxhall Bridge into the river Thames, and was drowned; and the defence was, that this act of self-destruction avoided the policy, under the proviso which declared that the policy should be void if the assured should die by his own hands. To this it was replied, that the testator was insane at the time, and, therefore, that the case did not fall within the true meaning of the proviso—first, because under such circumstances it could not properly be said to have been the act of the assured at all; and secondly, because, from the context it was obvious that criminal acts of self-destruction alone were contemplated by the parties to the contract; and that, as it would be proved that the deceased was not in a state of mind to be morally responsible for his acts, the proviso did not apply to his case. This made it necessary for me to decide, first, whether the proviso extended to all acts of self-destruction by the assured, or only to acts resulting from a criminal intention, and also in what way the question of insanity ought to be left to the jury.

On the part of the defendant it was contended that the terms of the proviso, in their fair and ordinary meaning, were large enough to include, and were evidently intended to include, all acts of self-destruction, whether accompanied by a criminal purpose or not; while, on the part of the plaintiff, it was argued, that if it could be shown that Mr. Borradaile was in such a state of mind at the time as to be morally and legally irresponsible for his acts, the proviso would not apply to this case; and as a test of his responsibility, the jury were invited to consider whether, as a coroner's jury, they could have returned a verdict of *felo de se*; or if, sitting as a petty jury on the trial of Mr. Borradaile for the destruction of the life of another man, they could have found him guilty of felony. I thought, that, as the words of the proviso, according to their ordinary acceptation, were large enough to include all intentional acts of self-destruction, whether criminal or not, if the deceased was laboring under no delusion as to the physical consequences of the act he was committing—if he knew that it was water into which he was about to throw himself, and that the consequences of his leaping from the bridge would be his death—and if he voluntarily threw himself from the bridge into the river, intending by so doing to drown himself; the question, whether he had been thereby guilty of a crime, as *felo de se*, or whether, if he had at that time destroyed the life of another instead of his own, he was in a state of mind to be morally and legally responsible for his acts, was irrelevant to the question before the jury—that the state of the mind of the assured was only material for the purpose of ascertaining whether the act of self-destruction was a voluntary and wilful act, for the purpose of destroying his life. And I so directed the jury: but, in order to save the parties from the expense of a second trial, if the court should think that the terms of the proviso included only criminal self-destruction, I left it to the jury, in the terms usually adopted in criminal trials, to find whether at the time of throwing himself from the bridge, Mr. Borradaile was so far deprived of his reason as to be incapable of judging between right and wrong—reserving, by consent, to the plaintiff leave, if necessary, to move to enter a verdict for him upon the whole finding of the jury.

If an inference of guilty intention was to be communicated from one branch of the proviso to another, no clause would seem so open to such an inference as the clause which excepts from the risks of the policy any disorder tending to shorten life, with which the assured was afflicted at the date of the policy. And it might surely with equal force at least be argued that this clause could only be intended to include disorders of which the assured was *cognizant* at the time; and yet by the case of *Duckett v. Williams*, 2 C. & M. 348, 4 Tyrwh. 240, it has been decided that the clause extends equally to all existing disorders tending to shorten life, whether the assured was aware of their existence or not. And, further, it may be asked, is it so very clear, that, in cases of death by duelling, the moral responsibility of the assured at the time would form any ingredient in the inquiry? Would not the question now under discussion be quite as open in that instance as in this? If so, the argument arising from the context is reduced to this, that, as the branch of the clause immediately following the words in question, and with which it is grammatically most closely connected (the same verb governing both branches), necessarily involves the existence of a criminal intention, therefore every branch of that clause must be considered as including a similar intention. It does not appear to me, that when the whole of the context is considered, this argument affords a sufficient ground for departing from the ordinary sense of the words in question by giving them a limited meaning, and one less consistent, as it strikes my mind, with the general scope and object of the contract than the larger and more obvious construction of the terms would convey. In my opinion, therefore, the rule ought to be discharged.

Coltman, J. This was an action on a policy of insurance on the life of Mr. Borradaile. The policy contained an exception by which persons dying by their own hands, or by the hands of justice, or in consequence of a duel, are excluded from the benefits of the policy; and the question was, whether Mr. Borradaile died by his own hands within the meaning of the exception.

The death in this case was occasioned by Mr. Borradaile's throwing himself into the Thames. The jury returned a verdict for the defendant; and further they found that he (Mr. Borradaile) voluntarily threw himself in the water, knowing at the time that he should thereby destroy his life, and intending thereby so to do, but that at the time he did so he was not capable of judging between right and wrong.

In the argument for the plaintiff, it was assumed that this was equivalent to a finding that Mr. Borradaile was so far disordered in his intellects as to be exempt from criminal responsibility; and, without any critical examination of the terms of the finding, I will suppose the assumption to be correct. Supposing, then, that such is the meaning of the finding, is the deceased on that account to be considered not to have died by his own hands? It cannot be denied that a party who voluntarily throws himself into the water with intent to destroy himself, and is thereby destroyed, falls within the words of the exception of the policy. He certainly dies by his own hands, if the exception is to be construed according to the literal import of the words made use of.

It was further urged on behalf of the plaintiff, that, at any rate, to

bring a case within the meaning of the exception, there must be an intention in the party to die by his own hands; and it was urged that an insane person could not be considered as having any intention; that by an intention was meant a controllable intention; and it was like the case of a man who should find himself suddenly on the brink of a precipice and irresistibly impelled to throw himself down it. But the fact in this case does not bear out the argument; there is no ground for saying that Mr. Borradaile acted under any such uncontrollable impulse; on the contrary, the jury have found that he did the act voluntarily, which implies that he had power to do the act or to abstain from it.

On these grounds, though with that doubt which the difference of opinion in a high quarter makes me feel in the soundness of my own judgment, I think that the verdict for the defendant ought to stand.

Tindal, C. J. It appears to me, on the best consideration I can bring to this case, that the plaintiff is entitled to the judgment of the court.

The question is, whether the death of the assured has, by the finding of the jury, been brought within the proviso, whereby the policy is made void in the several cases therein enumerated; and it appears to me, upon the proper construction of the words of that proviso, the death of the assured has not been found by the jury to fall within any of the exceptions contained in the proviso, and consequently that it is a death covered by the policy itself.

It is to be observed, that the words of the proviso are the words, not of the assured, but of the insurers, introduced by themselves for the purpose of their own exemption and protection from liability; both in reason and good sense, therefore, no less than upon acknowledged principles of legal construction, they are to be taken most strongly against those that speak the words, and most favorably for the other party; (Shep. Touchst. 87.) For, it is no more than just, that, if the words are ambiguous, he whose meaning they are intended to express, and not the other party, should suffer by the ambiguity. Indeed, the words "dying by his own hands," are words in themselves much wanting in certainty and precision; those words including, if taken literally many cases of death by the hand of the party which are admitted to be without the meaning and intention of the proviso, and again excluding many cases which are admitted to fall clearly within it. Upon a strict construction, according to the very letter of the proviso, every death occasioned by the *hand* of the party would fall within their range, and would be excluded from the protection of the policy, whether the mind and intention of the assured accompanied the act, or whether it was death by misadventure only; as, death occasioned by falling on a sword or knife, or the discharge of a gun in the hand of the party; or death inflicted by the hand of the party when under the influence of sudden frenzy or delusion; and yet such cases are admitted, and justly admitted, not to be within the meaning of the proviso. And, on the other hand, under the same rigid construction, no death by the very act of the party himself, by drowning himself, or precipitating himself from a height, or suffocating himself, or in the innumerable instances that might be put, in which the *hand* of the party is not the immediate cause of the death, could, in strict propriety, be held to fall within the words,

notwithstanding the act was done intentionally by the assured; and yet, in all these last-mentioned cases, no doubt can be entertained that they fall within the meaning of the proviso. Considerable latitude must consequently be given to the construction of these words, which are thus used in a metaphorical, not a literal, sense, in order to arrive at, and give effect to, the real intention of both the parties: and, as the result of the finding of the jury is, that the assured killed himself intentionally, but not feloniously, the short question before us becomes this, whether the defendant can make out (for it lies on him to establish the affirmative) that the death of the assured under those circumstances falls within the meaning of the words in the proviso "dying by his own hands." And it appears to me that he cannot; but that, looking at the words themselves, and the context and position in which they are found, a *felonious killing of himself*, and no other, was intended to be excepted from the policy. The words of the proviso are, "if the assured shall die by his own hands, or by the hands of justice, or in consequence of a duel." Three cases of death, therefore, are manifestly intended to be excepted from the protection of the policy—a dying by his own hands, a dying by the hands of justice, and a dying in consequence of a duel; the word "die" being prefixed to the first member of the sentence only, and over-riding and governing the three cases therein specified. Now, the dying in consequence of a duel is a dying in consequence of a felony then in the very act or course of being committed by the assured; the dying by the hand of justice is a dying in consequence of a felony previously committed by him; and it appears to me, upon the acknowledged rule of construction, viz. *moscitur a sociis*, that the dying by his own hands, the first member of the same sentence and the third excepted case, should, if left in doubt as to its meaning, be governed by the same condition as the other two; and be taken to mean a felonious killing of himself, that is, self-murder. Upon what principle of construction shall the two latter cases be confined to a dying by, or in consequence of, a felonious act, and the former, viz., the dying by his own hands, be open to a double construction, and include not only the cause of felonious suicide, which it undoubtedly would, but also suicide not felonious? The expression—"dying by his own hand,"—is, in fact, no more than the translation into English of the word of Latin origin—"suicide;"—but, if the exception had run in the terms "shall die by suicide, or by the hands of justice, or in consequence of a duel," surely no doubt could have arisen that a felonious suicide was intended thereby; and, if so, ought a different construction to prevail because the English term is found in the policy instead of the Latin?

Looking, therefore, to the words of the proviso, I think they should, in legal construction, be taken to except the case of felonious self-destruction of the life of the assured, and no other.

As to the finding of the jury, taking both parts of the finding together, perhaps we are not at liberty to draw any other conclusion from it than that the jury meant to say that there was no felonious killing of himself by the assured: it is not, perhaps, to be taken strictly as a verdict that the deceased was *non compos mentis* at the time the act was committed;

for, if the latter is the meaning of the jury, the case would then clearly fall within that description which was admitted upon the argument to be without the reach of the proviso, viz., the case of death inflicted on himself by the party whilst under the influence of frenzy, delusion or insanity. But, although the jury inform the judge, in answer to his question, "that, at the time of committing the act, the assured was not capable of judging between right and wrong," which is the test that is frequently applied to the determination of the question, whether the party charged was, at the time, *compos mentis* or not, it may be too much to say that such answer of the jury necessarily infers that they thought him insane; particularly when coupled also with their declaration that the act was committed voluntarily and intentionally. I draw, therefore, no other conclusion from the finding, than that it expresses the opinion of the jury that the act was not feloniously done; and, unless this was the meaning of the jury by their answer, excluding as it does the *malus animus*, that is, the essential characteristics of felony, I am unable to discover what meaning they had.

I therefore found the opinion at which I have arrived in this case upon the consideration that the insurers intended by the proviso to confine their exemption from liability to the case of felonious suicide only; that, if they intended the exception to extend both to the case of felonious self-destruction and self-destruction not felonious, they ought so to have expressed it clearly in the policy; and that, at all events, if they have left it doubtful on the face of the policy whether it is so confined or not, that doubt ought, in my opinion, to be determined against them; for it is incumbent on them to bring themselves within the exception, and, if their meaning remains in doubt, they have failed so to do.

It appears, therefore, to me that the judgment in this case ought to be given for the plaintiff; but, whilst I express this as my opinion, it is with a proper degree of distrust when I perceive it is at variance with that of my three brethren, for whose judgment I entertain a most sincere respect and deference. I am bound, however, to deliver my own judgment as I have formed it; and I have, at least, the satisfaction of knowing, that, in the present instance, if I have arrived at an erroneous conclusion, it can occasion no injury.

Rule discharged. The case was ultimately compromised.

Notes to the Preceding Case.

Garrett v. Barclay.—This case was tried before Alexander, C. B., at the London sittings after Easter term, 1826.

It was an action on a policy of assurance granted by the Rock Life Assurance Office on the life of Daniel Rainier for £3,000. The policy was effected in 1812. The words in the condition of the policy were—

"In case the said D. R. should commit suicide, or die by duelling, or the hands of justice, or upon the high seas, &c., the policy to be void."

The defendant pleaded that Daniel Rainier had committed suicide, and the policy had become forfeited. The replication denied that he had committed suicide.

It was contended by Mr. Jervis, the plaintiff's counsel, that the object of the proviso was to guard against frauds by persons insuring their lives, and shortly after-

wards preferring death to benefit their families; and that Rainier being insane did not commit suicide.

It appeared that the assured Daniel Rainier had for some time labored under insanity, and that on the morning of the 17th March, 1825, he was found drowned in a pond of water; it further appeared that in the night he had undressed himself and folded and laid his clothes on the butting of a haystack, and had walked near 100 yards naked to the pond in which he was found; the water was shallow, not three feet deep at that spot; and he was found in the morning, his back quite out of the water and his head under the water, quite dead; the finding of the coroner's jury was that he had destroyed or drowned himself in a fit of insanity. At the trial the question was raised, whether the assured had not gone to the pond to bathe,—it being shown that he was accustomed to bathe,—and died from apoplexy.

The Lord Chief Baron told the jury that the question was, whether under the circumstances they were satisfied that Rainier died by taking measures intending to kill himself, or whether he died by taking measures without any such intention; that beyond all doubt he was insane; that it was suggested that he had gone to the pond to bathe; but that was a question for them.

The jury found a verdict for the plaintiff; *being of opinion that Rainier did not commit suicide.*

[These words in italics are taken from the endorsement on the brief of one of the counsel in the cause. It may be doubtful whether they imply that the assured came to his death by natural causes, such as apoplexy, as was suggested; or that, being in a state of insanity, he could not commit the *crime of suicide.*]

Kinnear v. Borradaile.—This was an action upon a policy for £2,000 effected upon the life of Thomas Kinnear with The Rock Life Assurance Company, containing a similar proviso with that in the case of *Garrett v. Barclay* (supra.) The defendants pleaded that the assured “did commit suicide.”

The cause was tried before Lord Tenterden, C.J., at the sittings in London, after Hilary term, 1832. The defence set up was, that Mr. Kinnear, who was found dead in his bed on the morning of the 21st of October, 1830, had caused his own death by taking poison. An inquest had been held upon the body, and a verdict returned of “died by the visitation of God.” The jury returned a verdict for the plaintiffs.

Kinnear v. Nicholson.—This case arose upon a policy for £4,000 effected upon the life of the same gentleman (Mr. Kinnear) with The National Life Assurance Society, which was also subject to a proviso or condition, “that assurances would be void if the parties whose lives had been assured, should go beyond the limits of Europe, &c.; and that assurances made by persons on their lives would become void if they should die by duelling, by their own hands, or by the hands of justice.” The cause was not tried, it having been agreed between the parties, that it should abide the event of *Kinnear v. Borradaile.*

The following are the provisos avoiding the policies issued by some of the principal London Insurance Companies, which bear upon this question.

The Alfred.—“Policies effected on their own lives by persons who shall die by suicide or duelling, will remain in force to the extent of such *bona fide* interest as any other person shall have acquired therein.”

The Argus.—“Every policy effected by a person on his or her own life shall be void, if such person *commit suicide*, or die by duelling or the hands of justice; but if any policy effected by a person on his or her own life, shall afterwards be actually assigned to any person or persons by way of mortgage, or for the benefit of any creditor or creditors, or charged with any sum or sums for the benefit of any mortgagee or mortgagees or creditor or creditors, and the person on whose life the assurance shall have been effected shall *commit suicide*, or die by duelling or by the hands of justice, then the policy so assigned or charged shall not be void to the extent of the principal sum or sums, and interest secured by the assignment or charge; or if

any policy effected by any person on his or her own life shall afterwards be absolutely assigned to a purchaser for valuable consideration in any transaction (except that of settlement upon or after marriage, or any other occasion), and the person on whose life the assurance shall have been effected, shall *commit suicide*, or die by duelling or by the hands of justice, then the policy so assigned shall continue in full force, notwithstanding such *suicide* or death."

The Atlas.—"Assurances made by persons on their own lives will be void if they die by the hands of justice, by duelling or by *suicide*."

The Eagle.—"By the death of the said &c. by *suicide*, by duelling or by the hands of justice."

The Globe.—"Should the assured die by duelling, *suicide* or the hand of justice.

The London Assurance.—"If the assured shall die by *suicide*, or by duelling or by the hands of justice."

The Pelican.—"Should the said assured die by duelling, *suicide*, or the hand of justice."

The Rock.—"In case the said &c. shall *commit suicide*, or die by duelling or the hands of justice." (The cases of *Garrett v. Barclay*, *supra*, and *Kinnear v. Borradaile*, *supra*, arose on this form of policy.)

The Equitable.—"In case the assured shall die *by his own hands* or the hands of justice," &c. (This company paid a policy of £3,000 to the executors of Mr. Borradaile.)

The Guardian.—"Or if the said *A. B.* shall die *by his own hands* or by duelling, or by the hands of justice."

The Hand in Hand.—"The policies of persons insuring their own lives will also become void if the insured shall die *by his own hands* or by the hands of justice, or in consequence of a duel, but shall remain in force so far as any other person or persons shall then have a *bona fide* interest therein, which shall have been previously acquired or transferred for a valuable consideration."

The Hope.—"If the assured shall die *by his own hands* or by duelling or by the hands of justice."

The Imperial.—"Insurances made by persons on their own lives shall become void, if such persons die *by their own hands*, by duelling, or by the hands of justice; but as much distress may be produced by the forfeiture of all recovery in such cases, the directors have power in their discretion to make such allowance to the representatives of the deceased as they may deem just and reasonable, not exceeding in any case the value of the policy at the time of the decease."

The Law Life.—"Assurances made by persons on their own lives who shall die by duelling, or *by their own hands*, or by the hands of justice, will become void so far as respects such persons; but shall remain in force so far as any other person or persons shall then have a *bona fide* interest therein, acquired by assignment or by legal or equitable lien, upon due proof of the extent of such interest being made to the directors. And if any person assured upon his own life, and who shall have been so for at least five years, shall die *by his own hands*, and *not felo de se*, the directors shall be at liberty, if they shall think proper, to pay for the benefit of his family, any sum, not exceeding what the society would have paid for the purchase of his interest in the policy, if he had been surrendered to the society the day previous to his decease; provided that the interest in such assurance shall be in the assured, or in any trustee or trustees, for him or for his wife or children, at the time of his decease."

The National.—"Assurances made by persons on their own lives, will become void if they die by duelling, *by their own hands*, or by the hands of justice." (The case of *Kinnear v. Nicholson*, *supra*, arose upon this form of policy.)

The North British.—"Assurances made by persons on their own lives who shall die by duelling or *their own hands*, or by the hands of justice, will be cancelled so

far as respects such persons; but shall remain in force so far as any other person or persons shall then have acquired a *bona fide* interest therein by assignment, or by legal or equitable lien; and if any person assured upon his own life shall so die, the directors or managers shall be at liberty if they shall think proper, to pay for the benefit of his family any sum not exceeding what the corporation would have paid for the purchase of his interest in the policy if it had been surrendered to the corporation the day previous to his decease; provided, that the interest in such assurance shall be in the assured, or in any trustee or trustees for him or for his wife or children at the time of his decease."

The West of England.—"Policies effected by persons on their own lives, who shall die by duelling, *by their own hands*, or by the hands of justice, will, so far as regards the assured, become void; but notwithstanding this provision, such assurance will be held valid so far as extends to any *bona fide* interest acquired by any other person under an actual assignment, by deed, for a valuable consideration in money, or by virtue of any legal or equitable lien as a security for money, upon proof of such a subsisting interest being given to the directors to their satisfaction; and if any person assured upon his own life and having been so assured for five years at least, shall die *by his own hands*, and *not felo de se*, the directors will be at liberty, if they shall think proper, to pay for the benefit of his family, any sum not exceeding what the company would have paid for the purchase of his interest in the policy, if it had been surrendered on the day previous to his decease; provided, the interest in such assurance shall be in the assured or in a trustee for him, or for his wife or children at the time of his decease."

One of the rules of *The London Life Association* (which was not given in evidence) is as follows:—

"The policies of persons on their own lives also become void if the assured die *by his own hands*, or by the hands of justice, or in consequence of a duel. But the court of directors in cases of *suicide*, *not felo de se*, are authorized to pay the legal holder of the policy any sum they may think fit, not exceeding the value of the policy on the day preceding the decease of the assured."

And the following is the order of the general court (dated 18th January, 1880) relating to policies effected with the association; (also not in evidence.)

"That in all cases where any policy or policies of assurance shall have been granted by this society to any person or persons, upon their own lives, and where the assured shall die *by their own hands*, and *not felo de se*, the directors be authorized and empowered to pay, if they shall think fit, upon an examination of all the circumstances of the case, to the person or persons legally entitled to the policy at the time of the decease, any sum or sums of money not exceeding in amount the value of the policy on the day preceding the decease of the life assured, computed in the manner adopted by the society in cases of policies purchased by them."

The company had in fact offered before the trial of this case to pay the plaintiff the sum of £182 11s. as the value of the policy at the time of the death of Mr. Bordaile; but the offer was declined.

POLICY—CONSTRUCTION OF "COMMIT SUICIDE"—
RESPONSIBLE MORAL AGENT.

Schwabe, Admr. v. Argus Insurance Company of London.

In an action upon a policy of insurance effected by Schwabe on his own life, expressed to be subject to a condition that the policy should be void if the assured should commit suicide or die by duelling or the

hands of justice, the defendants (The Argus Insurance Company) pleaded that S. did commit suicide. It was proved that S. died by reason of having taken sulphuric acid voluntarily, and for the purpose of killing himself, being at the time of unsound mind.

The judge directed the jury that to find for the defendants, the jury must be satisfied "that S. died by his own voluntary act, being then able to distinguish between right and wrong, and to appreciate the nature and quality of the act so as to be a responsible moral agent. That the burthen of proof, as to his dying by his own voluntary act, was on the defendants; but, that being established, the jury must assume that he was of sane mind and a responsible moral agent, unless the contrary should appear in evidence."

The counsel for the defendants excepted to this instruction, and insisted that the jury ought to have been directed that if the said Schwabe voluntarily took the sulphuric acid, for the purpose of destroying life, being conscious of the probable consequences of the act, and having at the time of so taking it sufficient mind to will to destroy life, he had committed suicide within the meaning of the condition of the policy.

The jury found their verdict for the plaintiff, £5,140.

On a bill of exceptions it was held, in the Exchequer Chamber, term 1848, that the direction as to the necessity of S. being a responsible moral agent, and capable of distinguishing between right and wrong, was erroneous; the terms in the policy, "commit suicide," including all cases of voluntary self-destruction, whether felonious or not.

Sir F. Kelly, for the Co. on appeal, urged the following points. That according to the true construction of the expression in the sixth condition "shall commit suicide," if the assured by his own voluntary act put himself to death, intending at the time of committing the act to cause his own death, and being conscious that such would be the probable effect of the means employed by him for that purpose, the condition attached, and the several policies became forfeited, although at the time of so killing himself he might be of unsound mind and incapable, by reason of such unsoundness of mind, of distinguishing between right and wrong, and that the jury ought to have been instructed accordingly.

For the policy-holder it was argued, that if the deceased died by his own voluntary act, being then of insane mind and unable to distinguish between right and wrong, and to appreciate the nature and quality of the act that he was doing, so as to be a responsible moral agent, he did not commit suicide nor avoid the policy according to the provisos in that behalf therein respectively contained.

The judges, Pollock, Parke, Alderson, Patteson, Rolfe, Coleridge, and Wightman, differed in opinion, and delivered their opinions *seriatim*.

Wightman (Judge.) I am of opinion that the deceased, Schwabe, did not, under the circumstances found by the jury, commit suicide within the meaning of the exception in the policy. The term *suicide* has no technical or legal meaning: it is admitted that the word is not to be understood in the largest sense of which it is capable, as that would include an accidental or unintentional killing of himself.

Rolfe. In my opinion, any act of self-destruction is, in common language, described by the word *suicide*, provided it is the intentional act of the party, knowing the probable consequences of what he is about. This is, I think, the ordinary meaning of the word, and I see nothing in the context enabling me to give it any but its ordinary signification. For these reasons I think there must be judgment for the Co. and a *venire de novo* awarded.

Patteson. I am of opinion that the words "commit suicide" mean only "kill himself," and that the true question to be put to the jury is, that which was put by Justice Erskine, in *Borradaile v. Hunter*, whether the deceased knew the probable consequences of his act, and did that act voluntarily, intending such consequences to follow, and that no question should be put as to the act being criminal or not. It follows, in my opinion, that the judgment must be reversed, and a *venire de novo* awarded.

Alderson. The true principle governing cases of this kind seems to be well laid down by Justice Maule, in *Borradaile v. Hunter*. The words in question seem to me in this case to have their proper construction, when taken as including all cases of voluntary self-destruction. They do not apply to cases in which the will is not exercised at all; as, where death results from accident or delirium; but where the self-destruction is voluntary, although the will may be perverted.

Parke. I think that, according to the proper construction of this policy, if the intestate *voluntarily* killed himself, it was immaterial whether he was then sane or not. I feel no doubt as to the import of the expression "commit suicide." In ordinary parlance every one would so speak of one who had purposely killed himself, whether from tedium of life, transport of grief, or in a fit of temporary insanity. "To die by his own hands," or "to commit suicide," seem to me to be all one, and to apply to all cases of self-homicide.

Pollock, (per contra.) The language used in the agreement between the parties does not *necessarily* exclude this risk; I think, as against the office, the risk ought to be included. In the eye of the law, with reference to crime, a man is either *compos mentis* and responsible, or he is *non compos mentis* and irresponsible. In point of law, as soon as it is ascertained that a person has lost his sense of right and wrong, it matters not what else of the human faculties or capacities remain: *he ceases to be a responsible agent*, and, in my judgment, can no more *commit suicide* than he can *commit murder*.

Whether the privation of reason be total or partial; whether it produce delirium of one kind or another; whether it affects sensation, apprehension, memory, judgment, or will, or any of the moral and intellectual powers which constitute our nature; if the act be not the act of a sane and responsible creature, but is the result of any delusion or perversion, whether physical, intellectual or moral, *it is not the act of the man*.

Venire de novo awarded, in accordance with the opinion of the majority of the court.

ENGLISH BANKING LAW.

WHAT CONSTITUTES AN AUTHORITY TO A BANKER TO
RETIRE A CUSTOMER'S ACCEPTANCE.

Keymer v. Sir Peter Laurie and Others.—*Court of Queen's Bench, Westminster, (sittings in Banco,) April 18, 1849.*

This was an action against the defendants as trustees of the Union Bank of London, and the question was, whether the defendants were bound to pay a bill accepted by the plaintiff, and by him made payable at the Union Bank for the sum of £42 15s. It appeared that this bill had been drawn on the plaintiff and accepted by him, payable at the Union Bank, at which, when it became due, it was presented by Messrs. Spooner and Co., the bankers, for the holder. It happened, that at that moment the plaintiff had only a sum of £21 in the defendants' hands; but their clerk, to whom this bill was presented, not being aware of the fact, paid the bill. On discovering the mistake, application was made to Spooner and Co., who refused to refund the money; and the plaintiff, on being applied to, said that he did not intend that the bill should be paid, for that it had been accepted for the accommodation of the drawer, who was to provide the amount, but who had become bankrupt, and that it ought to be proved in the Court of Bankruptcy. The plaintiff afterwards drew a check on the defendants for what would have been his balance in their hands, if the bill presented by Messrs. Spooner had not been paid. This check was dishonored by the defendants, on the ground that they had no effects of his in their hands, they having paid on his account a sum larger than stood in his name. He then brought this action, the question raised by which, at the trial was, whether the acceptance of the bill by the plaintiff was such an order to the bankers by the plaintiff to pay away his money as justified them in making the payment? The case was tried before Lord Denman at the last sittings in London, when the jury returned a verdict for the defendants, the learned judge having told the jury that, if the bill was paid, he should hold that there was authority given by the plaintiff for the payment, and that the defendants were justified in making it. The jury at once found that the payment had been made, and so the verdict was, under his lordship's direction, entered for the defendants.

Mr. Crowder now moved for a rule to show cause why this verdict should not be set aside and a new trial granted. The learned counsel contended that, as the defendants had only the sum of £21 4s. belonging to the plaintiff in their hands at that time, they were not bound to pay the bill; and that if they chose to do so, they did it at their own risk and must bear the loss.

Mr. Justice Patteson. It is rather strong to say that if a man overdraws his account with his banker, and the banker chooses to pay the check, the customer is not to be held responsible. It was very careless of the plaintiff not to give notice to the defendants that they were not to pay the bill.

Mr. Crowder. The defendants were guilty of great carelessness in paying the bill, and it was evident by their subsequent conduct that they had made a mistake. The subsequent payment by them of the check for £13 13s. showed their conviction that they had paid the bill by their own mistake, and not for the plaintiff's honor.

Mr. Justice Patteson said, the court would consider whether, upon this latter ground, a rule *nisi* ought not to be granted.

BANK ITEMS.

BANK OF AUBURN.—James S. Seymour, Esq., has been elected president of the Bank of Auburn, in place of Mr. Cuyler, resigned; and C. H. Merryman, Esq., has been elected cashier in place of Mr. Seymour, now president.

BANK OF DANVILLE.—Notice was given early in June, that in compliance with the act of incorporation, the books for subscription to the Bank of Danville, (Danville, Penn.) would be opened on the 18th June.

MATTAPAN BANK.—A meeting of the stockholders of the Mattapan Bank, to be located at Harrison Square, Dorchester, Mass., was held Monday the 11th June. The charter was accepted, and the corporation organized by the choice of the following gentlemen as directors;—Edward King, Alexander Pope, Wm. Pierce, Charles Caruth of Dorchester, and Nahum Ward of Roxbury. At a subsequent meeting of the directors, Edward King was chosen president, and Frederick Beck, late teller of the Grocers' Bank, cashier.

QUINCY STONE BANK.—The Quincy Stone Bank, situated at Quincy, was robbed on 22d May last, of \$5000 in bank bills. Before breakfast the cashier went to the bank and distributed the money in the drawers and left. On returning a short time afterwards, he found that some one had entered the bank, by removing a pane of glass, and carried off the money. The bills were all of the Quincy Bank. No clue to the robbery has yet been discovered.

YORK BANK.—Daniel Cleaves, Esq., has been elected president of the York Bank, Saco, Me., in place of Jonathan King, deceased.

MACHINISTS' BANK.—C. R. Bickeus, Esq., has been elected cashier of the Machinists' Bank, Taunton, Mass., in place of E. R. Anthony.

UNION BANK, WEYMOUTH.—George M. Bartlett has been removed from the situation as cashier of Union Bank, of Weymouth and Braintree.

AUGUSTA BANK.—J. J. Eveleth, Esq., has been elected cashier of Augusta Bank, Maine, in place of George W. Allen, resigned.

SHOE AND LEATHER DEALERS' BANK, BOSTON.—The stockholders of this bank have accepted the act of the legislature, authorizing them to increase their capital to \$750,000. The extensive correspondence and good management of this institution have enabled it to do a very profitable business in Exchange paper, at the same time affording great facilities to the mercantile community interested in the southern and western trade. The stock of this bank is worth 17 per cent. premium, and next to the Suffolk, sells at the highest advance.—*Wiltis' Bank Note List.*

NEW BANKS IN CONNECTICUT.—The legislature of Connecticut adjourned on 22d June, after a session of seven weeks. Five new banks have been chartered during the session, viz.

State Bank,	Hartford,	Capital \$ 400,000
Farmers Bank,	Bridgeport,	" 200,000
Citizens Bank,	Norwich,	" 200,000
Fawcatuck Bank, . . . . .	. . . . .	" 75,000
Deep River Bank, . . . . .	. . . . .	" 75,000

THE BOWERY BANK.—The corner stone of the new building for the Bowery Bank, New York, was laid in June last. The lot selected is the corner of Broome street and the Bowery. The building will be constructed of Connecticut brown stone, a material now much used for public edifices and for costly private dwellings, as a substitute for marble. The dimensions of the new bank building are as follows: The principal front on the Bowery, thirty feet, and on Broome street, seventy feet. The front will have eight windows, three on each of the upper stories, and one on each side of the entrance, all filled with plate glass. The main floor will be occupied for the ordinary business of the bank, and the upper part as a residence for the president, with an entrance on Broome street. The basement will be occupied by the Citizens Fire Insurance Company. This new structure will be an ornament to that part of the city in which it is located. The cost of the building will be about \$22,000. The architect, John W. Rich.

CHEMICAL BANK.—A new building for the Chemical Bank is shortly to be erected in Broadway, one door south of Chambers street. The front will be constructed of free stone, and will add much to the appearance of that portion of the street. The directors have obviously consulted the convenience of the merchants and residents near the Park, and above Chambers street, by the proposed change in the location of their institution. The new building is from a design by T. Thomas and Son architects.

MISCELLANEOUS.

NEW YORK STATE LOAN OF 1849.—Bids for the new loan of New York were opened at Albany on 20th June. The amount required was, as stated below, but the amount bid for was beyond eight and three-quarter millions. The average rate of premium at which it was disposed of was 11½ per cent. The following are the successful bidders:

	<i>Amount.</i>	<i>Premium.</i>
Merritt & Co., New York,	\$5,000	\$13.07
do. do.	10,000	12.90
John L. Schoolcraft, Albany,	10,000	12.50
Wm. Beach, Auburn,	150,000	12.40
Bank of Auburn,	10,000	12.40
do. do.	10,000	12.30
do. do.	20,000	12.25
Oscar F. Blount, Whitehall,	50,000	12.25
J. Taylor, cashier, Albany,	25,000	12.25
do. do. do.	25,000	12.10
Bank of Auburn,	20,000	12.10
Merritt & Co., New York,	5,000	12.07
A. Belmont, agent of Rothschilds,	400,000	12.07
Horace White, Syracuse,	30,000	12.03
L. Bonnefoux, New York,	5,000	12.01
Homer Caswell, Herkimer,	5,000	12.01
W. H. Johnson, New York,	50,000	12.00
J. M. Schermerhorn, Homer,	5,000	12.00
J. Taylor, cashier, Albany,	50,000	12.00
John L. Schoolcraft, do.	10,000	12.00
Thomas W. Olcott, do.	50,000	12.00
Delauney, Iselin & Clarke, New York,	28,000	12.00
A. Belmont, agent of Rothschilds,	300,000	11.77
John L. Schoolcraft, Albany,	10,000	11.75
R. H. King, do.	339,024	11.70
Undecided,	117,000	
	\$1,739,024	

The nett premium upon this loan is over \$200,000—the Rothschilds, it will be seen, obtain about \$700,000 of the loan, and their own bids on foreign account exceeding the whole amount asked for.

THE SUFFOLK BANK SYSTEM.—The Suffolk Bank has, of late, been the occasional subject of attack in the papers; the articles, as far as we have noticed, have stated facts, but the inferences and comments which have been drawn from them, have not always been strictly just. We look upon the principle of par redemption, as perfected by Mr. Stone, denominated the *Suffolk Bank system*, as deservedly popular. It does not, however, add to the security of the bill-holders, by "its wholesome restraint upon an extended circulation," as is too often claimed for it, inasmuch as it may suffer country banks to contract or expand at its pleasure, and becomes a source of profit to the Suffolk, by charges of interest on the amount of circulation that may be unprovided for. It is profitable to the Suffolk for country banks to be in debt to them; and they consequently make more out of a debtor than out of a creditor bank. So far, however, as this item of interest is concerned, there is, perhaps, no objection. The Suffolk should be paid for the labor they perform, and the community are contented to get their country money redeemed so readily.

If the Suffolk have confidence in the entire responsibility of any country bank, they may permit it to overdraw, and receive their bills to a large amount over any balance they have, holding them in their vaults, or returning them at their pleasure, charging interest on the overdraft. If they have any fears of the ability of a bank to redeem, or consider there may be a liability of their over-issuing (which is the great feature to be provided against,) they may quietly require security of the institution so situated, in the form of their notes discounted, or the personal responsibility of the directors, which they hold as collateral for whatever circulation or balance may stand against them; consequently, if such bank fails, the Suffolk are secured, and the first intimation the public get of the stoppage, is the refusal of the Suffolk longer to redeem; whereas, under a different system, the community have the same opportunity that the Suffolk possess, of judging of the safety of any country bank, and a curtailment is compelled, according to the risk of loss in case of failure.

We do not pretend that this great power of the Suffolk is abused, but only that it gives them a controlling influence, that may be used arbitrarily or not, according to the caprice of the managers. We believe it is their policy, as it evidently is for their interest, to impose only a healthy restraint upon these country institutions.

In the course of their business, the Suffolk are constantly brought in immediate contact with the banks, and at times its partiality and want of courtesy, and offensive manner of compelling strict and immediate compliance with all its regulations, occasionally give offence to the banks; difficulties arise, often insignificant in themselves, but constantly aggravated by non-compliance on the one side, and a knowledge of power on the other, break out into an open contest, and the Suffolk commence a run upon the refractory bank, which is sometimes kept up with the most unscrupulous pertinacity for several years, at great cost to both parties, until by accident or change of officers, a reconciliation takes place. The community know nothing of the quarrel, and care nothing for the making up. The whole affair is unworthy of bank directors.

A case of this sort is now going on, doubtless among others of less importance, in which the bills of a distant country bank are hoarded up, with great care, for some months, until the aggregate amounts to fifty or sixty thousand dollars, and then, with great secrecy and indirectly, messengers are dispatched, who pounce suddenly upon the country bank demanding coin for its issues; and thus 500 to 600 pounds of the precious metals are transported back and forward; and this state of things seems likely to continue till the charters expire. It all originated in a little matter in which the Suffolk were in error; but with their habitual pertinacity they seemed willing to provoke a quarrel with as determined an antagonist as themselves, in anticipation of being themselves provoked.

The Suffolk perform an immense amount of labor, and are fully entitled to the dividends they earn; the system is undoubtedly the best under all circumstances for the mercantile community, and reflects great credit upon its founder, Henry B. Stone, Esq., the present head of the institution, through whose indefatigable exertions this system of par redemption has been preserved and perfected, and it only remains for them to combine with the wisdom of their counsels a little more of the "*saviler in modo*," to make their system and themselves universally popular and efficient.—*Wiltis' Bank Note List*.

FINANCES OF PENNSYLVANIA.—Pennsylvania five per cents have risen to 90. The following is extracted from the circular of the State Treasurer, issued in June :

“The abatement of five per cent. will be allowed to any county making payment in time to be available for the interest falling due on the 1st August.

“The amount of money withdrawn from the treasury to pay the outstanding indebtedness along the line of the public works, the accumulation of years, and some other appropriations for useful and laudable objects, diverts a considerable share of the revenue hitherto applied to the payment of interest. To replace the amount of funds thus withdrawn, and to provide for other anticipations of the public revenue, will require the energetic assistance of the officers charged with the supervision of the finances of the several counties. A high sense of public duty, I am confident, will stimulate them to make exertions commensurate with the wants of the State, and which certainly will be creditable to them as officers.

“That the present moment is a crisis, it would be wrong to conceal. If we can, this season, overcome the difficulties which environ us, then no human agency can endanger the credit or cripple the resources of Pennsylvania. Before the year expires the treasury will be in receipt of revenues provided by recent legislation, which are estimated to be more than equal to the late appropriations, and will leave, after the present year, nearly the entire revenue of the State, less the expenses of government, to be applied to the payment of the interest on the funded debt, and the surplus towards the completion of an important public work.

“From the facts mentioned, and other causes of moment operating, the public credit will hereafter repose on a more reliable revenue.

“The General Assembly, at its late session, acting under the patriotic and salutary recommendation of the Governor, established a sinking fund, with a revenue sufficiently large to make it practically and efficiently useful. Under its auspices, the State debt will be reduced ; the public credit permanently restored ; and the people at no distant day relieved from the taxes now levied upon their property.”

THE NEW GOLD COINS.—The gold dollars have made their appearance in very limited quantities. One hundred thousand dollars only have been coined. The directors of the mint issue them only in exchange for bullion ; therefore but few have been circulated among the people. The government have recently ordered the balance on hand to be sent to Washington. By the single piece they command 2 to 5 per cent. premium, as a matter of curiosity. There is no probability of their ever getting into general circulation ; they are altogether too small. The quarter eagles are a much handsomer coin, but even those are not much used in the common currency. The great number of banks creates a very extensive interest in favor of bank note currency. The liability of bank failures is not much considered, and the greater convenience of the paper inclines the mass in its favor. The liability of loss by counterfeits is greater in the gold coinage than in paper.

The gold double eagles have not made their appearance ; they will be more popular than the dollar pieces.—*Willis' Bank Note List.*

Editorial Correspondence.

BANK OF ———, Vermont, May 23, 1849.

To the Editor of the *Bankers' Magazine*.

DEAR SIR :—We esteem your work very highly, and are very glad to think, from its continuance, that it is well patronized.

The banks of this State are all, I believe, in a sound condition ; as a general thing they stand well with the community, and make satisfactory dividends to their stockholders, with the exception, perhaps, of one, the St. Albans Bank. A disposition has manifested itself of late amongst the people of this State, and in fact throughout New England, to invest their surplus money in bank stock. A number of new banks have been incorporated and the capital of old banks in many cases increased. Whether this is to be attributed to the fact that we are growing in wealth in this section, or whether it is a sort of mania which must have its run, like the wild land

and rail road mania, heretofore, and after having been overdone die out as they have, is a matter to be determined hereafter. The immediate effect of it is to curtail, in a measure, the business of the old banks, to cut down their profits, and to change somewhat their method of doing business. Instead of lending their money in small sums to farmers, mechanics and all classes, on accommodation paper, as heretofore, relying mainly upon their circulation for profits, they seek larger notes, manufacturing, rail road and city paper, charging for exchange, as is the custom with many of the New York and Western banks.

Money has been comparatively plenty throughout this State for the last year, notwithstanding the large amounts contributed to unproductive rail roads, and the constant and pressing calls for money in the cities. Large amounts have been expended in the construction of the rail roads within and around our borders. Materials, of wood and stone, heretofore almost valueless, have been in demand at good prices. Produce, of all kinds, has been high. Our people are industrious and sober, and, on the whole, have good reason to be content with their situation.

The California fever has raged somewhat with us, taking out of almost every village one, two, and in some instances it may be twenty victims. They are mostly unmarried young men, enterprising but restless, possessed of a few hundred dollars, and anxious to add to the amount a little faster and a little easier than our Yankee habits of competition and gain getting would permit here.

Yours respectfully,

—, Cashier.

Notes on the Money Market.

NEW YORK, 27 JUNE, 1849.

Money affairs have assumed a highly flattering condition within a few weeks past. We have to record a continually improving condition in public securities, with prices which have not existed for ten years past. State stocks have attained high quotations, and are much in demand for investment and for foreign orders. The accounts that have come to hand since the 1st instant from California, confirm the extraordinary calculations previously made as to the production of gold in that country. We now begin to feel the realization of the most sanguine hopes of our countrymen, as indulged in five or six months since, of the metallic wealth of our new territory. Since the 1st of the present month, about one and a half million in gold dust has been received from San Francisco, at the principal Atlantic cities. Two arrivals alone have brought a million of dollars in value; and various others have brought small amounts in return for cargoes exported twelve or eighteen months since.

It is now estimated, with some reason, that the receipts of gold dust into this country, from California, will reach twelve millions of dollars during the present year. These estimates have, of course, a large influence upon the business of the country, and have contributed to enhance the existing prices in the stock market. The manufactures of cotton goods and other articles have had an impetus, from the demand now created for the California and South American markets.

The improvement in State stocks has been rapid, and is an unerring index of the abundance of money. We annex a few quotations of the last twelve months to confirm this:

	June 1848.	Oct. 1848.	Feb. 1849.	June 1849.
Treasury Notes,	102½	103	109	117
U S. Loan, 1867 '63	104½	104½	110	117
Ohio six per cents, 1860	100	100	103	108
Kentucky " "	100	97	101	110
Pennsylvania five "	74½	74	73½	90
Maryland six "	89	89	97	106
Baltimore six "	97	98	101	104
New York five "	92	94	96	105

The Maryland six per cents have advanced with great rapidity, and their present prices will probably be maintained, for the reason that the State Sinking Fund is gradually absorbing much of this stock. Portions of the Maryland six per cent. loan (three millions) were taken in July and September, 1835, at a premium of 16.40 & 17.60. The aggregate premium received on that amount of the loan was \$504,748, which was invested in the stock itself as a part of the sinking fund. This fund amounted in December, 1849, to \$1,800,000. About four years since, when the State was under suspension, its six per cents were selling at 50 & 60. Now they have risen to 106-107.

New York and Massachusetts stocks maintain the ascendancy in both our own and the foreign markets. The former is much in requisition for the use of newly organized banking institutions, as a basis for their circulation. This provision in the banking law of the State of New York will perpetually serve to keep up the price of its five and six per cents. The recent bids for a new State loan of \$1,700,000 (as detailed in another page) indicate the increased demand for our own state securities. Large bidders were at Albany, it is understood, for foreign account. The bids of Watts Sherman, varying from 10.63 to 11.52, are represented to have been for Messrs. Baring & Brothers, London, and the bids of Mr. Belmont, for Messrs. Rothschilds.

QUOTATIONS FOR AMERICAN STOCKS IN LONDON.

	May 18.	June 8.
United States six per cents, 1868,	108 a 109	— a 110½
New York five per cents, 1855 to 1860,	94 a 95	94 a 95
Pennsylvania five per cents,	79 a 80	80 a 81
Ohio six per cents, 1850,	94 a 95	94 a 95
Ohio six per cents, 1856,	93 a 99	99 a 100
Ohio six per cents, 1860,	95 a 99	99 a 100
Massachusetts five per cents (sterling bonds,) 1863,	101½ a —	101 a 102
South Carolina five per cents, (Baring & Co.) 1858 '63,	39 a 90	89 a 90
do. do. do. (Palmer & Co.) 1866,	87 a 89	87 a 88
Maryland five per cents, (sterling bonds)	86 a 87	87 a 88
Mississippi six per cents, (Planters Bank,) 1841 to 1870,	50 a —	50 a —
Mississippi six per cents, (sterling bonds)	20 a —	20 a —
Alabama five per cents, 1863,	57 a 58	57 a 58
Alabama five per cents, (sterling bonds,) 1858 '59, '66,	60 a 62	62 a 63
Virginia five per cents, 1854,	83 a —	— a —
Virginia six per cents,	98 a 100	98 a 100
Kentucky six per cents,	91 a 92	91 a 92
New York City five per cents,	90 a 91	92 a 93
United States Bank shares,	10s a 12s	10s a 12s

The Commissioners of the Sinking Fund of the city of New York have advertised for a loan of \$200,000, bearing interest at five per cent. per annum, payable quarterly, from the 12th of July next; the principal redeemable on the 12th of July, 1875. No proposal will be considered which shall offer less than the par value of the stock.

In Massachusetts there is a large increase of bank capital; the late legislature have granted several new charters. Among these is the Mattapan Bank, at Dorchester, about three miles from Boston. This new institution will commence operations in a few weeks.

In Connecticut the legislature of 1849 has created several new banks, with an aggregate capital of about \$700,000. The charters provide for a bonus, in each instance, towards some of the charitable societies of the State. This is an admirable appropriation of a bank tax, and will confer permanent benefits upon the State at large. The bonus to be paid is distributed as follows:

State Bank,	capital \$400,000,	bonus \$10,000,	to State Normal School.
Farmers Bank,	" 200,000,	" 5,000,	to N. Haven General Hospital.
Pawcatuck Bank,	" 75,000,	" 1,000,	to Conn. Historical Society.
Deep River Bank,	" 75,000,	" 1,000,	to Normal School.

There have been a few shipments of coin in small amounts from New York to Europe. The rates of Exchange do not warrant large exports. The total amount shipped from New York from the 9th to 23d June has been \$236,000, and from 1st January to 9th June, \$1,093,000. It is to be hoped that the shipments of specie from or to Europe have ceased for the present. The ordinary business of the United States with Europe will adjust itself, and discharge its own balances, without the intervention of coin.

The banks of the city of New York are well fortified with specie, according to the following table which we copy from the daily journals of last week:

Bank of America,	\$1,114,000	City Bank,	\$410,000
Bank of Commerce,	1,269,000	Union Bank,	400,000
Bank of New York,	1,076,000	Manhattan Bank,	315,000
Bank State of New York,	760,000	National Bank,	185,000
American Exchange Bank,	790,000	Leather Manufacturers,	160,000
Merchants Bank,	930,000	Mechanics Bank'g Association,	118,000
Phoenix Bank,	590,000	All others,	950,000
Mechanics Bank,	543,000		

A total of \$9,600,000

Short loans have been recently made, upon prime stock, at as low rates as 4 a 5 per cent. The abundance of money in England has undoubtedly induced some of its capitalists to forward orders to this country for purchases of State Stocks. It is stated, upon good authority, that "a sale has been consummated between Messrs. Corcoran & Riggs, and Mr. Bates, of the house of Baring, Brothers & Co., of \$600,000 or \$700,000 of the last U. S. loan, being nearly all that Messrs. C. & R. are entitled to of the un-issued portion, at the full current value of the stock in this market. The stock is to go abroad in large instalments, and immediately."

The semi-annual interest on the Indiana State five per cent. stock, (including the bonds issued for the establishment of the State Bank of Indiana,) falling due on 1st July, will be paid on demand by the Agent of the State, at the office of Winslow, Lanier & Co., 52 Wall street, on and after that date.

It is satisfactory also to know that Pennsylvania is fully prepared to meet the interest on her public debt on the 1st of August next. We learn that arrangements are about to be effected for the payment in par or specie funds, to the exclusion of what are termed "Relief Notes." These last have hitherto formed a considerable portion of the payments on the State interest, at a loss of two or three per cent. to the holders generally. Although the domestic creditor may avail himself of his facilities for disbursing such funds, yet the foreign creditor cannot avoid loss arising from their depreciation.

Maryland has, since its resumption, maintained its credit fully; paying its interest in bankable funds. The finances of Maryland are represented to be in a most favorable condition, with a prospective surplus at the close of the year of nearly \$300,000. The actual receipts of the State, for 1843, were \$963,000, arising from the following sources:

Direct Taxes,	\$435,000	Canal and Rail Road Co's,	\$90,000
Licenses,	140,000	Auction Duties and Licenses,	24,000
Stamps,	79,000	Taxes under various heads,	46,000
Tax on Rail Road Passengers,	45,000	Miscellaneous sources,	48,000
Bank and Road Dividends,	61,000		

Against these receipts, amounting for the fiscal year to \$963,000, and a balance on hand of \$300,000 at the commencement of the year, were

Miscellaneous expenses, \$257,000

And the interest on the public debt, 699,000

Amounting together to \$956,000.

On the 1st December last an available balance existed in the Treasury of \$346,000 with estimates of receipts for the present year of \$1,000,000 at least. Against this aggregate of \$1,346,000, the gross expenditures for all purposes will be about \$860,000. The sinking fund of the State, amounting at this moment to nearly nine-

teen hundred thousand dollars, was most wisely founded, and will, from its accumulating power, reduce essentially the principal of the public debt.

The necessity of providing adequate means for the payment of the interest on its debt, has within a few years produced some new and objectionable sources of revenue, and confirmed others of a highly injurious character. The burden of taxation and public expenditure should fall as equally as possible upon each member of the community at large. This burden in Maryland is probably as uneven as in any state of the Union. Among the sources of revenue to which the strongest objections are urged, are, 1st. Stamps; 2d. Lottery Licenses; 3d. Bonus on Rail Road Passengers; 4th. Taxes on Foreign Insurance Companies. These are all detrimental to the public interests. The item of Stamps (say \$50,000) is a direct tax upon the commercial community, most loudly complained of, and most unjustly levied upon a class already severely taxed in other shapes. The revenue from lotteries is an indirect bounty upon, or inducement to, *gambling of the worst order*; a legal recognition of extravagance in its most secret and insidious form. The bonus on passengers should be termed an *embargo on rail road travelling*. One-fifth of the receipts from passengers between Washington and Baltimore, by rail road, is appropriated by the State to itself. Instead of creating inducements upon a liberal footing for rail road travelling, as contributing to the intelligence and welfare of the whole State, the company is taxed directly, and each traveller indirectly, thirty-six cents for passing between Washington and Baltimore. Instead of reducing the fare to 2 or 2½ cents per mile, which would be, on a great thoroughfare like this, a remunerating price, and which would quadruple the travelling upon the road, the company exact 4½ cents per mile, thereby repressing rather than encouraging travel.

Having thus a surplus revenue, it is to be hoped that Maryland will, at the next session of the Legislature, lop off these obnoxious features of taxation and allow the burden of expenditure to bear more equally upon the whole people.

The *exclusive* and prohibitory system adopted in Maryland, is unfavorably contrasted with the rail road policy of Massachusetts. Passengers are carried from Albany to Boston, a distance of two hundred miles, for three dollars; whereas, from Baltimore to Cumberland (180 miles) travellers are charged seven dollars.

We learn that vigorous efforts will be made for the re-establishment of the Schuylkill Bank, at Philadelphia. Our readers will recollect that the decision in the long contested case of the *Bank of Kentucky v. The Schuylkill Bank*, was in favor of the former, whereby the assets of the latter were nearly swept off. To resuscitate the Philadelphia institution it is proposed that the stockholders sign an agreement to pay twenty dollars each, for each share held by them respectively. Those who are not prepared at the instant to pay this instalment will have the privilege of making the payment within twelve months, adding fifty cents per share and interest. It is further proposed to appoint a temporary cashier, for the purpose of attending to transfers and other incidental business. No stock has been transferred upon the books for a long time past, although large sales have been made.

There is a want of banking capital at Philadelphia, the city having suffered more than any other from the failures of 1837—40. Its bank capital having been reduced from \$30,000,000 in 1837, to \$10,000,000 in 1849.

The large arrivals of gold at New York have made more manifest the great want of a mint at this city, and it is to be hoped that the Treasury Department will urge this upon Congress next winter. A more urgent need exists for a mint in California, for the protection of residents there, and to obviate the necessity of shipping gold dust to the Atlantic cities and the return of coin.

Exchange on London, 108½ a 109. Paris, 530 a 525.

DEATHS.

At Boston, in June, Henry B. Stone, Esq., President of the Suffolk Bank.
At Augusta, Geo., on the 22d June, Amory Sibley, Esq., President of the Mechanics Bank of Augusta.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. IV.

AUGUST, 1849.

No. II.

BANK ROBBERIES.

ROBBERY OF THE CITY BANK OF NEW YORK.

Few of our readers are familiar with the particulars of the robbery of the City Bank of New York, in March 1831. It was one of the best contrived and boldest schemes ever consummated against a monied institution. Bank officers must not feel too secure in their locks and bolts. One or two hours will sometimes enable an experienced burglar to obtain access to a banking house, notwithstanding the apparent security in their locks and keys. The improvements in this article of manufacture have been so great of late years, that no losses have occurred where the best locks have been used. Too much caution cannot be observed in the construction of bank vaults, and in the selection of locks, and in procuring faithful watchmen.

In the case now cited, the City Bank, in Wall street, had a quarter of a million abstracted from its vaults, the burglars carefully locking the doors after them, and the officers had no intimation of the loss until the teller entered the vault on the following morning—every thing, even then, apparently safe.

The daring attempt upon the vault of the Seventh Ward Bank, in November, 1847, (described in p. 396 of our second volume,) the late successful attempt upon the vault of Nisbet & Co. of St. Louis, and the remarkable robbery of Messrs. Rogers & Co. in London, of the sum of \$250,000, are all fresh in the minds of those who give much attention to such things. They all serve to point out the necessity of extreme caution and constant vigilance on the part of those who have charge of large amounts of money.

We are indebted to the New York Police Gazette for the matters now detailed.

The robbery of the City Bank occurred on Sunday, 20th March, 1831. Two Englishmen, by the names of Honeyman and Murray, accom-

plished this daring scheme. They belonged to a set of expert burglars well known to the London and New York police.

The principal members of this band were Wm. John Murray, *alias* John Ellis, William Parkinson, Jack Henderson, Harry White, Jack Simpson, *alias* Jack Brummy, Mike Clahousi, Tom Phillips, *alias* Tom Fowler, and Honeyman himself; all of whom, with the exception of Murray and Parkinson, were escaped convicts from Botany Bay. Murray who was a Scotchman, was a most skilful burglar, and had robbed the Glasgow Bank some years previous, of an immense sum of money. He had been arrested for the offence, but had escaped from the Glasgow prison by the ingenuity of his wife, and came to this country under the name of John Ellis. Parkinson, who was a brother of Mrs. Honeyman, was a man of meagre capacity, and incapable of taking a very active share in the exploits of the band, but he had been blessed with a most sanctimonious face and reverend appearance, and rendered good service in receiving and disposing of plunder. The rest were all expert burglars, and to their qualities in this line, Harry White and Jack Simpson added the talents of superior pickpockets.

Honeyman was the main spring of this party.

The most valuable confidant and counsellor he had in the band was William Murray; and it was to that bold and capable burglar that he owed the suggestion of the design which was doomed to make him ever afterwards so notorious a character. Murray, who had accomplished the robbery of the Glasgow Bank, in so masterly a manner, was in the habit of despising all mechanical obstacles to his entrance into any building to which he might desire secret ingress; and during a morning lounge through Wall street, he pointed out the City and the Phoenix banks as two institutions which might easily be entered by any burglars and "*crossmen*" of address. His careless remark seized possession of Honeyman's mind, and communicating it to White, Brummy and Parkinson, he and the whole party set to work revolving the scheme into shape. A short time sufficed to obtain impressions of the locks, and the art of Murray and Harry White soon fashioned the keys. This done, all was ready for the first entrance. Their several departments of the business were assigned to each of the robbers, and a night was set for the exploit. A circumstance transpired, however, which frustrated their intentions for the time, and as far as action and interests of the several accomplices were concerned, altered the whole face of the transaction.

A dark and stormy night favored their designs, and taking with them in additions to the keys which had been prepared, a full assortment of "skeletons," picks, a dark lantern, and a small iron crow, they set out. The City Bank was the one selected for their first essay, and Parkinson having been placed upon the watch outside, to give the signal; when, after having entered the building, his comrades might securely leave it, the other two approached the door, and with but little effort overcame the lock and slipped safely in. But an unexpected obstacle met them, in the first few steps, in another door that opposed their further progress, and on which their picks and skeletons were tried without avail. No resource was left, therefore, but to take an impression of this lock, as of the other, and to repeat their task. This was accordingly done the next

day, and another entrance was made on the following evening, but still a third door held out against their hopes. After the third had been passed, a fourth and fifth had to be overcome, and before their final object was accomplished, seven several entrances had to be made. It is worthy of mention, that in the entrance previous to the last, the door of one of the vaults closed suddenly upon Honeyman and fastened him inside, a terrified and almost despairing prisoner for several hours. During this time all the skill of Murray was exerted to release him without avail, until he had ventured from the building, and despatched the scout outside for some additional instruments which were necessary for his purpose. Having received these, he returned to the reluctant door, and after a further persevering effort, succeeded in releasing his uneasy companion, just in time to escape from the building before the dawn should make their egress doubly dangerous.

Finally, the burglars were triumphant, and they had the satisfaction, in their seventh expedition, to behold the last door yield to their seductions, and to find themselves among the piled up treasures of the money vaults of the City Bank, on Sunday, the 20th March, 1831.

The night being already well advanced into the small hours, the burglars set to work with the utmost eagerness to reap the harvest of their persevering exertions. Commencing first among the packages of bank notes, they selected \$ 44,000 on the Lansingburg Bank, \$ 26,012 on the Morris Canal, \$ 19,350 the property of the Messrs. Allens, on special deposits, (among which were post notes of the denomination of 50's and 100's,) \$ 2,500 on the Rutland Bank of Vermont, \$ 3,000 on the Orange County Bank, \$ 2,000 on the Newburg Bank, \$ 2,000 on the Morris Bank, New Jersey, \$ 105,726 on various city banks, and \$ 37,412 in special deposits, of various sums—among which was an amount of 298 Spanish doubloons—making an aggregate of \$ 245,000. Being contented with this sum, though other vast amounts lay within their reach, the burglars carefully replaced every thing in its original order, and after locking every door behind them, left the bank at the break of dawn, just as the watchmen had left their posts for the night. The plunder was then conveyed to Honeyman's, where the nefarious trio sat down to consult as to its disposal, and as to their future conduct. After a brief debate it was settled that Honeyman should take the bulk of the booty and set out in the morning boat for Albany, with his wife, and keep on direct to Montreal, at which place his accomplices were to join him, as soon as convenient, and by other routes. Finally, for the purpose of guarding against the miscarriage of any branch of the enterprise, as well as to give satisfaction all around, Parkinson received the doubloons and the Rutland money as a temporary share, and Murray took a sum of \$ 30,000 in notes of small descriptions, consisting mostly of those on the New York banks.

The main part of the treasure was then packed in a large leather trunk, when Parkinson left the house, and Murray and Honeyman, accompanied by the wife of the latter, started out to go to the wharf. On the way to the river, they met a hackney coach in Rose street, which they engaged to take them down, and bidding Murray farewell on the sidewalk, Honeyman and his wife stepped in and drove to the foot of

Courtlandt street. There Honeyman got out and disappeared in the direction of the wharf. After a few minutes he returned with a countenance expressive of strong disappointment, and remarking carelessly to the driver that he had not found the person he was looking for, directed him to set the trunks on the walk, and then discharged him; at the same time despatching Mrs. Honeyman home a-foot. Immediately after her departure, Murray, who had just thrown the false keys in the dock, made his appearance, when after a short consultation together, the two robbers called a cart, and representing themselves as just arrived in town, requested to be driven to a private boarding house. Having applied to several without success, Murray left the cart, but Honeyman at length obtained accommodations at a boarding house on the corner of Broome and Elm streets. Here he gave the name of Edward Jones, and having been shown to a room, flung himself upon the bed and overcome with the fatigue and excitement of the previous night, sank almost instantly to sleep.

At a later hour on that morning, Mr. Lancaster S. Burling, the first teller of the bank, went into the vaults to take out the monies necessary for the business of the day, when to his utter consternation, he discovered that nearly a quarter of a million had been stolen. Information was instantly given to the police, and on the following morning, the whole town was struck with wonder and astonishment at the audacity and extent of the robbery. The following extract from the *New York Gazette*, of Tuesday, March 22d, 1831, will evince the sensation occasioned by the discovery of the depredation:

“Great excitement was created yesterday by the discovery of the fact that the City Bank had been entered since the hour of closing on Saturday, by means of false keys, and robbed of a very large sum of money, (over \$200,000) in bank bills. It is evident from the manner in which the robbery was effected, that some time must have been taken in maturing the plans, and that the perpetrators are no mean adepts in their vocation. There was not the slightest marks on any of the doors, locks, or any other part of the establishment. The robbers also displayed a good deal of tact in confining themselves to the abstraction of bills of various banks by which they rendered themselves less liable to detection. We understand that an attempt was made to effect an entrance into another bank in Wall street, but was frustrated by a timely disclosure, which caused a watch to be set about the premises. The bank offers a reward of \$5,000 for the recovery of the property, and a proportionate sum for any part.”

Immediately upon the discovery of the robbery of the bank, the directors sent at once to the police office and committed the business of discovering the perpetrators, chiefly to the sagacity of Jacob Hays, the renowned high constable of New York. Mr. Hays was at first completely at a loss to imagine who could have been the daring and successful “crackmen,” but though for a time at fault, he acted with his usual energy and promptness, by despatching his son Benjamin, the same afternoon to Philadelphia, to go from thence to Baltimore, if necessary, to watch the arrival of every suspicious new-comer in those cities, as well as to communicate the facts to Mr. McLean, the equally renowned se-

nior high constable of Philadelphia, with whom Mr. Hays had arrangements for exchange of business. On arriving in Philadelphia on that night, Benjamin Hays immediately called upon Mr. McLean, and Willis H. Blayne, (also a high constable of Philadelphia,) and told them the whole story.

After having heard the whole details, Mr. McLean appeared suddenly struck with an idea and sunk for a moment into profound thought. He recollected that Harry White, who was then in Philadelphia, and who he had been lately using as a "stool-pigeon," or secret informer, had informed him, shortly after his arrival from New York, that "a big thing" was coming off shortly in that city, in which he, (White,) would have been interested had he staid, and that when it should take place, he would let him know all about it. Connecting this hint with White's known connection with the most expert burglars in the country, Mr. McLean at once suspected that White must have alluded to the robbery with which he had just been made acquainted. Having adopted this idea he rose, and remarking that he had an appointment to fulfil which would occupy some time, requested Hays and Blayne to meet him in two hours afterwards at the Mayor's office.

Mr. McLean found Harry White with but little trouble, and the result of the interview was, that he returned at the expiration of the two hours, with the confidence of a man who had obtained possession of the whole secret, told Hays that he had better give himself no further trouble in Philadelphia, but go right back to New York and tell his father that Smith and Murray were the men. He did not give any further reason for this opinion, than, that though he had never seen either of the men, he knew them by reputation: that he knew that this was just their kind of business, and that he felt convinced they were the robbers. Feeling a confidence in the sagacity of the Philadelphia officer, and perceiving through his guarded expressions the basis of a certain information, Mr. Hays adopted his advice without further question, and returned to New York in the morning line.

As soon as Mr. Hays had departed, Harry White called on Mr. McLean, and told him that he would like to go on to New York and take the business in hand himself, provided he could be protected from the consequences of his recent offence in that city, in case he should be seen and arrested. McLean was struck with the proposition, and adopted it, and agreeing to stand between him and all harm, sent him on in the afternoon train, immediately on the heels of Benjamin Hays.

As soon as Mr. Hays arrived at New York, he went to his father and communicated Mr. McLean's conclusions. This set a train to work. It was soon ascertained that Honeyman and Murray had disappeared from their usual haunts for the last three days, and on proceeding to the residence of the former in Division street, the two officers found him missing also from there. Suspicion had now strengthened into shape, but still the officers were left at fault, and Honeyman, *alias* Smith, *alias* Jones, slept snugly in his new domicile.

In the mean time, Harry White had arrived, and had glided through every thievish haunt in town, in search of his accomplices but without avail. He was, however, confident of success, and in that view, and for
8°

the purpose of increasing the reward of his employer, as well to enhance his own measure of remuneration, he wrote an anonymous letter to the president of the bank, stating that "if the reward were increased, the writer would put the officers of the bank in possession of information that would lead to the detection of the thieves, and to the recovery of the money." The receipt of this letter occasioned a deal of speculation among the newspapers at the time, and it also produced an immediate increase of the reward to \$10,000, which was advertised in the afternoon papers of the same day.

Four days had now elapsed and still no traces of the robbers were obtained. Curiosity increased from day to day, and the mystery, deepening by the suicide of the unfortunate owner of the doubloons, took the shade of horror. While things remained in this situation, and while the exertions of both the police and secret emissary stood baffled and at fault, a danger was brewing about the heads of the robbers of which they did not dream. It was one of those incidental perils which crime in its blindness is forbidden to foresee.

The singular habits and conduct of Honeyman, who had represented himself as a stranger in the city with a deal of business to transact during his stay, had excited the curiosity of the servant girl of the house in Elm street, and from the time of his arrival in the house, her mind had been seriously occupied with keen conjectures as to his motives for locking himself up all day, for his taking his meals in his room, for his venturing out only at night, and also as to who the stranger could be who called a few minutes after his arrival on the first morning, and who had visited him several times every day since. The doubts which these circumstances excited, were too distressing for her female bosom, and not satisfied alone with communicating the result of her observations to Mrs. Bangs, her mistress, she sedulously devoted herself to guard-duty at the key-hole of Mr. Jones's chamber.

On Friday, the fifth day after the robbery, the girl, on taking up the breakfast, was informed by Honeyman that he did not want any thing till dinner, and that he did not wish to be disturbed, as he had a great deal of business to transact with a gentleman that morning. Soon after this the mysterious stranger (Murray) called, and went up into Honeyman's room. This put the maid again upon the *qui vive*, and going into the yard to look up at the windows of the mysterious chamber, she discovered to her increased surprise, that the shutters were closed. Here was a circumstance indeed! The fact was instantly communicated to her mistress, and after a sagacious consultation, the former was directed by the latter, to resume guard at the key-hole. Fortunately a misplacement of the key afforded a peep inside, and there the astonished maid beheld the robbers with a lighted candle on the table, and surrounded by immense piles of bank notes which they were counting, and which covered the whole surface of the bed. This was a serious revelation and was communicated to Mr. Bangs at once, and by him to two or three of his neighbors. He, however, was advised not to take any decisive steps in the matter, until something more satisfactory should be discovered.

While these operations and this surveillance was going on among the household, Honeyman and Murray had made preparations to carry out

their original intentions of proceeding to Canada, and alarmed at the increasing inquisitiveness of the females of the house, the former judged it necessary to change his residence at once. On Saturday morning, therefore, he went out and staid all day, returning at about five or six o'clock in the afternoon with a small trunk. He remained in about an hour, and then left with the same trunk carefully concealed under his cloak. As soon as he had gone, Mrs. Bangs went up stairs and then discovered that every thing was packed up, ready for a start. This determined Mr. Bangs to act, and he proceeded to the house of Mr. Hays to give information, and have Mr. Jones arrested on his return, under the supposition that he was the "great bank robber."

On hearing the story of Mr. Bangs, Mr. Hays took his son, and having stopped for officer Homan on the way, proceeded to the house, where they were shown into the pretended Mr. Jones's room. The first things that attracted the attention of the officers, were two large trunks setting in the middle of the floor, and strapped down as if ready to be moved. The first movement was to open them, and with the assistance of some keys carried by the younger Hays, their contents were speedily revealed. In the largest one, nothing was found but a lot of old clothing, but the second presented to their eyes a mass of bank notes, which, apparently filled the whole body of the trunk. Having satisfied themselves by a slight examination, that the notes were genuine, and were those stolen from the City Bank, the trunk was re-fastened and the officers patiently waited for the arrival of the robber; all the avenues from the house being securely closed against his escape, except the door that was to let him in.

The night wore away until within a quarter of the mid-hour, when Honeyman entered and went up stairs to his room. The door was securely fastened after him, and in the next moment he was in the iron gripe of the High Constable and his two assistants. He was at once conducted to the watch-house, and the trunk was taken in charge by Mr. Hays. Upon examination, it was found to contain \$185,738 of the stolen money, leaving a deficit of \$60,000, which balance included all the doubloons and the Rutland Bank notes. These latter were still in possession of Parkinson, but the great bulk of the deficit had been carried out in the small trunk, and returned to Murray a few hours previous to the arrest.

On the following morning, the officers proceeded to the house of Mrs. Smith, in Division street, and arrested her. She arrived at the police office, holding by the hand two handsome children, one of six, and the other of eight years, who, with her own remarkable beauty, formed a picture seldom seen in that gloomy hall. She denied all knowledge of the transaction under investigation, and on being committed, requested that her daughters might be allowed to remain with her. The request was granted, but she was in a few days fully discharged for want of evidence against her.

The arrest of Honeyman was a serious disappointment to Harry White, who, like all interested thief-catchers, had rather that his victim should have escaped, than be caught by any person else. But he consoled himself with the hope of catching Murray, and being impelled by the double

motive of reward for his betrayal, or a share of the plunder, in the shape of hush-money from the robber, he set about his business with redoubled ardor. He finally succeeded in overhauling the object of his pursuit on the evening of the 6th April, and after congratulating him on his success, told him plainly that he was entitled to his share of the "*swag*." Murray protested against the assumption, and by way of clinching the argument, stated that their other accomplice had cleared out with nearly all the balance.

Being unsuccessful in obtaining any thing but a few dollars from Murray, White went himself to get him on to Philadelphia, that he might deliver him up to Mr. McLean, and for that purpose earnestly persuaded him that his only safety was to leave New York and strike towards the South. Murray was reluctant to this step for some time, but at length consented. Before leaving, he considered it necessary, however, to take a precaution against a danger which might be fatal to him. White, during their interviews, had induced him to call in at the house of Mrs. Simpson, or Brummy, (the wife of Jack Brummy, then in the State prison, and who also was to have been in the bank robbery) and Murray was fearful that if she were left behind, she might betray his secret for the purpose of making interest for her imprisoned husband. He, therefore, gave her a small bag of gold, and persuaded her to accompany him and White to Philadelphia. This trio went on to the latter city on the 7th April, when Murray separating from them both, took the first opportunity to "plant," or bury his treasure, (some \$28,000,) in an unfrequented spot, out of town. As soon as White arrived in town, he called on officer McLean, and rubbing his hands in great glee, informed him that he had snared the bird. Arrangements were then made for the arrest of Murray, and by way of accomplishing a splendid job, White agreed to deliver up at the same time, Mike Clahousie and Tom Phillips, (before mentioned as belonging to the old gang,) and to be taken himself, by way of saving appearances, and of preventing suspicion.

The plans for this exploit failed on the two first occasions, but the third, which was set on the evening of the 12th of April, succeeded. The thieves were all to be congregated at the Franklin House in Seventh street, whither White was to decoy them to get a drink and to have a talk. The officers secreted themselves in a book store opposite. At about half past seven o'clock they saw White go in, and, after remaining in about an hour, come out with three companions. As he stepped from the stoop, he gave the signal by raising his hat, whereupon the officers dashed out upon the rogues, but in their over-anxiousness secured only Murray and White, the other two escaping. Indeed they would not have got even Murray, had not White purposely blundered against him, on pretence of endeavoring to bolt in an opposite direction. Murray was then led off towards the Mayor's office, and White followed close behind, in the custody of two officers. On their way to prison, Murray managed to get his hands in his pocket and slip out a roll of notes upon the ground. The movement escaped the observation of the officers, but White, who was watching for it, detected the manœuvre and directed attention to it. The roll proved to be \$170 of the bills taken from the City Bank. This made the evidence complete. Both

the rogues, the betrayer and the betrayed, were committed to prison for examination. Mrs. Simpson was then, through the information of White, brought forward as a witness against them both. The result was, that Murray was delivered up on a requisition from New York on the 1st May, and White, having accomplished his work, was released on straw bail, received his fee, and was allowed to run.

On the 2d May, (the day after Murray's arrival in New York,) Honeyman was arraigned before the Court of Sessions, and plead guilty to five indictments for grand larceny, but demanded a trial alone on the one for burglary and for stealing the doubloons, averring at the same time, that there was but one offence committed. One or two postponements took place, but the trial finally came on, and on the 11th May, 1831, the jury found him *guilty* without leaving their seats. He was then sentenced to the New York State Prison, at Sing Sing for a term of five years, at hard labor.

Murray's trial was put off from time to time in the hope that he would confess to the location of his treasure, but as he remained intractable, his trial was at length brought on, and resulted in a conviction with the same lack of hesitation on the part of the jury, as had characterized the ordeal of his accomplice. He was detained, however, in the City Bridewell, and the sentence delayed for months longer, in the hope that he would still disclose the golden secret.

In the mean time old Parkinson, who was living perfectly unsuspected with his booty in a snug little house up town, had already converted a large portion of the stolen money into other cash, but still had in his possession a considerable amount of the Rutland bank notes. Emboldened by the success with which he had got it off, and feeling likewise a strong assurance in his reputation for respectability in his neighborhood, he at length assumed the daring task of going into Wall street to change a considerable amount. As his unlucky stars would have it, the destiny which takes pleasure in frustrating the designs of rogues, led him in the office of the very brokers whose special deposit these notes had been, and whose property they were. The consequence was, that the bills were recognized at once as a portion of their loss by the robbery of the City Bank, and the unlucky rogue was taken into custody.

The business was then placed in the hands of Benjamin Hays, who in the course of his diligent investigations made a search of Parkinson's house. This examination resulted in no direct success, but there was found upon his premises a gold watch, of which Mr. Slamm, the father of the present editor of "*The Globe*," of this city, had been robbed some weeks before upon the highway. This showed the nature of the man's character and connections, and being unable to account satisfactorily for the possession of the Rutland money, he was incarcerated in prison on the charge. While there, however, he made some propositions which resulted in a compromise with the prosecution, and he was released on condition of delivering up all the plunder in his possession. On this stipulation he delivered up all the Rutland money, as well as bills of other banks to the amount of some \$24,000, besides the doubloons, to an amount between \$3,000 and \$4,000, the loss of which had caused the melancholy suicide of their unfortunate owner.

The notes were discovered by his direction, in the body of a common jack-plane, which laid carelessly upon his work bench, and which the officers in their original search of his premises, had taken several times in their hands. The gold had lain secreted in the false bottom of the tool chest. Parkinson was then discharged without even an account of his arrest ever having been published.

Thus far the bank had been very fortunate in the recovery of their property, but there still remained a deficit of some \$ 30, or \$ 32,000, which lay at the control of the imperturbable rascal, then awaiting sentence in the Bridewell. A year had nearly run around since his arrest, but still no confession softened the aspect of his case, or held out a hope to the losers, of final restitution. Constant dropping will, however, wear away a stone, and longing even for the variation of the State Prison, to which he was doomed, the obdurate felon at length gave way, and after having (as is supposed,) made a stipulation for his wife and children, revealed the place where he had buried his portion of the stolen treasure.

The following article in the New York "*Courier and Enquirer*," of April 5th, 1832, furnishes the best history of the sequel :

"**THE CITY BANK ROBBERY.**—It gives us pleasure to state, that the greater part of the money stolen from the City Bank, in March, 1831, has been recovered.

"Justice Hopson, accompanied by Benjamin Hays, left this city on Monday morning for Philadelphia, where they arrived in the evening, and immediately proceeded into the suburbs of the city to a grass plot, or field, described to them by Murray.

"After a short examination, made by probing the earth, they discovered the proper spot. Mr. Hays immediately commenced digging, and at the depth of about eighteen or twenty inches he reached a stone pot, about twelve inches in height and four inches in diameter, buried with its mouth downwards. On raising this pot the officers found the top secured from damp by a covering made of a pair of leather gloves, and some paper. When this was removed they found that their informant had not deceived them, and as soon as possible they hastened to this city.

"Yesterday morning the pot was delivered up in the Police Office to the officers of the bank, who were in attendance. So closely was it filled, that it became necessary to break it before its contents could be taken from it.

"On an examination, the amount which it held was found to be *twenty-six thousand eight hundred and seventeen dollars*. Of this sum \$4,614 belonged to the Messrs. Allens, and the remaining \$22,203 to the City Bank.

"The sum thus recovered, added to that received from Parkinson, and that found on the convict Smith, (Honeyman,) in Mrs. Bangs' house, amounts to \$ 241,730, leaving a balance of between \$ 3,000 and \$ 4,000 due to the bank—this sum, however is fully accounted for, in the account of disbursements to the lawyer and a variety of other expenditures. One bill for \$ 500 was changed in Philadelphia by a fellow named Tom Phillips, who was an old associate of Murray, and who made his escape from Botany Bay, where he had been banished from England for his crimes."

Shortly after this recovery, Murray received his sentence, which was an equal term with Honeyman, in the same prison, and we may as well conclude his history at once, by saying that he died in the third year of his confinement.

Here ends the history of the great robbery of the City Bank. It speaks a powerful lesson on the weakness and imbecility of crime, and proves that however cunningly it may be conceived, and however cautiously executed, it contains within itself an inherent and ineradicable weakness, which involves its own final and inevitable confusion.

NOTARIES PUBLIC.

On the origin and duties of Notaries Public. Their first employment as short-hand writers:—to attest wills—to protest bills and notes, &c.

NOTARY. This word is derived from the Roman name *notarius*, a person who was so called from his taking down in notes or writing (notæ) the words of a speaker. The *notarii* were in fact short-hand writers, and it is clear from many passages of ancient writers that they used symbols of abbreviation. It may be sufficient to quote the two following passages:—

“Hic et scriptor erit felix cui litera verbum est,
Quique notis linguam superat cursumque loquentis,
Excipiens longas nova per compendia voces.”

Manilius, *Astronom.*

“Currant verba licet, madus est velocior illis,
Nondum lingua suum, dextra peregit opus.”

Martial, *Epig.* xii. 208.

It seems that they were also employed to take down a man's will in writing. The *notarii* were often slaves. The word is also sometimes used to designate a secretary to the princeps or emperor. (Ausonius, *Epig.*, 136; Gregor. Nazianz., in the letter inscribed τῷ Νοταρίῳ; Augustin, lib. ii., ‘De Doctrina Christiana;’ *Dig.* 29, tit. 1, sec. 40; Lampridius, *Alex. Sev.*, 28; see also the references in Facciolati, *Notarius.*)

In the fourth century the *notarii* were called *Exceptores*, and were employed by the governors of the Roman provinces to draw up public documents. But the persons mentioned under the later Roman law, who corresponded most nearly to the modern notary, are called *tabelliones*; their business was generally to draw up contracts, wills and other instruments. The forty-fourth Novel treats specially of the *tabelliones* (περὶ τῶν συμβολαιογράφων;) and they are spoken of in various other parts of the Novels, and in the Code. (*Cod.* xi., tit. 53, &c.) It appears clear that as the word *notarius* is the origin of the modern term notary, so the *tabellio* is the person from whom were derived the functions of the modern notary public.

It is impossible to say when persons under the name and exercising the functions of notaries were first known in England. Spelman cites

some charters of Edward the Confessor as being executed for the king's chancellor by notaries. (*Gloss. tit. Notarius.*) "Notaries," are mentioned with "procurators, attornies, executors, and maintainours," in the stat. of 27 Edward III. c. 1. They were officers or ministers of the ecclesiastical courts, and may, therefore have been introduced into this country at a very early period. It is generally supposed that the power of admitting notaries to practise was vested in the archbishop of Canterbury by the 25 Hen. VIII. c. 21, § 4. The term of service and the manner of admission to practise are regulated by the 41 Geo. III. c. 79, amended by 6 & 7 Vict. c. 90. The first of these acts prescribed that no person in England should act as a public notary or do any notarial act unless he was duly sworn, admitted, and enrolled in the court wherein notaries have been accustomed to be sworn, admitted and enrolled. By 41 Geo. III. a person must also have been bound by contract in writing, or by indenture of apprenticeship, to serve as a clerk or apprentice for seven years to a public notary, or to a scrivener using his art and mystery according to the privilege and custom of the city of London, and also being a notary, who has been duly sworn, admitted, and enrolled; but in the preamble to the act 6 & 7 Vict. it is stated that "whereas doubts have arisen whether a public notary, being also an attorney, solicitor, or proctor, can have and retain any person to serve him as a clerk or apprentice in his profession or business of a public notary, and also at the same time as that of an attorney, solicitor, or proctor, and whether such service is in conformity with the provisions of the said act" (41 Geo. III. c. 79;) and it is then enacted that persons who have so served are not disqualified; but no public notary can retain a clerk unless in actual practice; and by 6 & 7 Vict. a term of five years is sufficient. An affidavit of the execution of the contract must also be made and filed, as the act prescribes, in the proper court, and the affidavit must be produced and read at the time of the person's admission and enrolment as a public notary, in the Court of Faculties, which is the proper court for admitting and enrolling notaries. The proper persons for taking and filing the affidavits are the master of the faculties of the archbishop of Canterbury, in London, his surrogates or commissioners. The Master of the Faculties is authorized by the act of 6 & 7 Vict. to make rules requiring testimonials or proofs as to the character, integrity, ability, and competency of persons who apply for admission or re-admission; but from his decision there is an appeal to the Lord Chancellor. Persons who act as notaries for reward, without being properly admitted and enrolled, are liable for every offence to forfeit and pay the sum of £50; but British consuls abroad are empowered to perform notarial acts (6 Geo. IV. c. 87, § 20.) The license or commission for acting as notary in England requires a stamp duty of £30, and in Scotland one of £20. An annual certificate is also required. Notaries public who practise within the jurisdiction of the incorporated Company of Scriveners of London must become members of and take their freedom of that company under the acts of the 41st Geo. III. and 6 & 7 Vict. Instead of the oath of office formerly taken, the act 6 & 7 Vict. requires, in addition to the oaths of allegiance and supremacy, a new oath for the honest and faithful discharge of their duties.—*Bohn.*

LEGAL MISCELLANY.

DECISIONS IN MARYLAND.

From the Digest of Maryland Reports: by Wm. H. Norris, George W. Brown, and Frederick W. Brune, Jr.

Bank.

The agent of a bank, to demand payment of a promissory note and give notice of non-payment to an endorser, need not be appointed by deed, but the bank, in such case, may act as a natural person. *Bank of U. S. v. Norwood*, 1 Harris & Johnson, 423.

The president, &c. of a bank have no right, except for the benefit of the stockholders generally, to relieve the shares of a particular stockholder from the forfeiture of their dividends, by advancing the money of the bank to comply with the conditions on which the forfeiture depends. This is a diversion of the money by the trustees to a partial purpose, and diminishes illegally the profits of the other stockholders. *Marine Bank v. Biays*, 4 H. & J. 338.

Where a bank charter provided that if instalments were not paid in regularly, no dividends should be given the shares in default; and a stockholder transferred to the bank his shares to secure a debt he owed the bank, and the bank afterwards, called on the stockholders for an instalment, which the debtor failed to pay in on his shares, so hypothecated, and two dividends were after the call declared on the shares generally by the bank before the debtor fully paid up his debt, principal and interest; Held, that this delinquent stockholder could not recover in assumpsit the dividends which would have been due his shares, if the instalment had been duly paid. The bank directors had no right to pay up for him out of the funds of the bank whilst it was the pawnee of the stock, without an illegal appropriation of its resources, nor to free him from the penalty of his neglect, against the interest of the bank; nor had the corporation a right to sell or dispose of, without the concurrence of the plaintiff, any portion of the stock, to save the balance from the penalty, by paying up the instalment on such balance with the proceeds of such portion. *Ibid.*

Verbal testimony is admissible to show that a written order on the records of the board of directors was rescinded by a subsequent verbal order, of which no written memorandum was made; and it is unimportant that such testimony does not show the day and year of the last order, nor that it was at a regular meeting, with the prescribed number of directors present. *Whittington v. Farmers Bank*, 5 H. & J. 489.

In an action against an endorser, a stockholder, on a note due the bank, he can set-off any money he has in the bank, or any dividends or profits declared by the bank to be due him, and can avail himself of any fraud, mistake or imposition practised on him as an individual; but he cannot set-off any profits or dividends unappropriated to him, which the jury may think his shares would be entitled to, nor the value of his stock; nor can he avail himself of any fraud or mismanagement of the

president and directors, only affecting him as a general stockholder. *Ibid.*

Bank notes are considered and treated as money, in general. *Towson v. Havre-de-Grace Bank*, 6 H. & J. 53. *The State v. Cassel*, 2 H. & G. 407. *Doyle v. Com'rs of Baltimore County*, 12 G. & J. 484.

The president and cashier of a bank, are presumed to have authority to direct the application of any funds in the bank to the debts of the bank. *The City Bank v. Bateman*, 7 H. & J. 104.

A president of the bank has no authority to bind the bank by his declaration, that money brought into it by one of the directors, was the money of the plaintiff. *Ibid.*

The officers of a bank cannot, without a gross violation of duty, honor a check or draft beyond the drawer's deposits. *Eichelberger v. Finley*, 7 H. & J. 381.

The adoption of a code of by-laws by a corporation need not necessarily be by writing, but may be proved by the course of proceeding of the institution. *The Union Bank v. Ridgely*, 1 H. & G. 324.

The assent and acts of a bank, like those of individuals not reduced to writing, may be inferred from other facts and circumstances. *Ibid.*

Where by the charter of a bank, the directors were to be chosen annually, and they "for the time being have power to appoint a cashier, &c., as may be necessary for the business of the bank," an officer so appointed is not necessarily an annual officer, but holds his commission till removed, or till the charter expires. *Ibid.*

It is a fraud for stockholders to transfer colorably their shares, so as to acquire a greater power of voting than is allowed by the standard of the charter; as where no stockholder was to be allowed over sixty votes, which his stock, parcelled out, would enable him to exceed. Such conduct will be prevented by injunction. *Campbell v. Poultney*, 6 G. & J. 94.

A bank cannot take the benefit of the insolvent laws. *The State v. The Bank of Maryland*, 6 G. & J. 205.

Though a bank transfers by deed all its effects, it is still an existing corporation. *Ibid.*

A *bona fide* transfer by a bank of its property, when insolvent, to pay its debts, is based on a valuable consideration, and is valid. *Ibid.* *The Union Bank of Tennessee v. Ellicott*, 6 G. & J. 363.

Under the act of 1818, ch. 177, and 1824, ch. 199, the debtors of banks incorporated by this State, can pay their debts in the notes, and certificates of deposit, issued by such corporations, no matter when the debtor acquires them, and the assignees and trustees of such corporations are alike bound to receive them in payment of dues. *Ibid.*

The practice of banks to give notice to the makers of notes of the time of their maturity, cannot, where such notice has been delivered, be substituted for a demand of payment, so as to charge the endorser. *The Farmers Bank of Maryland v. Duvall*, 7 G. & J. 78.

Where a party is indebted to a bank, and has a less sum standing on its books to his credit on deposits, the bank has a right to retain the sum on deposits in part payment of its claim. *The Union Bank v. Cochran*, 7 G. & J. 138.

A privilege given to a bank by its charter, for its better security, and as a means of enforcing the payment of debts due to it, of preventing the transfer of its stock by any stockholder whose debt is actually due, until payment of the debt, may be waived by the bank. *Hodges v. The Planters Bank*, 7 G. & J. 306.

A bank must act by its officers, and can act in no other mode. If fraud or collusion exist in a transfer of stock, it will, as in all other cases, vitiate the act, but if there be no fraud or collusion, the bank and not the transferee, must abide the loss, if a loss be sustained by any act of the proper officer of the bank, arising either from a misconception of his duty, or a want of judgment. *Ibid.*

So where stock was transferred by an officer of the bank, from A. to B., while A. was a debtor to the bank, and the transfer was made to secure B. as A's endorser on a note drawn by A. and due to and held by the bank, the bank having a lien on the stock as security for the debt, by virtue of its charter, it was held, that B. took the stock discharged from the lien. *Ibid.*

By the acts of 1818, ch. 177, and 1824, ch. 199, debtors of banks in the State are authorized to pay their debts in the notes and certificates of deposit, due by such banks, at their par, or nominal amount or value, whether the banks are solvent, or insolvent. *The Bank of Maryland v. Ruff*, 7 G. & J. 448.

It seems that the clause continued in the 4th section of the act of 1818, ch. 177, which provides for the forfeiture of the charter of a bank for a refusal to pay specie, applies exclusively to insolvent banks. The acts of 1818, ch. 177, and 1824, ch. 199, are constitutional. *Ibid.*

The resolutions of the directors of the *Bank of Maryland*, authorizing the debtors of that institution to pay their debts in the notes and certificates of deposit, and open accounts due by the bank, conferred no new privilege upon such debtors, but only extended to them rights which had been antecedently created and secured to them by the laws of the State, and of which it was not in the power of the directors to deprive them. *Ibid.*

Where the charter of a bank requires seven directors to make a quorum of the board of directors, and the president of the bank is declared by the charter to be entitled to all the powers and privileges of a director, the president and six directors constitutes a quorum. *Ibid.*

Where a bank in insolvent circumstances transferred all its effects to E. in trust for the equal benefit of its creditors, and the trust being very extensive and complicated, and almost too difficult and important to be managed by any one person, a public meeting of the creditors of the bank was soon after called, which was largely attended, and the meeting appointed a committee for the purpose of promoting the general interest of the creditors, and the committee and E. agreed that two other trustees should be united with E. in the trust, and afterwards the bank and E. joined in a deed to the two new trustees, conveying to them the property of the bank, as co-trustees, with E., upon the same trusts, as were contained in the deed executed to E.; Held, that chancery would not disturb the trust thus created, nor would it, without special cause shown, require the trustees to give bond for the due execution of the trust. *Ibid.*

Where a guardian deposits money of his ward in a bank, and receives a certificate therefor, payable to his own order, and on the day of the deposit, by an endorsement on the certificate made by himself, declares it to be the property of his ward, and placed in bank for his benefit, if the depositor subsequently fails, the bank may apply the fund in satisfaction of any demand it may have against the depositor. *Jenkins v. Walter*, 8 G. & J. 218.

An alleged usage of banks, that current deposits made in bank and the proceeds of notes and drafts deposited for collection, are to be paid to the depositor upon demand, at the counter of the bank, not being in proof in the case before the court, and not having been previously proved and established in courts of justice, cannot be judicially known to the court, nor sanctioned by it as a general mercantile usage, which is a part of the law of the land. *Planters Bank v. Farmers and Mechanics Bank*, 8 G. & J. 449.

Where it was proved to be the usage between banking institutions, that in case either objected to the account of the other, the objecting bank should give notice thereof to the other; in the absence of such objection, the jury may infer that the bank receiving the account acquiesces in its correctness. *The Union Bank v. The Planters Bank*, 9 G. & J. 439.

The circumstance that the bank receiving the account has suspended payment and general banking operations, will make no difference if such bank be notwithstanding engaged in settling and adjusting its accounts. *Ibid.*

When a bank holding deposits has suspended specie payments, the act of limitation runs against the depositors from the time the fact of such suspension is known to them. *Ibid.*

The rules in reference to demand and notice, applicable to promissory notes and bills of exchange, do not apply to the post notes of a bank. *Key v. Knott*, 9 G. & J. 342.

Banking powers have been defined as consisting of the rights of issuing negotiable notes, discounting notes, and receiving deposits; therefore, the incorporation of institutions within the city of Baltimore, not having the right to issue negotiable notes, though having the other powers, is no violation of the pledge given by the State to the banks of Baltimore by the act of 1813, ch. 122, and 1831, ch. 131. *Duncan v. Md. Savings Institution*, 10 G. & J. 299.

It is not usurious in a bank to receive interest in advance on notes discounted by it. *Ibid.*

The forfeiture of a bank charter cannot be taken advantage of collaterally or incidentally. The only mode by which its existence can be affected, is by a direct proceeding of the State which created it; and the State can waive the forfeiture. *The Planters Bank v. The Bank of Alexandria*, 10 G. & J. 346.

Before a bank can be affected by an act of modifying its charter, its acceptance must be proved. *Planters Bank v. The Bank of Alexandria*, 10 G. & J. 356.

The exception is in the 2d section of the act of 1815, ch. 23, exempting from the operation of the act of limitations such accounts as concern

the trade or merchandise between merchant and merchant, their factors and servants, does not apply to dealings between banking corporations. *Farmers & Merchants Bank v. The Planters Bank*, 10 G. & J. 422.

A notice by a bank to a depositor—as by an advertisement—that his claim will not be paid at the counter, relieves him from demand as preliminary to the right to sue, and from that time limitation begins. *Ibid.*

Non-resident stockholders of banks in this State, are liable to be taxed in respect of stock held in the banks, as well as residents here. *Tax Causes*, 12 G. & J. 117.

The 7th and 11th sections of the act of 1821, ch. 131, are to be regarded as securing the banks herein referred to from further tax or charge for their franchise, or banking privilege, but not as exempting the property belonging to such banks, or the shares of stock therein held by individuals, from taxation. *Ibid.*

The property of a bank being represented by the shares of stocks therein, both cannot be taxed; and therefore, when the tax is imposed on the stock in the hands of shareholders, the property of the bank, real or personal, cannot also be taxed. *Ibid.* (*Dorsey, J.*, dissented.)

The banks in the city of Baltimore incorporated before and after the year 1821, are in the same condition as to the exemption of the banking privilege from taxation; at all events, the act of 1835, ch. 142, must have relieved the case of all doubt as to the banks claiming under that law. *Ibid.*

A bank, as in the case of the Farmers and Merchants Bank of Baltimore, being the holder of its capital stock, is not liable to be taxed thereon. *Ibid.*

The clause of the act incorporating the Farmers Bank of Maryland, which declares that all debts actually due to the company by a stockholder offering to transfer, must be discharged before such transfer shall be made, gives to the bank a mortgage or pledge of such stock. *The Farmers Bank case*, 2 Bland, 394.

The bank, as mortgagee, may sell such stock, without suit, but if it fail, or refuse to do so, it may be ordered to do so. *Ibid.*

Corporations may be considered, in reference to their objects, as belonging to one of three distinct classes; the first class comprises such as relates to the public police, as city corporations, levy courts and the like; the second, such as are not bound to perform any acts for the benefit of the State, but whose object is the emolument of its members, as insurance companies, banks and the like; the third partakes in many respects of the nature of the two first classes, as canal, bridge and road companies. *McKim v. Odom*, 3 Bl. 407.

Bills of Exchange and Notes.

Notice of the non-acceptance and protest of a foreign bill of exchange, must be given to the endorser in due and convenient time, of which the court is to judge. It is a question of law arising from the particular facts. *Philips v. McCurdy*, 1 H. & J. 187, and *Patton v. Wilmott*, *ibid.*, 477.

Where an endorser of a promissory note lived seven miles from Bal-

timore, which was his nearest post-town, and on the day on which the note was protested, a notice directed to the endorser was put into the post office in Baltimore, and it was proved that notice was thus given according to the custom of the city of Baltimore, Held, to be sufficient to charge the endorser. *The Bank of U. S. v. Norwood*, 1 H. & J. 423.

Where an endorser endorsed a note, knowing that the maker thereof was insolvent, and the note was afterwards protested for non-payment, Held, that a notice to the endorser informing him that the note was protested for non-payment, was sufficient, and that, under the circumstances of the case, it amounted to a notice not only that the note was not paid, but that the endorser would be looked to for payment. *Ibid.*

A foreign bill of exchange, drawn so many days after sight, &c., where the drawer had funds in drawee's hands when the bill was drawn, must be protested for non-acceptance, and due notice given to the drawer and endorsers; so, likewise, they must have notice of non-payment, after protest for non-payment. Noting a bill for non-acceptance will not suffice. The protest itself, or a copy from the books of the notary, must be produced, unless the books and the original protest are lost. *Chase v. Taylor*, 4 H. & J. 54.

If a party execute a deed of trust to indemnify a creditor, one of whose items of claim is a foreign bill of exchange, drawn by the grantor on a drawee who had funds to meet it, but the bill is dishonored, and is not protested for non-acceptance, of which fact the grantor was ignorant when he made the deed, and the grantor is obliged to pay the whole account of the grantee in order to induce him to relinquish his lien on the property conveyed, then the payment to the amount of said bill, damages, &c., is not voluntary, and can be recovered back in an action for money had and received; and the grantor's rights are the same, though he gave notes for the amount of the account at the time of making the deed, and became aware of the fact of non-protest before paying the notes, but paid them to effect a relinquishment of the creditor's lien on the property. *Ibid.*

There can be no recovery against an endorser without proof of demand on the maker, or waiver of it by the endorser, and the protest is not evidence in chief of a demand and notice, unless the notary public is dead. *Whittington v. The Farmers Bank of Somerset*, 5 H. & J. 489, and 6 H. & J. 548. (See act 1837, ch. 253.)

When a count on its face showed that payment of a promissory note had been demanded without allowance of days of grace, or otherwise not legally demanded, Held, there could be no recovery on it; and the county court cannot assess damages against the endorser on a default judgment. *Beck v. Thompson*, 4 H. & J. 531. *Hawkins v. Jackson*, 6 H. & J. 151.

If an endorser, with knowledge of the want of notice or want of legal demand of payment of the maker, though ignorant of its legal consequence, promise to pay the note, he is liable to the holder; per Martin and Dorsey, J.; Chase, Ch. J., dissented, holding it *nudum pactum*, in cases where the consideration was examinable, though he allowed that want of notice might be waived. *Beck v. Thompson*, 4 H. & J. 531.

In an action on a promissory note against the endorser, the plaintiff endorsee cannot recover without proving that the payer made the note payable to the payee, that it was endorsed to the plaintiff, that a demand of payment was made of the maker on the day on which it was due, and that due notice of the non-payment was given to the endorser, unless there are circumstances of special excuse. *Day v. Lyon*, 6 H. & J. 140. (See act 1825, ch. 35.)

If a party, an endorser, is aware that his note is to be discounted by the maker at a bank in a particular city where the custom and usage (known to the endorser,) was to demand payment and give notice of dishonor on the fourth day of grace, instead of the third, as is usual, such demand and notice is sufficient against the endorser. The number of the days of grace may be changed by the contract of the parties, or usage, which is equivalent. *The Bank of Columbia v. Magruder*, 6 H. & J. 172.

Where the party to be affected by notice of the non-payment of a promissory note resides in a different place from the holder, the rule is that notice may be sent through the post office to the nearest office to the party entitled to such notice. Where the notary who sends the notice has inquired as to the residence of the endorser, and the post office at which he receives such letters, and sends the notice to such office, the court will presume that to be the nearest office to the endorser, in the absence of proof to the contrary. *Ibid.*

Semble, a demand of payment, protest and notice by the clerk of a notary, in the name of the notary, is good. *Ibid.*, 181.

The endorser of a note after it was due, cannot avail himself of want of notice of non-payment by the maker. No such notice is necessary as against such an endorser. *McIlhenny v. Jones*, 6 H. & J. 256.

If notice of non-acceptance and non-payment are not given, it is a presumption of law that the endorser and drawers of a bill are prejudiced; but no notice is required to be given to a party for whose accommodation the paper was made. *Clopper v. The Union Bank of Maryland*, 7 H. & J. 102.

Notice of non-acceptance of a bill of exchange is not necessary where the drawer at the time when presentment should be made, has no effects in the hands of the drawee, or having had such effects, has withdrawn them before presentment is made, and has no reasonable grounds otherwise to expect his bill to be honored. In relation to notice in such cases, there is no distinction between a refusal to accept, and a refusal to pay, as the same principles apply to both. *Eichelberger v. Finley*, 7 H. & J. 381.

A party who draws a check upon a bank, without funds in the bank to meet it, is not entitled to a notice of non-payment, nor is he discharged by the non-presentment by the holder within a reasonable time, as no such party is entitled to expect its honor, a bank not being allowed without a gross violation of its duty to honor a check or draft beyond the amount of the drawer's deposits. *Ibid.*

A promissory note was made payable at a particular bank, bearing date at no particular place, and payment was demanded on the day after the third day of grace, and being dishonored, notice was that day given

to the endorser by mail. It being a custom of universal notoriety and uniformity at the place where the bank was, to demand payment on the fourth day after notes became due, the endorser was held liable, though there was no evidence of his personal knowledge of the usage. *Raborg v. The Bank of Columbia*, 1 H. & G. 231.

When the dispensation of notice to a drawer depends on the reasonable grounds he had of expecting his bill to be paid, the expectations of the drawee, as to the receipt of funds from the drawer, are immaterial, and not admissible; the only enquiry is as to the expectations of the drawer. *Cathell v. Goodwin*, 1 H. & G. 471.

The drawer of a dishonored bill, who neither at the time he drew it, nor when it was presented, had any funds in the hands of drawee, nor such expectation of its payment, as would induce a merchant of common prudence and ordinary regard for his commercial credit, to draw a like bill, is not entitled to notice of dishonor. Such expectation of payment must be founded on "reasonable grounds," such as create a full expectation, a strong probability of payment. The existence of these reasonable grounds, when the facts on which that question arises are admitted, or undeniable, is exclusively a matter of law; but if the facts are controverted, or proof equivocal or contradictory, then it becomes a mixed question of law and fact, in which case the court hypothetically instruct the jury as to the law, to be by them pronounced accordingly as they may find the facts. *Ibid* 468. *Clopper v. The Union Bank of Maryland*, 7 H. & J. 102.

Where the defendant drew a bill in favor of the plaintiff's wife, and thus authorized her in express terms to receive its amount, the bill being presented by her and payment refused, in an action on the bill by the husband, the defendant cannot deny the wife's right to demand its payment. *Cathell v. Goodwin*, 1 H. & G. 468.

The demand of payment of a note payable at a particular place, by one having it in his possession at such place, and on the day it fell due, is presumptive evidence of his authority to demand and receive payment. *Agnew v. The Bank of Gettysburg*, 2 H. & G. 479.

When a note payable at the town of G. fell due on Saturday, and a notice of its dishonor on that day was delivered to the endorser, a resident at E., on the ensuing Monday, and no evidence was offered of any mail between those towns on Saturday or Sunday, such notice is sufficient. It was unnecessary to send an express, and that, too, on Sunday. *Ibid*.

One whose name is not upon a bill, though interested in it, is not entitled to the benefit of the rule that each party is entitled to an entire day for the purpose of giving notice to the person preceding him on a dishonored note or bill. *Flack v. Green*, 3 G. & J. 474.

The note of J. endorsed by G. and P., fell due at Washington on the 6th, where payment was then demanded and refused; the notices to the endorsers were enclosed in a letter addressed to P., at Baltimore, and mailed at Washington on the evening of 6th. The mail left Washington every morning, and arrived at Baltimore at an early hour the same afternoon. Both the endorsers lived in Baltimore and notice was delivered to G., the first endorser, on the 9th. Held, that G. was dis-

charged from his liability as endorser, the notice being one day too late. *Ibid.*

Where there are several endorsements of persons living in the same place, each successive endorser will be considered to have used due diligence if he transmit the notice to prior endorsers on the day after it is received, but if not then transmitted, it will be too late. *Ibid.*

Where the party to be affected with the notice resides in a different place from the holder, the notice may be sent through the post office to the post office nearest to the residence of the party entitled to the notice. Putting a letter giving the notice, into the post office, is sufficient, without proof of its having been actually received. *Flack v. Green*, 3 G. & J. 474.

Where a promissory note is due, and a written agreement is subsequently made between the holder and endorser thereof that it shall not be protested, such an agreement implies that demand of payment has been duly made on the maker of the note, and is a dispensation of notice to the endorser of non-payment. *Duwall v. Farmers Bank of Md.* 7 G. & J. 44.

Where a promissory note is not due, and there is a written agreement made between the holder and endorser thereof that it shall not be protested or renewed when it becomes due, and by the agreement the endorser dispenses with all notice of the time of payment or of the non-payment of such note, such an agreement pre-supposes that the note will not be paid at maturity, and dispenses with a demand of payment on the maker. *Ibid.*

When the mail from A. to M. was closed at 9 o'clock, p. m. on the 22d, and left A. at sunrise on the 23d, it is to be considered as the mail of the 22d, and consequently upon a note dishonored at A. on the 22d, it was held sufficient that the notice for the endorser, who lived at M., was mailed on the 23d, although there was no mail again from A. to M., until the morning of the 25th. *Farmers Bank of Maryland v. Duwall*, 7 G. & J. 78.

The holder of the note might have sent notice to the endorser by the mail of the morning of the 23d, by sending it as a way-letter, but this he was not bound to do. *Ibid.*

Upon notes payable a certain number of days after date, demand of payment may be made on the last day of grace, and notice of the dishonor may be immediately given to the endorser; no demand of payment on any anterior day will justify the holder in treating the note as dishonored. *Ibid.*

A demand of payment, without the presentation of the note, would in general be equivalent to no demand; and when it is made, the holder should be prepared and ready to produce the note. *Ibid.*

Upon a note payable sixty days after date, a demand of payment upon the sixtieth day after the date of the note would be unavailing to charge the endorser. *Ibid.*

The practice of banks to give notice to the makers of notes of the time of their maturity cannot, where such notice has been delivered, be substituted for a demand of payment so as to charge the endorser. *Ibid.*

G. on the 17th of July, 1827, entered into the following agreement with the plaintiffs: "Whereas I am endorser of three notes drawn by L., payable to R., and endorsed by R. and myself; the first bearing date the 9th of May, 1827, payable at sixty days after date; the second bearing date the 1st of June, 1827, payable at ninety days after date; and the third bearing date the 20th of June, 1827, and payable sixty days after date. And whereas at my request, the bank, which holds the said notes, has agreed not to protest the same, or to ask a renewal of them, when they become due. I do hereby agree to dispense with all notice of the time of payment, or of the non-payment of said notes, although no such notice is given to me." The bank on the 17th of September, 1829, instituted a suit against G. to recover the amount of the two notes, dated the 9th of May, and on the 20th of June, 1827, when it was held, 1st, That with reference to the note not due, at the date of the agreement, both demand on the maker, and notice to the defendant, the endorser, were dispensed with; 2d, That with regard to the note which was due, notice was dispensed with, and that as to the latter, the agreement furnished inferential evidence for a jury of a demand, subject however to be rebutted by opposing evidence from the other side. *Duwall v. The Farmers Bank of Maryland*, 9 G. & J. 31.

Although the agreement of the 17th of July, was made under the impression, that the bank, but for it, was under the usual obligation to make demand, and give notice on both notes; yet it does not preclude the plaintiff from showing by the acts and agreements of the parties anterior thereto, that he was under no obligation to do so, nor is that right denied him from the circumstance of his having offered evidence, that a demand was in fact made. *Ibid.*

The holder of a promissory note is not bound to demand payment of the maker, when the latter has transferred to his endorser all his property, to indemnify him against loss for his liability, and the endorser in such circumstances, is responsible to the holder, though the demand is omitted. But whenever an exemption from the necessity of proving a demand is claimed, the plaintiff must prove the facts necessary to make his case an exception to the general rule. *Ibid.*

Where the maker of promissory notes gave to his endorsers a mortgage for their indemnity, with a covenant to pay the responsibilities, at a period subsequent to the maturity of the notes; the effect of such a covenant is not only to prevent a foreclosure before the time stipulated, but all recovery against the maker, on account of the notes prior to that period, although the endorsers are compelled to pay the money earlier. And such covenant has the further effect to render it unnecessary, to the responsibility of the endorsers, that the holder should demand payment of the maker, and give notice of dishonor to them. *Ibid.*

If in such a case, there is more than one endorser, and the mortgage is given to them all, demand and notice are not necessary to enable the succeeding to recover from the preceding endorsers, for the former could have no recourse to the latter until the time limited in the mortgage for the drawer's responsibility had elapsed. *Ibid.*

The rules in reference to demand and notice applicable to bills of exchange and promissory notes, do not apply to post notes of a bank,

which, like bank notes, are a common medium of exchange, and circulate from hand to hand, as money. *Key v. Knott and wife*, 9 G. & J. 342.

Usury.

A. on the 19th April conveyed to B. by deed, certain land for the consideration, as recited in the deed, of £500. On the 1st of May following, B. executed and delivered to A. a bond, stating that he had lent to A. £500, to secure which, A. had conveyed to him the property in said deed mentioned, and if said sum with legal interest was paid by a certain day, B. would reconvey the property to A. Evidence was offered to show that at the time of the loan it was agreed by parol between A. & B., that A. should pay to B. interest at the rate of nine *per cent.* In an ejectment brought by B. against A. for the land, Held, that the deed was not usurious and void, although it should appear to the jury that a parol contract was made at the time of executing the said deed to pay nine *per cent.* interest on said sum of £500. Held, also, that if said sum was not actually lent, but a less sum, so that if B. was to receive by virtue of said deed and bond, a sum of money for interest exceeding the rate of six *per cent.*, then the deed was usurious and void. *Hogmire's Lessee v. Chapline*, 1 H. & J. 29.

In a question of usury, the intention of the parties gives character to the transaction, and no matter what the form, where the real truth and substance is a loan of money at usurious interest, no shift or device can take it out of the act of Assembly against usury. *Tyson v. Rickard*, 3 H. & J. 109.

In the investigation of such questions, the original intention of the parties must be come at by matter *de hors* the particular instrument of writing between them. *Ibid.*

Where the transaction assumed the form of a sale it was left to the jury to decide upon the whole of the evidence, whether in the true contemplation of the parties, the transaction was a real sale by one, and a purchase by the other, or whether it was only colorable to hide an usurious loan. *Ibid.*

A stipulation to repay the principal in money, is not necessary to constitute a loan; it is enough if the principal be secured, and not *bona fide* put in hazard, and it matters not what the nature of the security may be, if it be sufficient, and if the principal be secured and the interest reserved is more than the law allows, it is usury. *Ibid.*

Every case of usury must depend on its own circumstances, and the intention of the parties, when it can be come at, and not the words used, must govern. *Ibid.*

Where a transaction had the form of a sale of land from A. to B., which B. then leased to A. at a rent payable quarterly, (which produced 15 p. c. on the price of the land,) and the lease contained a stipulation that B. might redeem the land at any time within five years on payment of the price, together with all arrearages of rent, it was Held, that the legal construction of the lease from B. to A., (whatever this might be,) should not regulate the case in regard to whether there was usury or not, if it was not the intention of the parties that A. might by paying

the price at any time before the expiration of the first quarter, discharge himself from all rent, (as well as interest,) up to the time of such payment; and this intention was matter for the jury. *Ibid.*

Equity will grant relief against a judgment rendered by confession in an action at law, upon a promissory note given for an usurious consideration, on payment of the sum really due with legal interest. *West v. Beanes*, 3 H. & J. 568.

A *qui tam* action was brought on the act of 1704, ch. 69, for \$450 debt. The declaration contained two counts each demanding \$450, on a corrupt agreement for a loan of \$150, from 2d Sept. 1805, to the 5th Oct. 1805, for which the lender was to receive \$90, and for securing the payment of the loan and interest, the borrower gave a promissory note of another, endorsed by the borrower to the lender for \$240, payable in 30 days. Verdict on *nil debet* pleaded, that the defendant owed the said sum of \$450. Judgment entered for \$450 debt, and \$900 damages and costs, to be released on payment of \$450, with interest, &c. On appeal, judgment reversed. *Seemle*, that no *qui tam* action lies where the usurious loan is for a less time than one year. *Boehm v. Aisquith*, 4 H. & J. 207.

If a note is drawn to borrow money at illegal interest, and the holder obtains money on it on a usurious consideration, the note is under any circumstances void; but if *bona fide* in its origin, an innocent holder without notice may recover on it though it may have been subsequently passed on a usurious consideration. *Burt v. Gwinn*, 4 H. & J. 507.

Trover for goods mortgaged to secure a usurious debt cannot be sustained, unless the plaintiff has tendered the amount actually loaned. *Lucas v. Latour*, 6 H. & J. 100.

If the party by whom such debt is contracted becomes an insolvent debtor, his trustee, under the insolvent laws, is equally bound to make such tender to entitle him to recover the goods mortgaged. *Ibid.*

A promissory note for \$1,745, payable at 90 days after date, made by B. at the request of E., and for his accommodation, and by E. taken to G., who endorsed it with E., and then delivered by G. to M., who negotiated it with H. for the sum of \$1,648 08, which was paid to E. by the party who received the money from H., is void for usury. Such note first became legally efficient and operative when it passed to M., and being then discounted usuriously was void at its birth and no subsequent holder for a valuable consideration without notice of the usury can maintain a suit upon it, as the statute declares usurious contracts void. *Sauerwein v. Brunner*, 1 H. & G. 477. (See act 1824, ch. 200.)

A loan at par of bank notes passing at from 2 to 5 per cent. discount, unexplained by circumstances, would be usurious; but where the borrower was at liberty to return them to the lender at their par value, and so exempt himself from loss, there is no usury, unless that privilege was a mere cloak for a usurious design, though in point of fact the notes were passed off by the borrower at a discount. *Caton v. Shaw*, 2 H. & G. 13.

Upon a plea of usury to an action upon a single bill, it appeared, that the bill had been given upon the settlement of an account, which con-

tained items of debt and interest. The items of debt were admitted to be correct, but the interest, as calculated upon two of the items, exceeded 6 per cent. The receipt for the bill at the foot of the account stated that "in case of error either way, should any be discovered, it should be corrected;" Held, that this was no evidence of an usurious agreement. *Stockett v. Ellicott*, 3 G. & J. 123.

Every case of usury must depend upon its own circumstances. It is the intention, not the words, that gives character to the transaction, and the intention, when it can be reached, must govern. Where the real truth and substance of the transaction is ascertained to be a loan of money, a lending on one side and a borrowing on the other, at a rate of interest exceeding six per centum, the form given to the transaction is not material: no shift nor device can take it out of the act of Assembly. *Ibid.*

If there be any evidence, tending to prove an usurious contract, the question of usury should be left to the jury, but if there be no such evidence, the court may so instruct the jury. *Ibid.*

Z. being insolvent, and desirous of raising money, applied to F., and obtained his promissory note for \$250, payable at 60 days to him, Z., for the purpose of selling it to raise money. No consideration was paid for the note. Z. endorsed the note in blank, and sold and delivered it to the plaintiff, who was ignorant of its being a lent note, for \$200. The maker was in good circumstances. Held, the plaintiff could not recover of the maker, as the note was rendered void by the act against usury. *Cockey v. Forrest*, 3 G. & J. 482.

A note made or endorsed in execution of a previous usurious agreement, is tainted with usury. *Thomas v. Catherall*, 5 G. & J. 23.

Where a mortgage is given on an usurious consideration, the plea of usury either by the mortgagor or his alienee, is a full defence to a bill of foreclosure by the mortgagee. *Trumbo v. Blizzard*, 6 G. & J. 18.

Usury depends on intention, and it does not necessarily follow that the taking greater interest than is allowed by law constitutes usury. Where a party through a mistake in calculation, takes a greater interest than is allowed by law, it is not usury. *Duwall v. The Farmers Bank of Maryland*, 7 G. & J. 44.

The calculations or deductions of interest according to Rowlett's tables, were in all cases legalized by the act of 1826, ch. 90. *Ibid.*

It is not usurious in a bank to receive interest in advance upon notes discounted by it, and by the act of 1832, ch. 152, all other corporate bodies, and all citizens and residents of this State, are placed in this respect upon the same footing with the banks. Judge Story, in 8 Wheat. 338, says an authority to discount means an authority to receive interest in advance. *Duncan v. The Maryland Savings Institution*, 10 G. & J. 300.

Usury does not consist in merely intentionally taking a larger amount of interest than is allowed by law, but there must be superadded to such intent a corrupt design to charge more than the legal rate, and that is a matter of fact to be found by the jury. *Ibid.*

In an action brought in the name of principals for the price of goods sold by their factors, against the purchasers thereof, the defendants can-

not be allowed to discharge or extinguish the claim, in whole or in part, by proof that the factors agreed to receive in payment their own notes, which had been usuriously discounted by the defendants. *Sangston v. Maitland*, 11 G. & J. 186.

Forgery, &c.

Before the Court of Appeals.

Marine Bank v. Merchants Bank of Baltimore.

Joel Vickers, on the 20th September, 1839, deposited in the Marine Bank of Baltimore \$762, and received therefor the annexed certificate of deposite, which, it is admitted, is the usual form of certificates of deposite in the banks of this city. J. Strodtmann, to whose order said certificate was made payable, was personally unknown to the officers of said bank, had never been among its customers, and never had any previous transaction with the bank. The hand-writing of Strodtmann was unknown to the officers of the bank, but it is admitted, that after the deposite was made, Philip Littig, Jr., Cashier of the Marine Bank, received from a brother-in-law of J. Strodtmann, a signature of — Strodtmann, as he stated at the time, which the said cashier pasted in signature or firm book of the bank, but without informing any of the clerks of the bank that he had done so, nor was it, in his opinion, material, according to the usage of that bank, as certificates are usually given for the use of persons at a distance, as payees, whose signatures it is not the practice of the bank to obtain. It is admitted, that the signature of J. Strodtmann, pasted in the signature book as aforesaid, was genuine, and that the officers of said bank had access to said signature book, as well as to all the other books of the bank. The certificate was, on the 20th September, 1839, enclosed by —, in a letter directed to St. Louis. It was never received by said Strodtmann, but fell into the hands of some other person who forged thereon the endorsement of said Strodtmann, and passed it for a valuable consideration to B. Godfrey & Co. of Alton, in the State of Illinois, who endorsed and transmitted it to Howes, Godfrey & Robinson of New York, who also endorsed and transmitted it to Weld & Jenks of Baltimore, who kept an account with the Merchants Bank of Baltimore, in which account they were credited with this certificate on the 2nd day of November, 1839, as cash, on endorsing and delivering said certificate to said bank. On the 4th November, 1839, the Merchants Bank presented said certificate for payment at the Marine Bank, and obtained the amount thereof. On the 21st of November ensuing, the forgery was discovered upon the complaint of the brother-in-law of Strodtmann, that said certificate had never come to hand, although an unusually long time had elapsed since its transmission. Immediately upon the discovery, and upon the same day, the Marine Bank gave notice to the Merchants Bank of the forgery, and demanded a return of the money paid to the Merchants Bank as the bearer of the certificate, the Marine Bank having since and before the institution of this suit paid J. Strodtmann, the payee of said certificate, the amount thereof. The question is submitted to the court upon the foregoing statement of facts, whether the Marine Bank is entitled to recover from the Merchants Bank the amount so paid.

HELD: That if the Merchants Bank was a bona fide holder of the certificate for value paid, it would not have been responsible in this action. *Merchants Bank v. Marine Bank*, 3 Gill's Reports, 96.

There was evidence, that on the day on which the forgery was discovered, and the demand made on the defendants to refund the money, that there was standing to the credit of Weld, on the books of the Merchants Bank, a larger sum than the amount of the certificate. *Ibid.*

If at the time the forgery was discovered, and the demand of payment made, W. had withdrawn from the Merchants Bank the balance to his credit, the Merchants Bank would then have been a bona fide holder for value. *Ibid.*

The credit to W., on the books of the bank for the amount of the certificate was not conclusive, and did not prevent the bank from correcting the account when the forgery was discovered; if it then had funds in their possession adequate to that purpose, the credit was only prima facie evidence. Judgment for plaintiff. *Archer, J. dissenting.*

A blank endorsement and delivery of a bill constitutes the party to whom it was delivered, its absolute owner; and conferred upon the holder the power to fill up the blank, with a full assignment of the interest to himself. *Chesley v. Taylor*, 251.

When the blank is filled up, it becomes an assignment in writing by the party who endorsed it in blank; and though the assignment may not be completed until the time of trial, it is regarded for the purposes of the suit, as having been made when the instrument was endorsed. *Ibid.*

An accepted bill, unless drawn on a particular fund, does not operate to invest the payee with the character of an assignee of the fund. *Shepard, et al. v. The State*, 289.

Taking a promissory note for a simple contract debt, does not, *per se*, extinguish the original cause of action. *Morgan v. Bitzenberger*, 350.

Where a note of the debtor was taken for a debt, and the creditor afterwards sues him upon the original contract, proof that the note was re-delivered to the debtor, sufficiently accounts for its absence at the trial. *Ibid.*

The order of a debtor on a third party, given to his creditor, which was dishonored, and tendered to the debtor, interposes no objection to recovery upon the original consideration. *Ibid.*

Bills of exchange drawn in New York, upon a house in London, and there accepted and paid, if, in connection with other circumstances, they create a claim by the acceptor against the drawer, are to be considered as creating one in London, which is the place of the contract. *Lizardi, et al. v. Cohen, et al.*, *ibid.*, 430.

Banks and Stamps.

The cashier of a bank possesses no incidental authority to make any declarations binding the bank, not within the scope of his ordinary duties. *Merchants Bank v. The Marine Bank*, 3 Gill's Reports, 96.

If the cashier of a bank promise to pay a debt which the corporation did not owe, or was not liable to pay, or should admit forged bills to be

genuine, such promise or admission would not bind the bank, unless it had authorized or adopted the act. *Ibid.*

Under the act of 1844, ch. 280, the bonds of trustees, executors and administrators, conditioned for the faithful performance of their official duties, are not required to be stamped. *Burton, et al. v. The State, 1.*

Neither is a check of a bank in this State, upon a bank in another State, at sight or otherwise, nor a certificate of deposit given by a bank. *Ibid.*

The terms "bonds and obligations" in that act, are to be confined to such as are given for the payment of money. *Ibid.*

The banks of this State are secured in the privilege of issuing checks, bills of exchange, and certificates of deposit. *Ibid.*

The original charters of the "old banks," as they are termed, will expire on the 10th March, 1846. *Ibid.*

Under the act of 1844, ch. 280, a mortgage, without a covenant to pay the debt secured; a lease on which is reserved a rent in money, or in specifics; an assignment of property, in consideration of an annuity, to be paid by the grantee for the life of the grantor; an order or draft not sold, nor intended to be put into circulation, but made solely to obtain possession by the party of his own funds, are not required to be stamped. *Ibid.*

A mortgage with a covenant, to pay the debt secured; a due bill, or written acknowledgment of indebtedness to a certain extent; an account stated, signed by the parties, or by the party to be charged, as evidence of debt, are required to be stamped. *Ibid.*

DECISIONS IN NEW YORK.

Competency of Witness—Interest in Event of Action.

The President of a bank, who was a large stockholder, gave evidence as a witness for the bank, in an action by the bank against a third person, to recover the amount of a promissory note claimed to be due to the bank.
HELD, that his testimony was improperly admitted.

This was an action of assumpsit tried before his Honor, Hiram Gray, at the Tompkins Circuit, August, 1848, and was brought against the defendants, as makers and endorsers of a note payable to and discounted by the plaintiffs. On the trial, William Randall, who, it was admitted, was the president of, and a large stockholder in the bank, and was such at the time of the discounting of the note in suit, was offered by the plaintiffs as a witness, and received under the defendants' objections. A motion was by them made at the Madison General Term, January 1st, 1849, for a new trial on a bill of exceptions.

Lewis Kingsley, for the defendants. *S. Fairchild*, for the plaintiffs.

By the Court. Mason, J.—The only question presented by the bill of exceptions in this case is, whether the president, who is a stockholder in the bank, can be a witness for the bank, in a suit against a third person, to recover the amount of a promissory note claimed to be due to the bank. The plaintiffs claim that sections 351 and 352 make him a competent witness. Section 351 is as follows:—"No

person offered as a witness shall be excluded by reason of his interest in the event of the action." This section is qualified by section 352, which provides—"The last section shall not apply to a party to the action; nor to any person for whose immediate benefit it is prosecuted or defended: nor to any assignor of a thing in action, assigned for the purpose of making him a witness."

It was insisted upon the argument of this cause by the counsel for the plaintiffs, that this suit was not brought for the immediate benefit of the stockholders: that, on the contrary, the action was brought for the immediate benefit of the corporation, while the stockholders were only interested in the fund recovered after the debts of the corporation were paid, and the bills that were in circulation were redeemed. That in fact, this artificial being—the corporation—stood between the stockholders and this suit, and that under the peculiar organization of such corporations, under the provisions of our statutes, the stockholders might, in fact, never come into possession of any of the funds recovered in this suit: in the first place, that although the 26th section of the plaintiffs' charter, (Laws of 1829, p. 324,) requires the directors to make dividends semi-annually, that the general statute regulating all of these monied corporations (1 R. S. 591, sects.) prohibits them from making any dividends at all, except from the surplus profits arising from the business of the corporation; and that this same statute prohibits the directors from permitting any of the capital stock from being divided or withdrawn in any manner to reduce the capital stock; and, in short, that by the general statutes of the State, regulating monied corporations of this character, the stock is pledged for the security of the debts of the corporation, and the redemption of the bills in the hands of the bill-holders, &c., and that, consequently, the stockholders cannot be said to be persons for whose immediate benefit the suit is brought.

I am constrained to say, after a careful consideration of this case, that this argument appears to be more specious and ingenious than sound. It is too thin, and cannot stand in the light of true criticism. This is a corporation aggregate, and a corporation aggregate is a collection of individuals united in one body, under such a grant of privilege as secures a succession of members, without changing the identity of the body, and constitutes the members for the time being one artificial person or legal being, (1 Hill, 620; 2 Kent's Com. 283;) and such the second section of the plaintiffs' charter makes the stockholders of this corporation. That section provides, that "all persons who shall become holders of the capital stock of the said bank, pursuant to this act, shall be, and they are hereby constituted a body corporate." &c.

The stockholders constitute the corporation, and without them the artificial being—the corporation—has no life or vitality. They do, in fact, constitute the very element of the corporation, notwithstanding that in legal parlance an artificial person is made to step in under the name of a corporation aggregate, and represent these stockholders. I think that, in a corporation like this, to say that the suit is brought for

the immediate benefit of the corporation, and not that of the stockholders, is making a distinction in a case where none is perceptible.

If this suit is brought for the immediate benefit of this corporation aggregate, then, it seems to me, that it is very difficult to say that it is not for the immediate benefit of that which constitutes the corporation aggregate. And the very act creating this corporation makes the stockholders to constitute the corporation. And so these corporations have been considered under the wise and well-considered principles of the common law. The language of the common law is, that when corporations of a private nature, instituted for private emolument, such as banks, insurance companies, &c., bring suit, the interest of the corporation is *direct* and *immediate*. (2 Cow. & Hill's Notes, 1543 and refs.)

But again, in the absence of all proof, a bank as well as a private individual, is to be presumed to be solvent until the contrary be shown: and if we are to consider this case with the legal presumption of solvency, which the law, in its presumption, applies to the plaintiffs, then I do not see how the argument of the plaintiffs' counsel can be sustained, for that argument is predicated upon the position that the bank may perchance be insolvent.

I cannot but think, after the best reflection that I have been able to give to this case, that the learned justice erred upon the trial of this cause, in allowing the president of this bank, who was a large stockholder, to be sworn as a witness for the plaintiffs, and, consequently, that the exception of the defendants to this ruling upon the trial, was well taken. It follows, therefore, that there must be a new trial granted in this cause, with costs to abide the event.—[NEW TRIAL GRANTED.]—*President of the Bank of Ithaca v. Bean and others*: Before the Supreme Court of New York, 1849.—*New York Legal Observer*.

ON USURY.

This word comes from the Latin *Usura*, or as it is more frequently used, *Usuræ* in the plural number. The Latin word signifies money paid for the use of money lent. The old word in use in England to signify what we now call interest, seems to have been usury. But usury now means taking more interest for the loan of money than the law allows. A good deal on the subject of usury is contained in the arguments and judgments in the case of the Earl of Chesterfield and others *v.* Sir Abraham Janssen, (2 Vezey, 125.)

Interest is money which is paid for the use of other money, called principal. The general practice is this: the borrower agrees to pay a fixed sum yearly, half-yearly, or quarterly, for each £100 lent, until the money lent is returned. When this is not the case, and when the money paid for the loan depends upon the success of an undertaking, or any casualty not connected with the duration of life, it is called a *dividend*: when the money and its interest are to be returned by yearly

instalments, and paid off in a certain fixed number of years, it is called an *annuity certain*; but when the payment is to depend upon the life of any person or persons, it is called a *life-annuity*. But by whatever name the proceeds of money may be called, the rules of calculation are the same in every case except that of a life-contingency.

The amount of money which persons are willing to pay for the temporary use of money depends upon a variety of circumstances. When profits are high, the rate of interest will also be high. When, on the contrary, money capital is abundant in proportion to the calls for it, the competition of those persons who possess money, and who derive an income from it, will lower the rate of interest in the money-market. They will lend money at a low rate of interest to traders, who again will meet each other in competition in their various occupations, and must be content with such a rate of profit as will repay the low rate of interest for which they have bargained, together with such a compensation for their risk, skill, and trouble in its management as the degree of competition at the time will allow. If some new channel for the employment of money should be opened which holds out the promise of higher profits, a competition among borrowers will ensue, the effect of which will be to raise the rate of interest until it assumes its due proportion to the rate of profits; and as there never can, generally speaking, be two rates of profits at the same time (at least for any long period,) in the same market, the effect of the additional call for capital to supply the partial demand that has been supposed, will be to raise profits and interest generally. An increase of money capital, either absolutely or relatively to the means for its employment, will obviously have the contrary effect of lowering its value in use, that is, reducing the rate of interest and profits.

It would be difficult to imagine any circumstances relating to the loan of money, which must not resolve themselves into the conditions here proposed; and it is therefore difficult to see wherein consists the wisdom of governments in limiting the rate of interest; and yet the fact of such limitation has usually been the rule, and the absence of restriction as to the rate of interest the exception. The circumstance of the laws which regulate and limit the rate of interest in this country having been made by those who were among the class of borrowers rather than that of lenders, may perhaps afford some explanation of the views of the legislature in putting restrictions on the trade in money. That these restrictions however were, and so far as they exist still are, unfavorable both to lenders and borrowers, and more unfavorable to the borrowers than the lenders, may easily be demonstrated. In the year 1787, Mr. Bentham wrote his "Defence of Usury," and showed, in a manner which one would have thought adapted to produce general conviction, the mischief of such restrictions so far as the law was operative, and the inefficacy of the law to prevent altogether what are denominated usurious transactions. But the minds of men are slow in surrendering a prejudice or a false judgment to the attacks of true principles; and for many years the efforts of Mr. Bentham and others remained fruitless. The system of restriction has, however of late been modified in some important particulars, so that within certain limits, as regards

time, the rate of interest among the mercantile classes may now be said to depend upon what may be considered the market value of money, which is thus allowed to bear its due proportion to the current and usual rate of profits. A statute passed in 1545 limited the rate of interest to 10 per cent. per annum; in 1624 the rate was lowered to 8 per cent., in 1660 to 6 per cent., and by the statute 12 Anne, st. 2, c. 16, (1713,) it was further reduced to 5 per cent., beyond which rate, with the recent exception above referred to, it has been illegal to charge since that time, under the penalty of forfeiting for every offence three times the amount of the money lent.

During the late war, when the rate of profit was high and when the government often borrowed enormous sums, the system of restriction was not adhered to in the negotiation of its loans, the interest upon which was necessarily regulated by the market value of money; and at all times necessitous borrowers and those who have a doubtful or insufficient security to offer to lenders have always found means to evade the statute by granting annuities and by other means. Except for one or two almost momentary occasions of commercial difficulty or panic, the market rate of interest in this country has not been higher, since the peace in 1815, than the legal rate.

The law does not recognise the charge of interest upon interest, or, as it is called, compound interest; and yet it is only equitable that where money which is due for interest is not settled, it should be considered a fresh loan, for the use of which interest should be paid. This, however, is a rule so easily evaded by the borrower granting a further acknowledgment of the interest as though it were principal, that it does not amount to a practical hardship: such new contract, in fact, changes the interest already due into a principal sum. The law also recognises rests in mercantile and banking accounts, in which interest is charged upon a former ascertained balance. Such balance may, and in fact often does, include interest already due; and thus the creditor really receives interest upon interest, or compound interest.

Debts do not always carry even simple interest from the time when the money becomes due to the creditor: in such case payment of interest is rather the exception than the rule. Unless the debt be such a debt as carries interest by the custom of merchants or traders, or unless there is an express agreement to such effect between the parties, or unless such agreement can be inferred from their course of dealing, or unless there are some very special circumstances, debts do not carry interest from the time when due. But now, by 3 and 4 Will. IV. c. 42, a jury may, if they think fit, upon all debts or sums certain, allow interest to the creditor, at a rate not exceeding the current rate of interest, from the time when such debts or sums were payable, if payable by virtue of a written instrument at a certain time; or if payable otherwise, then from the time of a demand of payment in writing, so as such demand give notice that interest will be claimed from the date of such demand. This statute also empowers juries to give damages, in the nature of interest, in respect of the detention or appropriation of goods. By 1 and 2 Vict., c. 110, all judgment-debts are to carry interest at the rate of four per cent. per annum from the time of entering up the judg-

ment. As to interest of money lent on ships or their cargo, see Bottomry, and on legacies, see Legacy.

The relaxation above mentioned as having been made as to the rate of interest formed part of the arrangement made in 1833, at the renewal of the charter of the Bank of England. (3 and 4 Wm. IV. c. 98.) It consisted in excepting from the operation of the statute all bills of exchange and promissory notes not having more than three months to run previous to their maturity; these might be discounted at any rate of interest agreed upon with the holder. More recently, by the act of 1 Victoria, c. 80, (July, 1837,) this relaxation was extended to all such mercantile instruments which have not twelve months to run before they are due.—*Bohn's Standard Cyclopaedia.*

THE BANK OF BRITISH NORTH AMERICA.

LOCATED AT QUEBEC—ROBERT CASSELS, *Manager.*

Branches, Managers and Agents.

<i>Montreal,</i>	DAVID DAVIDSON.	<i>Kingston,</i>	THOMAS ASKEW.
<i>Toronto,</i>	W. G. CASSELS.	<i>Hamilton,</i>	J. JAFFRAY.
<i>Dundas,</i>	J. B. EWART, <i>Agent.</i>	<i>Brantford,</i>	J. CHRISTIE, <i>Agent.</i>
<i>Port Hope,</i>	DAVID SMART, <i>Agent.</i>	<i>Bytown,</i>	A. C. KELTY, <i>Agent.</i>

Agents at New York, R. BELL, WM. MACLACHLAN, H. E. RANSOM.

Office in London, 7 St. Helen's-place, Bishopsgate Within,
G. DE B. ATWOOD, *Secretary.*

Capital of the Bank One Million Sterling.

Annual Report, May, 1849.

The thirteenth annual general meeting of the directors and proprietors of this bank was held at the offices, No. 7, St. Helen's-place, J. J. Cummins, Esq., in the chair,

The chairman, in opening the business of the day, said that the report which would be read by the secretary would contain references to the accounts of the company, which had been placed in the hands of proprietors as they entered the room, which he trusted would be made up in a manner which would be satisfactory to every proprietor. The figures were more clearly defined than on former occasions, when many gentlemen had complained of confusion. The report would be read, and afterwards it would be his duty to reply to any questions which might arise out of it.

The following report was then read :—

Another year of considerable depression in the trade of British North America has imposed on the directors of this bank the necessity of continuing the cautious and restrictive policy to which they have adverted in the last two annual reports. It is, however, with much gratification that they feel themselves justified in stating that in the midst of circumstances producing no ordinary amount of difficulty, the commercial community of the North American colonies generally have sustained their credit in a manner highly honorable to their character as British merchants.

The directors, influenced by a strict regard to the principle which has uniformly guided them, of considering rather the security of the capital entrusted to them than the actual amount of profits appearing on the balance of each year's operation, have felt it right to forbid advances, which, although promising to be profitable, did not appear to them to bear the character of legitimate banking. To this principle they are determined to adhere, and they are thereby enabled to give more effectual support to the regular trade of the commercial community.

In reporting the affairs of the bank for the last three years, they have been led necessarily to notice the depression of commerce in the colonies. They place, however, strong reliance upon the enterprise and industry of their fellow-subjects in British North America, and have much confidence in the growing wealth of the provinces. They trust, therefore, that this depression will prove to be but temporary. By reference to the accounts submitted to this meeting, it will be seen that, notwithstanding the restricted state of the business, the directors have been enabled to make a small addition to the rest, after providing for the year's dividend at the rate of 5 per cent., again setting apart a considerable sum, sufficient to cover the estimate of probable loss.

The directors have now to announce to the proprietors that the half-yearly dividend, at the rate of 5 per cent. per annum, will be payable on the 5th July.

The balance sheet was then read.

Balance Sheet, Dec. 30, 1848.

LIABILITIES.	
Capital,	£1,000,000 0 0
Circulation,	231,137 18 4
Deposits,	229,177 4 9
Bills payable and other liabilities,	365,343 0 8
Reserve for Christmas dividend,	25,000 0 0
Undivided net profit,	57,302 18 7
	£1,907,961 2 4
ASSETS.	
Specie and cash at bankers,	£198,919 17 11
Bills receivable, and other securities,	1,672,134 5 1
Bank premises,	36,906 19 4
	£1,907,961 2 4

Profit and Loss Account, from Jan. 1, to Dec. 30, 1848.

Dr.	
To dividends declared as follows:—	
At Midsummer, 1848, payable July, 1848,	£25,000
At Christmas, 1848, payable January, 1849,	25,000
	50,000 0 0
To balance, being undivided net profit to the 30th December, 1848,	57,302 18 7
	£107,302 18 7
Cr.	
By balance of undivided net profit to 31st December, 1847,	£55,502 11 6
By net profit for the year 1848, after deduction of all current charges, and providing for bad and doubtful debts,	51,800 7 1
	£107,302 18 7
Total,	£107,302 18 7

Mr. Webster said it had always been his object since he was a proprietor to get such an account as that which was now furnished, showing in a clear form the liabilities and assets of the company; and he rose on this occasion to thank the board of directors for having produced such an account as that which was submitted to the meeting, because it showed that they were not the mere shadow of a bank, but that they had some substance. In moving that the report be received he felt great pleasure, because, had these accounts not been furnished, he should have felt himself called upon to make some observations which would have been unpleasant to the directors and proprietary, and unsatisfactory to himself. For having insisted on such an account as that now in the hands of the proprietors he had been stigmatised as a discordant member; but why he should have been called so for demanding a statement such as he required he did not know. As, however, that point of difference no longer existed, he begged to congratulate the board on what they had done. He was glad that something like an incubus had been got rid of, and he hoped the shares in this bank would not continue at their present low prices. He had only to express a hope that the directors would rigidly enforce every kind of economy in the management of the affairs of the company.

The chairman did not see why the gentleman who had just spoken should have been stigmatised for the course he had pursued (hear). That gentleman as a proprietor had a perfect right to call for such an account; and nothing could be clearer than the right of every proprietor to satisfy himself on such points (hear). In the report, allusion was made to the state of the Canada trade: and in a meeting like that which he addressed it was perhaps presumptuous in him to say anything, but when they called to mind that the prices of Canadian produce were at so low an ebb as scarcely in some instances to pay the freight, and that this depression had arisen from the cessation of railways and other great works in this country—and when they considered that, notwithstanding the depression to which he had referred, they had set aside a large amount to meet bad debts, and still been enabled to make an addition to the rest in such a way that they should not have to fall back upon anything hereafter which should make the accounts worse, these were matters on which he could not but congratulate the society. The report stated that the object of the directors had not been by large advances to railroads, or other public undertakings not connected with the ordinary trade of the colony to swell their business and their profits; on the contrary, they considered that smaller profits were more safe than those made upon large advances of money at greater risk (hear.) When they recollected that they had a charter which took away from them all personal liability beyond the amount of their respective shares, and that, after reserving a large sum to cover bad debts, they had still a surplus balance of undivided net profit to 30th December, 1848, of upwards of £57,000, after such a commercial crisis as they had gone through, he thought he might well congratulate the society on their position (hear, hear.)

In answer to a question put by a proprietor, as to what was the amount of the reserve, and whether that amount was included in the statement laid before the meeting,

The Chairman said the amount was £42,765 to meet bad debts, which was a reserve held against a similar amount of bills in the hands of the bank, and upon which loss was expected.

A Proprietor begged to ask if in the liabilities, besides the sum set apart, there was a sum to cover bad debts?

The Chairman said, there was a sum of £43,700 reserve against the probable amount of bad debts on the other side of the account.

The Proprietor.—Suppose nothing set apart, what would be the amount of profit?

The Chairman.—£65,000. This year £13,000, forming part of the £42,000, had been set apart to cover the estimates of loss.

In answer to an inquiry made by a proprietor as to the dividend now about to be paid,

The Chairman said it had been the care of the directors to make an ample reserve; and after all losses which might be incurred, the proprietors would still be entitled to receive a dividend at the rate of 5 per cent. per annum.

Mr. Josiah Wilson asked whether if, of £42,000, it was necessary to put by £13,000 to cover the accruing loss this year, the sum of £42,000 would cover all former contingencies?

The Chairman said that all ascertained losses of the bank had been previously provided for, and written off, and that a sum of £42,785 was an estimate to cover all probable losses not yet ascertained.

Captain Kelly moved the adoption of the report; and the motion was carried unanimously.

Messrs. W. Chapman, O. Farrar, and John Stewart, the directors retiring by rotation, were unanimously re-elected.

Captain Kelly said he had not heard a dissentient voice upon the statement of their affairs, and this was the only instance of the kind which he remembered since he had been a proprietor. He had the gratifying duty of proposing a vote of thanks to the chairman and directors for the manner in which they had conducted the affairs of the society.

Mr. Josiah Wilson seconded the motion. The next thing to positive success was the having a good executive (hear.)

The motion having been carried with acclamation,

The Chairman rose.—He need not say that he and his co-directors were always gratified at those manifestations of confidence on the part of the proprietors. The directors were actuated by an earnest and anxious desire to economise and preserve the capital of the company.

Mr. Josiah Wilson.—Did he understand that this was a chartered bank, without any liability beyond the amount of shares?

The Chairman.—Yes, certainly.

Mr. Wilson.—Then he hoped that that fact would be widely disseminated, and that the public generally would know it, because this was a great privilege. He was a shareholder in other companies, where the case was totally different, and where every farthing of all his property would be held liable, though he was not alarmed. If the public knew the nature of the charter of this society, the shares, he was satisfied, would not remain at their present low prices in the market. They

were now quoted much below their value, it being a chartered bank, with the shares all paid up; their capital was intact, and they had a reserve of £50,000 to meet bad debts.

The Chairman said, it was not without reflection that he made the statement with reference to their charter, by which they had peculiar advantages. The liability was limited to the paid up capital, and their capital was paid up. He was persuaded that the public did not know the advantages which they might derive from becoming shareholders, or, in times like these especially, they would avail themselves of them.

The meeting then separated.

THE ENGLISH NATIONAL DEBT.

The History of the English National Debt. On the Proposition for its Abolishment. Its Progressive Increase. Cost of Management.

(From Bohn's Standard Cyclopaedia of Statistical and Political Knowledge.)

If we bring into account the wealth possessed by her citizens individually, England is the richest country in Europe. The amount of her public debt, on the other hand, so infinitely beyond the debt of any other state, would seem to indicate that, considered apart from that individual wealth, England is the poorest of nations. But the national debt is owing by the aggregate of the people—*by the nation*—for whose benefit, real or supposed, it was contracted. It suits the general convenience, including that of the public creditor, that the nation in its aggregate sense, should thus continue to exhibit signs of poverty in contrast with the evidences of enormous wealth; but if it were otherwise—if the public convenience, still more if the public safety, demanded such a course, the same authority which sanctioned the contracting of the debt could also oblige each individual in the country to contribute according to his means towards its extinction. It would be difficult to imagine any circumstances that could render such a course expedient, and the position has been here advanced solely with the object of explaining, in a familiar way, the nature of the debt, and the manner in which the obligation to bear the burthen and contribute towards upholding the national faith, presses upon every individual. Every one is interested in forming a correct idea concerning a matter which exercises an influence upon every circumstance that affects his social position and progress. Yet it is by no means uncommon to find persons who suppose the national debt to be a fund, a deposit of treasure, a sign of national riches; anything in short opposed to that which it really is, namely, a drawback upon the national wealth, a mortgage of the national industry for the payment of a perpetual annuity in return for capital advanced to meet the national exigencies, and which has been consumed for national objects. It has been said that as this debt, or by far the largest part of it, is owing among ourselves, it can-

not have any prejudicial action upon the national interest, since that which a body owes to its own members cannot be considered a debt. It is true that the public expenditure, including its debt, has been furnished by its own citizens, and that our future industry is therefore, not mortgaged to strangers, but the portion of its fruits which must be set apart for the public creditors is so much capital which may be productively employed. It will nevertheless easily be made apparent how the successive absorption of private capital for public purposes must prove injurious to a country, if we consider what must have been the condition of England, if, instead of thus absorbing a part only, the whole of the disposable wealth of her individual citizens had been so expended. It might still have been said, that as what was taken from all in the form of taxes, was returned to a part in the form of dividends, the money did not leave the country; and that, although of course it must affect the condition of individuals, it would not affect the condition of the aggregate. But it must be asked, where, in the case supposed, would have been the capital that must set industry in motion and enable the payment of taxes? It is indeed evident that in such case the country must have long ago become bankrupt, and have been unable to hold any rank among independent nations.

The real difference between a private debt and the public debt, called the national debt, consists in the compound character of the creditors, who, as members of the nation, are legally and morally bound to contribute towards the maintenance of the public faith, while they have each a personal interest in its preservation. There is also this further distinction between the debts of the nation and those of individuals, that the state has at all times the right to pay off its creditors at par, while the creditors have no right to demand repayment of the principal money, but must content themselves with receiving, half-yearly, the amount of their annuity.

Another fallacy has been often broached of late years by a small party in the country, namely, that the general prosperity of the state would be advanced by the abolition (unsatisfied) of the public debt; and as in all matters of public policy the prosperity of a great majority should be considered before that of a part, a sound policy requires that faith should no longer be kept with the public creditor. The proposition is here put in plainer terms, perhaps, than its advocates would use, but this is the substance of their argument.

It has been shown that the money in respect of which the claims of the public creditors have arisen is spent, and that most of those creditors being part of ourselves, living and expending their incomes among us, the evil effects of the debt are limited to the loss of the capital which otherwise would have formed part of the national wealth, and would have been productively employed. But the capital thus lost has all been advanced in times of necessity, in full faith that the conditions promised would be performed by the borrowers; and it would indeed be a day of disgrace that should sanction the securing of any advantage, however great, through the dishonest breach of those conditions. But would any such advantage as has been supposed follow from so dishonest a step? Those who contend that the great majority

of the nation would be benefited by the unsatisfied extinction of the national debt, and would urge its extinction on this ground, as being precisely the same ground on which many enactments are made, ought to show that the loss occasioned by such extinction will be confined to the immediate losers, to the comparatively small number of public creditors. But it is easy to show that the loss would not be confined to the immediate losers; and, this being the case, it is impossible to prove that such extinction will really benefit a great majority. It might happen that it would in its results benefit only a small minority of the actual generation, or even nobody at all; and the allegation of this possible result is a sufficient answer to the assumption made by the advocates of unsatisfied extinction, that the loss incurred would be confined to the immediate losers, and that there would be a real gain to the great majority of the nation. Such an unsatisfied extinction would in effect be a dissolution of innumerable contracts, on the faithful performance of which depends the happiness of many persons who are not public creditors. It is hardly necessary to remark that the nation would not afterwards find it easy to borrow money from individuals on any reasonable terms, for any purpose, however generally useful, or any public necessity, however urgent.

The contracting of the national debt cannot be said to have begun before the Revolution of 1688. Even for some few years after the accession of William and Mary, the borrowings of the government were for short periods only. The first transaction of this kind, of a permanent character, arose out of the chartering of the Bank of England, in 1693, when its capital of £1,200,000 was lent to the public at 8 per cent. interest. A power of repayment was reserved on this occasion by the crown, but there was no corresponding right of demanding payment on the part of the bank.

So cautious was the parliament in those days of burthening future generations for the exigencies of the present moment, that when the annual income was inadequate to meet the charges of the foreign wars in which the country was engaged, and it became necessary to borrow the deficiency, annuities were granted, not in perpetuity, but for lives and terms of years, the produce of certain duties being mortgaged for their discharge.

This cautious proceeding could not be long continued. The expensiveness of the wars in which the nation was engaged at the end of the seventeenth century, made it necessary to incur debts beyond the means of their prompt redemption, and at the peace of Ryswick, in 1697, the debt amounted to 21½ millions. During the next ten years, although the country was again involved in a continental war, its amount was reduced to little more than 16 millions, and the greatest efforts were made to raise money without imposing any lasting burthen on the people. These efforts indeed soon found their limit, and at the accession of George I., in 1714, the debt had accumulated to the amount of 54 millions, an amount which excited great uneasiness, and caused the House of Commons to declare itself under the necessity of making efforts for its reduction. In 1717 the debt amounted to 48½ millions, and the annual charge in respect of the same to £3,117,296. A great

part of this debt consisted of annuities granted for 99 years, the money obtained for which had varied from 15 to 16 years' purchase.

In the year 1720 the South Sea Act was passed, authorizing the company to take in, by subscription or purchase, the redeemable and unredeemable debts of the nation, the object being to reduce all the debts under one head of account at one uniform rate of interest. In the accomplishment of this scheme the projectors only partially succeeded, while the disgraceful frauds by which the proceedings of the company at that time were marked, led to a parliamentary investigation which caused the disgrace of some of the ministers, the chancellor of the exchequer being expelled the House, and committed to the Tower for his share in the plot. This scheme was attempted at the same time with the equally famous Mississippi scheme, which, with a similar object, was projected in France by John Law, under the sanction of the Regent Duke of Orleans.

In 1736 the public debt of England amounted to about 50 millions, but the annual charge had been reduced below 2 millions. At the peace of Aix-la-Chapelle, in 1748, the national debt exceeded 78 millions, but in the following year the public obtained some relief from the burthen through the lowering of the rate of interest. Little else was done in the way of alleviation at this time, and at the breaking out of the Seven Years' War, in 1756, the debt still amounted to 75 millions. A public writer of some repute, Mr. S. Hannay, says, at that date, "It has been a generally received notion among political arithmeticians, that we may increase our debt to £100,000,000, but they acknowledge that it must then cease by the debtor becoming bankrupt."

When the Seven Years' War was ended by the peace of Paris, the debt reached 139 millions, and the annual charge was £4,600,000. During the twelve following years, a period of profound peace, only £10,400,000 of the debt was discharged. The war of the American Independence raised the debt from 129 to 268 millions, and the annual charge in respect of the same to £9,512,232. So little was done in the way of liquidation during the following ten years, that at the beginning of the war of the French Revolution the debt still amounted to £260,000,000 and its annual charge to £9,437,862. But between 1793 and the peace of Amiens the addition made to the capital of the debt amounted to 360 millions, and the annual burthen was increased from £9,437,862 to £19,945,624. Between the recommencement of the war in 1803 and its termination after the battle of Waterloo, in 1815, there were added 420 millions to the capital of the debt, which then amounted, including the unfunded debt, to 885 millions, and the annual charge upon the public exceeded 32 millions of money.

A plan for the gradual extinction of the national debt by the establishment of a sinking fund, was proposed, and partially applied, in 1716, by Sir R. Walpole. The scheme for that purpose, proposed under the same name by Mr. Pitt in 1786, had a greater show of reality about it. By this scheme the sum of one million was annually set apart from the income of the country towards the extinction of its debt. Other sums were rendered available for the same purpose, and it was supposed that at the expiration of 28 years the annual income of the sinking fund

The annual charge upon which was :

Interest upon perpetual annuities,	£28,278,919
Terminable annuities,	1,894,612
Interest on unfunded debt,	1,998,937
Charge for management paid Bank of England,	284,673
	<hr/>
Total annual charge,	£32,457,141

Experience has now proved that the only important relief from the pressure of debt to be obtained, even during a profound and long-continued peace, will probably be derived from the lowering of the rate of interest. The price of 5 per cent. stock at the beginning of 1822 was advanced to 6 or 8 per cent. above par, and advantage was taken of this circumstance to induce the holders to exchange each £100 of 5 per cent. annuities for £105 of 4 per cent. annuities. On this occasion £140,250,828 of 5 per cent. stock was cancelled, and £147,263,328 of 4 per cent. stock was created, the annual charge being by this means reduced by the sum of £1,122,000. In 1824 a further saving of £381,034 per annum was effected by reducing to 3½ per cent. the interest payable on £76,206,882 of 4 per cent. stock; and in 1830 a further abatement of one-half per cent. was effected on the 4 per cent. stock created in 1822, whereby the sum of £700,000 per annum was saved to the public.

Some little progress has been made since 1816 in the reduction of debt by the employment for that purpose of actual surplus revenue. An addition was, on the other hand, made to the debt by the grant of £20,000,000 voted by parliament, for compensation to the owners of slaves in the British colonies who were emancipated by the act of 1833. The unredeemed funded and unfunded debt which existed on the 5th January, 1845, and the annual charge thereon, were as follows :

3 per cent. annuities,	£519,303,960
3½ " "	248,701,379
3¾ " "	2,630,769
5 " "	433,749
	<hr/>
Perpetual annuities,	771,069,858
Terminable annuities, £4,025,210, equal to an estimated capital of	67,509,670
Unfunded debt,	18,404,500
	<hr/>
Total of unredeemed debt,	£856,984,028

The annual charge upon which was :

Interest on perpetual annuities,	£23,719,148
Terminable annuities,	4,025,210
Interest on unfunded debt,	552,135
Charge for management,	94,886
	<hr/>
Total charge,	£28,391,379

The following tables show the state of the national debt at different periods since 1827 :

1. Unredeemed funded debt and terminable annuities in each of the following years, exclusive of the loan raised for compensating the colonial slave-holders :

1827,	£777,476,992	£2,610,764
1830,	787,486,996	3,297,375
1834,	743,676,299	4,023,777
1840,	746,300,100	4,012,146

2. Amount and charge of the public debt, supposing the terminable annuities were converted into equivalent perpetual annuities :

	Capital.	Interest.
1827,	£822,778,347	£27,086,977
1830,	811,278,253	25,984,893
1834,	799,583,378	25,560,295
1840,*	815,250,634	25,994,702

3. Funded and unfunded debt; also funded and unfunded debt including the value in capital of the terminable annuities :

	Funded and Unfunded Debt.	Debt and Capitalized Annuities.
1827,	£905,023,742	£860,325,198
1830,	794,758,646	838,549,903
1834,	773,201,900	829,109,978
1840,	788,642,777	837,521,684
1845,	789,474,358	866,984,028

4. Annual interest of the unredeemed funded debt :

1827,	£25,500,326	1840,	£24,283,940
1830,	24,102,200	1845,	23,719,148
1834,	23,603,502		

The diminution of the annual burthen in the course of twenty-three years, from 1816 to 1839, was £3,150,710, at which rate the total extinction of the debt would not be effected until the year 2053. The slow progress made in this direction stands in striking contrast to the rapidity with which the load was accumulated, the entire diminution effected during the twenty-three years of peace being scarcely equal to the additions made during some of the individual years of the war. In 1844 a portion of the national debt which amounted to £248,701,379, on which $3\frac{1}{2}$ per cent was paid, was converted into a $3\frac{1}{2}$ per cent stock. This rate of interest is guaranteed until 1854, after which period 3 per cent interest is guaranteed for twenty years. The immediate saving amounted to £625,000 per annum. After 1854, the annual saving will amount to £1,250,000.

It will be seen on comparing the above statements for 1815 and 1845, that the terminable annuities increased from £1,894,612 to £4,025,210. By the act 48 Geo. III. and several subsequent acts, the commissioners for the reduction of the national debt were empowered to grant annuities, either for lives or for certain terms of years, the payment for such annuities being made in equivalent portions of permanent annuities, which were therefore to be given up and cancelled. By this course, which it will be seen has been acted upon to some extent since the peace, some future relief will be obtained at the expense of a present sacrifice. This plan, provided it be not carried so far as to interfere with the onward progress of the country, through an over-

* Excluding the Slave Emancipation Loan, the Debt and Annuities would have been £798,606,596, and the interest £25,314,971.

load of taxation, appears to be dictated by sound prudence. A part of the terminable annuities (£1,294,179) will expire in 1860; in 1867 a further portion, amounting to £585,740, will also expire; and after that time portions will rapidly fall in. "If," says Lord Congleton ('Financial Reform,' p. 204) "all the loans which have been raised since the beginning of the war of 1739 had been borrowed in annuities for ninety-nine years, their extinction would already have commenced." Dr. Price observes, that an annuity for one hundred years is nearly the same in value as a perpetual annuity.

If the above course of proceeding is justly characterised as prudent, what must be said of the scheme of a directly opposite tendency which was brought forward and partially carried into effect by the government in 1822? When the measure for commuting the half-pay and pensions, usually denominated the "dead weight," was adopted in that year, the annual charge to which those obligations amounted was about five millions. From year to year the public would have been relieved from a part of this burthen through the falling in of lives, until, according to the most accurate computation, the whole would have ceased in forty-five years. The measure above alluded to was an attempt to commute these diminishing payments into an unvarying annuity of forty-five years certain; and the calculation which was made assumed that by the sale of such a fixed annuity of £2,800,000, funds might be procured enough to meet the diminishing demands of the claimants. Only a part of this annuity was sold. The Bank of England purchased an annuity, payable half-yearly until 1867, for £585,740, and paid for the same between 1823 and 1828, in nearly equal quarterly instalments, the sum of £13,089,419. For the sake of obtaining a partial relief during those six years, to the amount of 9½ millions, we have thus had fixed upon the country, for thirty-nine subsequent years, an annual payment of £585,740. It is not possible to allow that both the courses, so directly opposed to each other, could have been wise. Without inquiring further into the matter, it may be said that the plan of taking a larger burthen upon ourselves, that we may relieve those who come after us, has at least the recommendation of being the most generous; and considering that our successors will have had no hand in the contracting of the debts, the burthen of which they will have to bear, it might also be said that such a course is the most just.

Some saving has been effected since 1816 in the charges of management. This saving was part of the bargain made by the government with the Bank of England on the renewal of its charter in 1833 and 1844, and may be considered as a part of the price paid by that establishment for the prolongation of certain of its privileges. The functions intrusted to the Bank of England with reference to the national debt do not extend to the transaction of any matter connected with its reduction. Such business is placed under the control of a body of commissioners, who act *ex officio* under the provisions of an act of parliament. This board is composed of the speaker of the House of Commons, the chancellor of the exchequer, the master of the rolls, the lord-chief-baron of the court of exchequer, the accountant-general of the Court of Chancery, and the governor and the deputy-governor

of the Bank of England. The greater part of these commissioners do not take any part in the management of the business, the details of which are attended to by permanent officers, viz. a secretary and comptroller-general, and an actuary, with an adequate establishment of assistants and clerks; the ultimate control is exercised by the chancellor of the exchequer for the time being, assisted by the governor and deputy-governor of the Bank of England.

(From the London Times, May, 1849.)

The pressure of taxation is a fact which Englishmen are no more permitted to doubt than they are the law of gravitation. We can no more escape it than we can soar in the air. But we do doubt whether taxation falls with undue and disproportionate pressure on the *industry* of the country. The only taxes on industry are those on malt, sugar, tea, and coffee, and the few other comforts which use may render necessary to the working population. We will not under-rate their pressure, but it must be considered they are on articles which are not strictly necessary; and, in the great majority of English families, they amount, we are sorry to say, only to a few pence in the week. A reduction of these taxes, though Mr. Drummond does not expressly say whether he would reduce them to any great extent, would indeed be a boon to the ruder and more common departments of industry, to the ploughman or the cotton-spinner; but it would also give an encouragement, we should think, beyond Mr. Drummond's intention, to the numerous industries which minister to luxury and to pride. It would be a boon to large establishments, and a help to pompous equipments, to vitiated tastes, and extravagant follies. Whatever wealth craves for would be made more cheaply and more abundantly for a cheapening of the comforts of working men. We do not object to this result. We only remind Mr. Drummond that a reduction of the duties we have mentioned would relieve the pressure on fastidious enjoyment at least as much as the pressure on simple industry.

But compare industry and capital by any fair test at this present moment, and who will say that capital is favored? It is true working men in all branches of production find a difficulty in procuring steady employment at such wages as their habits require. But is it not also the case that there is a difficulty, a very great difficulty, in turning capital to account? When a professional man on whose education a thousand pounds have been sunk cannot get more than £100 a year for the seven or ten years of his independent existence; when a tradesman, with a capital of £2,000 can scarcely make all ends meet; when the unfortunate owner of house property in London is only too glad to meet with a tenant who will really pay five per cent. on the purchase money, leaving the owner to stand casualties and repairs; when industrious tradesmen of average abilities and moderate wants are on all sides compounding with their creditors, who will say that *capital* is lightly taxed in comparison with industry? If, indeed, the two were wholly independent, we might choose the lesser evil of burthening our

shopkeepers and relieving twenty working men. But they all hang together. A tax on capital is a tax on industry. Starve capital, and you kill the laboring man. Render capital precarious; infect it with uncertainty and terror; forbid it to increase above a certain amount; be jealous of its higher flights; clip its wings and bring it to the ground—forthwith you will find that the system is smitten and diseased. Capital is an element of the social atmosphere; and all they who have long breathed this atmosphere are now dependent on a proportion of that element.

THE WEALTH OF NATIONS.

(From Bohn's Standard Cyclopaedia.)

The word economy is from the Greek *oecónómia* (*οἰκονομία*), "house management," or "household management," the notion of which is generally understood. It does not signify in the original language merely "saving" or "thrift," but the judicious and profitable management of a man's property; and this is the sense of the word in the treatise of Xenophon entitled *Oeconomicos* (*Οἰκονομικός*.)

Political economy or public economy should mean a management of a state analogous to the management of a private property. But this is not the sense in which the term is used; and the term itself is objectionable by reason of the false analogy which it suggests. It is however true that many governments have acted on the notion that the supreme power should direct the industry of individuals, and in some degree provide for their wants; and many persons still have an opinion that one of the functions of government is to regulate agriculture, manufactures, and commerce; not to prescribe exactly to every man how he shall employ himself, but to make regulations which shall, to a considerable extent, direct the industry of the members of the state. Adam Smith gave to his work the title of the "Wealth of Nations," a term which indicates much better than the term political economy, the object of his investigations, which is, "to explain in what has consisted the revenue of the great body of the people, or what has been the nature of those funds which in different ages and nations have supplied their annual consumption." The word wealth indicates that the inquiry is mainly conversant about material results, about the products which man by his labor produces for his necessities and his pleasures. The word nations implies that the object of the inquiry is the aggregate wealth which any political society acquires; but this investigation further implies an examination into the conditions under which the individual members of a state labor for the production of a nation's wealth, and what they get for their labor; for the wealth thus acquired is not the wealth of a nation in the sense in which some things belong to a nation or to the public. The great mass of products are appropriated by individuals in accordance with the rules of property or ownership,

that exist in some form or other in all nations, and the terms of contract between capitalists and laborers. All that is produced, except that part which the state produces as a state, or takes for the purposes of the general administration, is appropriated by individuals, and is either saved or consumed. The term political economy would have an exact meaning, if we understood it to express that economy or management which the state, as a state, exercises or should exercise for the benefit of all. It would comprehend all that the state should do for the general interest, and which individuals, or associations of individuals, cannot do as well; it would thus in a sense coincide with the term government. Being thus defined, it would exclude all things that a state, as a state, should not do; and thus the Inquiry into the Wealth of Nations would mean an inquiry into all those conditions under which wealth is produced, distributed, accumulated, and consumed or used by all the individuals who compose any given political community. But though the subject of government is easily separated from the proper subject of political economy, everybody perceives that there is some connection between the two things; and this is the foundation of some of the false notions that have prevented political economy from attaining the form of an exact science. Everybody perceives that a government can do much towards increasing or diminishing "the revenue of the great body of the people;" but everybody does not see what a government should do or should not do in order that this revenue may be the greatest and most beneficially distributed.

Those who at the present day maintain that agriculture should be protected, or, expressing the proposition in other terms, say that native industry ought to be protected, assume that a government ought to regulate the manner in which a nation shall acquire its revenue. To be consistent they should go further: a government should regulate the mode in which the revenue shall be distributed, accumulated, and used. In fact governments, by their acts, and mainly by the weight and kind of their imposts, do this in some degree, though their object may not be to do this. But to protect native industry is to regulate purposely and designedly part of the process by which a nation produces the sum total of that revenue of which all persons, land-owners, capitalists and laborers, get some portion. This protection consists in excluding many articles of foreign produce, or laying heavy customs' duties on them, in order that those who produce such articles at home may get a better price for them. Thus he who has to buy the articles must give more for them than he would if there were no protection; and precisely to the amount of this higher price are his means directly diminished for buying anything else that he wants for productive use or simple enjoyment. The indirect consequences of such government regulations also diminish his own productive powers.

The French economists, as they are termed, of whom Quesnay was the head, considered agriculture as the only source of wealth, and had other opinions about agriculture, as distinguished from manufactures, which are not well founded; but they did not for that reason maintain that agriculture should have any exclusive protection: on the contrary, they maintained that all taxes should fall on land, and that trade in corn

should be freed from the restrictions to which it was then subjected between one province and another in France.

It is not easy to make an exact classification of the subjects which writers on political economy discuss. The matters which they do discuss may be generally enumerated as follows:—The production of wealth and the notion of wealth, which comprehend the subjects of accumulation, capital, demand and supply, division of labor, machinery, and the like. But all the matter of political economy is so connected, that every great division which we may make suggests other divisions. The profits of capital and the wages of labor, the rent of land, and the nature of the currency, are all involved in the notions of accumulation, capital, &c. No treatise has perhaps yet appeared which has exhibited the subject of political economy in the best form of which it is susceptible.

The way in which “the revenue of the great body of the people” is distributed, is an inquiry only next in importance to the mode in which it is produced; and the mode and proportions in which it is distributed re-act upon future production. He who receives anything out of the “revenue” is, by the supposition, a person who has contributed to it, either as a land-owner, a capitalist, or a laborer. If he is neither a land-owner, a capitalist nor a laborer, he is supported out of the public revenue either by alms, or by pensions, or by the bounty of parents or friends. Omitting these cases, a man’s title to a part of “the revenue of the great body of the people,” if it is an honest title, is either the title which he has to the produce of land or capital, of which a portion has been appropriated to him in conformity to the rules which establish ownership, or it is the title of one who labors for hire and receives his pay pursuant to the terms of the contract. The owner of land and capital, if he does not employ it himself, lets others have the use of it in consideration of interest or rent or some fixed payment.

The use which a people shall make of their revenue is the last great division of the subject. The analogy here between economy in its proper sense and the economy of a people is pretty close. Judicious economy is the making the best use of one’s income; and the best use is to spend it on things of necessity first, on things which gratify the taste and the understanding next, but to put by something as a reserve against contingencies, and as a means of adding still further to our enjoyments. The savings of individuals constitute the savings of the nation: there is no saving by the nation as a nation: the national accumulation is the sum total of individual accumulations. The savings are made nearly altogether without concert or co-operation. Division of labor and combination of labor, which are in reality the same thing when properly understood, effect saving in production, and, consequently, they effect saving in consumption so far as they make anything cheaper; but this is not individual saving; it is an addition to the public wealth, by which addition all individuals, or some individuals, get more for their money than they otherwise would, or get the same thing cheaper than they otherwise would. The general revenue is always created by co-operation, in which each man receives his due portion. The use or consumption of any man’s portion of “the reve-

ness of the great body of the people" and the degree in which each man co-operates towards producing this revenue, are unconnected. Each man consumes, in the true and literal sense of consumption, by himself and for himself—he produces together with others and for others as well as for himself. It is true that he who consumes merely for consumption's sake does indirectly affect production; and this is the kind of consumption which is handled least completely by political economists, though it is in fact the chief element in the whole science. Malthus, in his "Principles of Political Economy," has hinted at this: "Adam Smith has stated that capitals are increased by parsimony, that every frugal man is a public benefactor, (*Wealth of Nations*, b. ii. ch. 3,) and that the increase of wealth depends upon the balance of produce above consumption, (b. iv. ch. 3.) That these propositions are true to a great extent is perfectly unquestionable. No considerable and continued increase of wealth could possibly take place without that degree of frugality which occasions annually the conversion of some revenue into capital, and creates a balance of produce above consumption; but it is quite obvious that they are not true to an indefinite extent, and that the principle of saving, pushed to excess, would destroy the motive to production. If every person was satisfied with the simplest food, the poorest clothing, and the meanest houses, it is certain that no other sort of food, clothing and lodging, would be in existence; and as there would be no adequate motive to the proprietors of land to cultivate well, not only the wealth derived from conveniences and luxuries would be quite at an end, but, if the same division of land continued, the production of food would be prematurely checked, and population would come to a stand long before the soil had been well cultivated. If consumption exceed production, the capital of the country must be diminished, and its wealth must be gradually destroyed, from its want of power to produce; if production be in a great excess above consumption, the motive to accumulate and produce must cease from a want of will to consume. The two extremes are obvious; and it follows that there must be some intermediate point, though the resources of political economy may not be able to ascertain it, whereby, taking into consideration both the power to produce and the will to consume, the encouragement to the increase of wealth is the greatest. The division of landed property presents another obvious instance of the same kind. No person has ever for a moment doubted that the division of such immense tracts of land as were formerly in possession of the great feudal proprietors must be favorable to industry and production. It is equally difficult to doubt that a division of landed property may be carried to such an extent as to destroy all the benefits to be derived from the accumulation of capital and the division of labor, and to occasion the most extended poverty. There is here then a point, as well as in the other instance, though we may not know how to place it, where the division of property is best suited to the actual circumstances of society, and calculated to give the best stimulus to production and to the increase of wealth and population." (Malthus, Introduction.)

It is only by a close analysis of the matter which all economical

writers agree in considering as belonging to political economy, that we arrive at the more exact notion of the objects and limits of the science, or at such objects and limits as may be comprehended within a science. The head which is the last in the list, consumption, may be either consumption for the purpose of further production, or consumption for the sole purpose of enjoyment. This consumption for the purpose of enjoyment is a kind of consumption which some economical writers have scarcely thought of, though all the rest of the world are thinking of it and laboring for it. This consumption for enjoyment may to some extent and in some cases coincide with or contribute to further production; but *as such*, as consumption for enjoyment's purpose, it must not be confounded with any other kind of consumption. The true basis of all those investigations which are included under the name of political economy is this: that man desires to enjoy, and that he will labor in order to enjoy. The nature of his enjoyments will vary with the various states of society in which he lives, with his moral, social, and intellectual character. As he labors in order to enjoy, and as one man gives his labor in exchange for another man's labor, it follows that the exchangeable value of every man's labor will ultimately depend on the opinion of him who wishes to have the fruits of such labor.

It therefore concerns all who labor, that they understand on what the value of their labor depends. It is not the value of a man's labor to himself which we have to consider here, but the value of it to others. A man may value his own labor as he pleases, but if he wishes to exchange it, he will find that it is other persons who then determine its value: the real value is what he can get for it. This fact is well known to all who produce anything to sell, or offer their labor for hire. The value of anything to him who has not the thing, but wishes to have it, is not measured by the opinion of him who has it to sell. The price of purchase is a result which is compounded of the wants of the buyers and the quantity or supply of the thing which they desire to have. There is no formula which can accurately express the numerical value of this result; nor would a numerical result be invariable. It depends on the supply of the things which purchasers desire, and also on their necessary wants, taste, and caprice. The wants of the buyers, their real efficient demands, imply ability or means to buy with; and this is a varying element. Thus there are two varying elements of selling price, the demand and the supply. Prices vary least in those things which are the primary necessaries, when trade is free from all restrictions; or they are at least not subject to the same variations of taste and caprice. One of the varying causes of price, opinion, is here pretty nearly constant; and the risk of variation is mainly in the supply, which depends on seasons and other accidents. When the value of a thing depends on an opinion that is liable to change, the supply will be less certain on account of the uncertainty of opinion. No man can say with certainty what will be the value of anything at a future time; but long experience has taught men the probable limits within which the selling prices of most articles of common use will vary, and a knowledge of these limits enables them to determine whether they can

undertake to furnish the market with any given article so as to have a reasonable security for a profit. Profit is the condition without which things will not continue to be produced for sale. The cost that is expended upon a thing does not determine its value, by which is meant its selling price, but the selling price determines whether the thing will continue to be produced. In the case of many new articles, the production of them is a pure risk, and dear-bought experience alone in many cases teaches a man that he has labored much to no purpose—that he has something to sell, which nobody wishes to buy. Articles of ordinary consumption are regularly produced, because the efficient demand combined with the quantity in the market, secures a remunerating price. If other articles take the place of those which have been in ordinary use, the old articles cease to be made. If the same articles, owing to improved processes, are produced at less cost, the selling price is diminished, not because the labour bestowed on them is less, but because the supply of such articles is more abundant whenever there is free competition. That the labor expended on an article does not determine its exchangeable value is clear from the case supposed, for if there were no competition among producers, the purchasers would not get the thing a bit the cheaper, simply because it could be produced at less cost. The producer might be wise enough to lower the price, in order to get an increased sale, and an increased total profit; but, in fact, the increased amount of production is that which lowers the price, and not the will of the seller. If he increase his production, he must sell or he will lose by his increased production, and he cannot prevent the price from falling, unless the demand increases quicker than his production.

The price of all labor, wages or hire, is also determined by the opinion of those who want it and have the means of paying for it, and the amount of the kind of labor that is in the market. The price is sometimes as low as nothing, which means that the thing is not wanted. This is true of all kinds of labor, from the labor of him who sweeps the streets to the labor of him who produces the finest work of art or the noblest effort of intellectual power.

The notions that the value of every article produced by labor is determined by the cost of production, and that the price of labor is determined by the wants of the laborer or the prices of other things, are fruitful sources of misery. Every man can cite instances in which these doctrines are palpably false, and no man can cite many instances in which they are really true, though at first sight they may appear to be so.

If we would investigate the economical condition of a country as to the production of wealth, its distribution, and its consumption, we must ascertain its population, the various kinds of employments, the amount of articles produced, the wages of the laborer, the profits of the capitalist, rate of interest, rent of lands and houses, and the various articles consumed, both articles the produce of the country and articles imported, of which the articles exported are the equivalents. We must ascertain the rate at which population increases in a given period, the rate at which permanent improvements, such as roads, houses,

docks, and the like, increase, and all improvements of a permanent character. In such an investigation the economist may proceed on the supposition that man is acting free from all restraint, except the restraint which compels every man to respect his neighbor's property and person; that every man is laboring just as he pleases without constraint or direction, and that every man is enjoying what he produces, or what he gets in exchange for his own production, with no other restraint than the law imposes for the protection of other men's property and persons. But such a state of things does not exist, and perhaps never did; and when the economist has investigated the actual state of a nation's wealth and its consumption, he will have to ascertain how and to what extent men are limited in their industry by positive law, by positive morality, and by anything else. It is his business to detect those artificial restraints which interfere with a man's industry, and consequently with his enjoyment. In his inquiries he must never forget that consumption for consumption's sake is the end of all our labor; not such a consumption as shall destroy wealth, but such a consumption as is consistent with permanent and increased means of enjoyment, both for the actual generation and for an increased number in the succeeding generation. He therefore recognises saving, accumulation, and productive consumption, as necessary means towards the end of increased enjoyment. But he acknowledges no real enjoyment, he does not admit that there is happiness, and he denies the possibility of improvement of the social condition of a people, unless the necessaries of life, such as the country and climate require, are possessed by all—food, raiment, and lodging. When these things can be had, and not before, a man has leisure and inclination to supply other wants that lie dormant while he is hungry, naked, and without shelter against the weather.

It will be discovered that there are peculiar circumstances in most countries that affect the happiness of the people in different ways. It is the business of the economist to investigate these circumstances and to ascertain them, whether the circumstances may be the peculiar form of the government, the habits of the people, their ignorance, or any other cause. His problem is to trace to their causes all those conditions which interfere with the enjoyment of the necessaries of life, without a supply of which no man can be happy. Whatever he can prove to interfere with such a supply, to diminish such a supply, to make it less than it otherwise would be, is within the province of his investigation; whether it is arbitrary power in a monarch, ignorance in a constitutional government, heavy taxation, restrictions upon the free exercise of industry, or anything else, by whatever name it is called, that interferes with a man's industry and consequently with his enjoyment. If he carries his inquiries beyond those necessities of life which all men want before they ask for anything else, he will find ample employment in investigating the causes which interfere with or limit the class of secondary enjoyments, those which a man craves for when he has satisfied the first. He will discover that the same kind of restraint or interference often limits the secondary enjoyments, and that their being limited operates upon the primary wants, and so limits the means

of gratifying them also. He will thus approach the solution of a great question, and endeavor to determine whether the sovereign power should interfere with industry in any way, except to raise money by taxation for the necessary expenses of the administration; and he will endeavor to determine how the required amount of money may be raised so as to curtail each man's enjoyments in the least possible degree.

If the question of freedom from all restraint on industry, except such restraints as have been alluded to, is determined in favor of freedom, there will still be plenty for the economist to do. The greatest enemy to man is his own ignorance. The mode in which men shall so organize their labor that each shall get more out of the common stock by such organization than by any other mode, is the great question that concerns us all. Knowledge must guide our industry, or it may be fruitless, even though it has perfect liberty of action. Enjoyment is the end to which knowledge can alone lead us. Enjoyment implies the sufficient and reasonable satisfaction of the appetites, which must precede the enjoyment of the imagination and the intellectual faculties; the harmonious combination of the two enjoyments makes happiness.

The field for the political economist is as extensive as society itself; but his labor has certain limits. He may often determine when legislation is unwise, or when it is wanted; but he does not concern himself about the making of the law. He is satisfied if a bad law is repealed, or if, when useful, it is so framed as to accomplish the object. Nor does he concern himself about forms of polity, or systems of religion or morals, or philosophy *as such*. But he does investigate the mode in which they operate upon industry, directly or indirectly, and mainly their mode of operation on the primary wants, those wants which all men seek to satisfy, and which all must in some degree satisfy, or they must cease to live. The great test, the unerring test, of the condition of a nation, is the condition of those who labor for their daily bread. If these have sufficient, it is a certain deduction that others have more than sufficient, and that there may be improvement in the social and moral condition of all classes. But ignorance may prevent improvement. It will, therefore, be the province of the economist to show how, when the primary wants of a people are satisfied, they may secure, so far as it can be secured, so happy a condition, and also to show by what combinations the gratification of the secondary wants may be secured with the least trouble and expense. The fundamental principles of the economist are indeed, as it has been often remarked, very few; and it is equally true that very little can be deduced from them. They must be constantly applied, in the way of test and correction, and the matter to which they must be applied is the experience of man. A wise man neither rejects nor overvalues the axioms of his science; but when his subject is "immersed in matters," to use an expression of Bacon, he knows better than to expect a few axioms, even if absolutely true, to solve problems to the whole or parts of which they will often not apply.

The literature of political economy is very copious. Much that has been written is of little value for practice, but curious and useful as a history of opinion. An outline of this part of the subject is given in the "Penny Cyclopaedia," under the title "Political Economy;" and in 1845 Mr. McCulloch published a useful work entitled "The Literature of Political Economy." It is a classified catalogue of the principal works in the different departments of political economy, and is interspersed with historical, critical, and biographical notices.

LIFE INSURANCE PREMIUMS AND POLICIES.

(From the London Spectator, June, 1849.)

Eighth Annual Report of the Registrar-General of Births, Deaths, and Marriages, in England. Presented to both Houses of Parliament by command of her Majesty.

Defects in the Practice of Life Assurance, and suggestions for their Remedy; with Observations on the Uses and Advantages of Life Assurance, and the Constitution of Offices. By Alexander Robertson, W. S., A. I. A. Published by Orr.

Life Assurance; an Historical and Statistical Account of the Population, the Law of Mortality, and the different Systems of Life Assurance; including the Validity and Non-Validity of Life Policies: with Observations on Friendly Societies and Savings Banks; to which is added, a Review of Life Assurance, explanatory of the nature, advantages, and the various purposes to which it may be applied. By Alfred Burt, Esq., Secretary to a Life Office. Published by Wilson.

The enquiring spirit of the age, which has put so many things "upon their trial," has not overlooked the important subject of life-insurance, both in its principles and practice. The rivalry of competition has for some years past turned attention to the constitution of the insurance companies, so far at least as related to the division of the profits. Mutual insurance offices, which divide all the profits amongst the insurers, boast their superiority over both the proprietary and the mixed, which retain the whole or a part of these profits: an advantage more apparent than real, seeing that the "participations" premiums are higher than those where only the sum actually insured for is paid. We think the Economic first called attention to the high rate of premiums charged on young lives; and various offices have more or less revised their tables since public attention has been directed to the subject of high rates, and insurers have been awakened to the difference between participating in the profits and allowing them all to go to the shareholders. Mr. Farr, the deputy registrar-general, in his annual reports, has considered the whole subject of premiums on life-insurance; but notwithstanding his exertions, the subject is still practically in a state of chaos. Some of the older and more "respectable" offices persist in using Dr. Price's Northampton Tables, though their erroneous character has been frequently pointed out, and tables exist deduced from the experience of "seventeen London offices," which, based on "select" lives only, would seem to be the most proper data. Some few companies, we believe, have actually reduced their premiums on young lives to what cal-

calculations on the general life of the country show to be mathematically required: other offices seem to follow no system at all; and the consequence is total confusion. The premium to insure £100 on the life of a person aged twenty varies from about £1 12s. to £2 4s.; and even where the offices profess to divide the profits, it ranges from £1 15s. to the larger sum.

Mr. Farr has continued the examination of these discrepancies in the eighth annual report of the registrar-general, by an elaborate and painstaking investigation of the value or expectation of life at Northampton, from actual data procured by means of his official position, and by a very curious antiquarian inquiry into the population of that town since the conquest. Mr. Farr's object is to show that Dr. Price's assumption, that the population of Northampton had remained stationary for nearly a century, was altogether unfounded; and that his errors do not arise from an increase in the value of life, as has often been supposed, but originated in data essentially wrong. This view is pursued very curiously in Mr. Farr's paper; but whether his exposure of Dr. Price's errors will have any effect upon the numerous and respectable offices that use his tables, may be doubted. The following passage indicates the extent of the mistake; while it clearly and neatly explains the principles upon which annuities and life-insurances are conducted.

"It is a law of nature, that of 11,650, or any other large number of persons born, a certain number die in every year of age; that any one may die at any time; that few or none survive a century; and that the average durations of the lives of considerable numbers varying in different are the same in similar circumstances. This is the ground upon which life annuities are granted. According to Price, the people of Northampton live on an average 25 years. Assuming this to be true, and that the same rule applies to mankind generally, it is evident that £25, put at the birth of each person into a hoard or bank, at no interest, would provide a life annuity of £1 for every contributor. This would in fact be equivalent, if they *all lived 25 years*, to making a deposit at once of £25, and taking £1 a year from it for each person until the deposit was exhausted: nor would the result be different though some received only 1, 2, or 3 annual payments, and others 70, 80, or 90 payments, provided that the average number of payments to all, one with another, were 25. If the annuitants lived on an average only 20 years, there would be a surplus. If they all lived 37 years, the deposit providing but 25 payments for each, it is evident that the annuity would cease, and leave the last 12 payments unmet; or, as it happens in nature that some die young and others attain old age, the former class would receive what they expected, an annuity for life; the latter class would be left without any provision at the close of their career. A society which receives deposits that will pay £25, and finds itself, in fine, called upon to pay £37, will be insolvent, and ultimately fall to ruin. By Dr. Price's Northampton table, if the money were put out at 3 per cent. interest and nothing were allowed for expenses, £12·270, or £12 5s. 5d. would be the value of an annuity of £1 for life: if people lived so long as 37 years, about £17·085, (£17 1s. 9d.) would provide the same annuity.

“Upon the other hand, if instead of a man making a deposit and taking a portion of it at the end of every year, a sum called a premium, say £1, be paid at the beginning of every year, the amount be allowed to accumulate, and at his death a sum equal to the average sums paid in premiums, say £25, be granted to his representatives, it is equivalent to the operation of life-insurance, if there are no expenses and the money bear no interest. An office which made its calculations on the assumption that it would receive 25 premiums while the insured lived, and actually received 20 or 37 premiums, would, in the former case, become insolvent; in the latter, take 12 premiums more than it had a right to anticipate. The excess of premiums in a proprietary life-office would be profit. In a mutual insurance-office, if the members paid 32 premiums on an average, when they were expected to pay 28, and only the sum that 28 would provide were paid to the heirs of those who died in the first stage of its existence, a large surplus would be left for the thrice-fortunate survivors.”

Mr. Farr investigates the subject in considerable detail; but it will be sufficient to quote a few of the results, which the author throws into the form of question and answer.

“What is the mean lifetime or the duration of life? Answer, 37·57 years, or nearly 37½ years in Northampton. Answer by False Tables, 24·88 years.

“What is the after lifetime at 20, or the average number of years that persons of 20 live after that age?

Answer by True Table, 39·93, or nearly 40 years.

Answer by False Table, 33·40, or nearly 33 years.

“What is the after lifetime at the age 50?—18·76 years by True Table, and 17·49 years by False Table.”

“Edwin Gray, aged 20, desires to insure his life for £1,000: what annual premium should he pay, leaving out of consideration any charge for expenses?

Answer by True Northampton Table, £15 9 10

Answer by False Northampton Table, 21 12 7

Answer by Northampton Table in common use, 21 15 10

“What annual premium should James Just, aged 30, pay to insure £10,000 at his death?

Answer by True Northampton Table, £206 14

Answer by False Northampton Table, 265 10

Answer by Dr. Price's Northampton Table, 266 14

“What annual premium should E. Lewis, aged 60, pay to insure £1,000, at death?

Answer by True Northampton Table, £69 7 0

Answer by False Northampton Table, 71 7 10

Answer by Dr. Price's Northampton Table, 63 13 4.”

It may be said that in life-insurance, at all events, these errors are not important, since the insurer gets back his surplus in the shape of a bonus. In practice, however, this is not done with accuracy. Some offices divide their profits every five years, others every seven, so that insurers dying in the intermediate years lose their share: some offices have a mode of lumping their profits, which renders the amount of the bonus a matter of chance. And in fact the system is delusive. The great use of life-insurance is to guard against a consequence of early death; children being generally provided for in some way when a parent lives to advanced life. All that is taken from an insurer beyond what

is necessary to cover the risk is an evil if he lives, by depriving him of capital that might have been useful; and an unfairness if he dies early, because his money goes to swell the bonuses of other people. Yet such is the disposition of mankind, and their pleasure in being cheated, that, judged from the advertisements, the most attractive point to the public is a large bonus; though a little consideration would prove that these bonuses could only arise from too high a scale of premiums. At best it is merely returning money wrongfully taken.

But what Mr. Farr calls "the inveterate injustice running through the premiums, valuations, distribution of profits, and allocation of bonuses in offices that have used an erroneous table," is not nearly so great an evil as the legal invalidity of life-insurance policies; to which Mr. Robertson first, we think, fully directed public attention in the course of last autumn. The earlier unfairness was unavoidable. Society worked out the truth in life insurances, as in other things, with trouble and turmoil and loss: nor was there any means of preventing the inequality; the whole subject was a mystery, and many people conceived that the "speculation" of life insurance would be ruinous to the underwriters. The needlessly high rates that some offices still persist in charging need not be paid, since others as safe if not so celebrated offer a lower premium; and at worst, the insurer who pays twenty or thirty per cent. more than is necessary gets some if not all of it back again in the form of bonus. Even if he lost the whole from ignorance or a partiality for some particular office, his premium would still secure the sum he bargained for. With the exception of a new company, called the London Indisputable, the policies of every office appear to be unsafe: that is to say, the directors, if they are so minded, may dispute them, with considerable legal chance of success. This power is attained by an artful use of the law of warranty in the wording of the policies, by a needless multiplication of questions to the insurer, and by the general stringency of the law of insurance.

The principle of the law of warranty is, that the *importance or non-importance of the facts warranted cannot be entered into*, nor whether the mistake was unintentional or committed *bonâ fide*. "If," says Lord Eldon, "there is a warranty, it is part of the contracts that the matter is such as it is represented to be; therefore the materiality or immateriality signifies nothing."

"The obvious effect of the doctrine of law, when applied to life policies, as these documents are now framed, is that although the company have had the means of satisfying themselves, from medical examinations, reports, and other documents, and any other inquiry they may have chosen to make, that the life is insurable, and the parties have for years regularly paid the premiums, the question whether there is an assurance or not, still remains open as against the assured; whose policy may at any future time be questioned, upon the general ground that the *life was not insurable at the time of effecting the assurance*; or that the *disclosure of the circumstances then made was not complete*; or that *some fact, perhaps quite immaterial, contained in one or other of the several series of questions, had turned out on further inquiry to be different from that warranted*.

The nature of the facts which become the subject of warranty, or which may even go to a jury on the question of material or immaterial, are numerous, minute, and in some cases liable to be conflicting. They are reported by three persons besides the insurer; who is bound by their representations, though he does not know what they are.

“An intending insurer applies at the office, and fills up and signs the usual form of proposal for an assurance, containing generally a dozen or more questions; all of which he answers conscientiously, and as correctly as he can. He refers the company, for further information, or rather it may be said for confirmation of his own statements, to his doctor and to his friends. To the doctor and the friend the company despatch other sets of questions, in different forms, generally more precise and searching than those submitted to the applicant himself. On these being received by the company, they are placed with the other papers connected with the case, but are not shown to the applicant; who is then examined by the medical adviser, and called upon to answer a different series of questions, relating chiefly to past events, and involving an opinion as to the state of his health at all periods since infancy, and his recollections and notions as to the nature of the different ailments which he or any of his family or relatives may have had.

“These several documents—viz. the proposal, the reports of the private medical adviser, and friend, the statement made to the company’s medical adviser, and his report—generally contain upwards of two hundred interrogatories and answers; many of them being repetitions of the same questions; some of them relating to the matters of fact of which the parties are cognizant; most of them to circumstances of which the persons applied to can have obtained a knowledge only by hearsay or collateral evidence; and many of them are mere matters of opinion, as to which different persons may have different notions: and to the questions relating to such matters, it may be expected that the answers from the several persons, the proposer, the friend, the medical attendant, and the company’s medical examiner, will not all be in unison. These papers being completed, and the premium paid, the policy is granted, and the assurance is supposed to be complete.

“By the policy, the assured undertakes to pay the premium regularly, and the company to pay the stipulated sum three months after the death of the assured, provided that ‘every statement, declaration, and all testimonials and documents addressed to or deposited with the company in relation to the assurance, shall be found to be in all respects true.’ It is further declared that these statements shall be held as *warranted*, and taken as the basis of the contract, and that the policy shall be void if any ‘important information’ has been omitted.”

It may be said, as it commonly is, that offices deal “liberally” with the public: but no man insuring his property, much more his life, likes to be dependent on the liberality of directors. Security against all and every risk is the object of insurers, especially of life insurers, since the great purpose is to provide for a family when its supporter is no more. Those, however, who have had dealings with insurance companies, and listened to the unguarded and natural conversation of persons connected with them, rarely discover many traces of this boasted liberality, but

more of a disposition to escape from their engagements than to fulfil them. The fact is that directors constantly do dispute policies, and that too when the points are not material, or their materiality is not allowed to be inquired into. A complete synoptical view of the different actions tried by these life companies is desirable and attainable: a list of the compromises into which they have forced parties, by the powers the policy clauses place in their hands, is more desirable, but not so attainable. Mr. Robertson, in his pamphlet on the Defects in the Practice of Life Assurance, has collected some of the actions and alluded to the compromises. The resisting offices in the cases noticed by him are—

The Alfred,	The Imperial,	The Provident,
The Atlas,	The Law Life,	The Standard Life,
The Argus,	The London Life	The Union.
The Asylum,	Association,	
The Hope,	The Promoter,	

In some cases the resistance appears so far justifiable that it was obvious the policy was forfeited by the terms, though it might be that the forfeiture did not turn upon the question of merits; as when the London Life refused to pay an insurance effected by a creditor on the life of a debtor who went to North America, though his journey had nothing to do with his death. Others more distinctly illustrate the illiberal conduct of the companies or the state of law; and of these we will take a few examples.

ATLAS.

The facts were, that an agent of the Atlas Office, knowing that Everett possessed property determinable on the death of House, applied to the former, and recommended him to effect an assurance on the life of House. Everett informed the agent that he had never seen House, and knew nothing of him. The agent undertook to make all the inquiries demanded by the office, and to manage the transaction; and did so. It turned out that House, a handsome, athletic, and healthy-looking person, referred the office to a person in the neighborhood, whose pills he had sometimes taken, as his medical attendant, and not to the surgeon who had attended him when at a distance from home, when he was suffering from fits of intoxication. It was held, that House had made a misrepresentation; that Everett, who knew nothing of House, was bound by that gentleman's answers; and the office succeeded in getting quit of the claim.

ALFRED.

We are not aware of any instance of a life assurance case having been *honorably* tried, that is, tried on its real merits only; and, considering the preponderating advantages which an office possesses, in the multitude of statements and reports, the absence of the best witness for the claimants, (the assured himself,) and in having the custody and control of the documentary evidence, it might be expected that the company would fairly, openly, and honorably, inform their opponents, before a

trial took place, what were the real grounds of their objection to the claim, or their "unfavorable impressions," and peril their success upon establishing these objections. Such is not the practice. * * * As another example of the mode of pleading adopted by offices against their assured, take the case of Walters and the Alfred Life Company, tried at the Oxford Circuit, 13th August, 1844. The office pleaded—1st, The general issue; or, in other words, they intimated that they would maintain any defence which the ingenuity of their counsel might discover, and think convenient and useful. 2d, That the assured was afflicted with paralysis at the time he effected the assurance; a plea condemnatory of their own agent and medical adviser. 3d, That the habits of life were intemperate; a plea hurtful to the character of the deceased, and harrowing to the feelings of his surviving relatives, and proved to have been untrue. 4th, That he had frequently consulted a medical man, although he said he had not. 5th, That the policy was effected by fraud, covin, and misrepresentation; a plea destructive to the good name of the deceased, and to the character of several persons who had been applied to by the office for information as to the life, and proved to have been unfounded. 6th, That one Croft was interested in the policy, although his name was not inserted therein: the office might, with the same contempt of honor, have pleaded that the policy did not bear the proper government stamp. 7th, That the policy was made in the name of Croft, but that he had no interest in the life of Walters: there does not appear to have been any objection to the name of Croft when he paid the premiums. The office was equally at fault in that plea, for the jury gave a verdict in favor of the claimant; and their foreman remarked that the defence *had entirely failed.*

ATLAS, HOPE, PROMOTER, UNION.

The Eagle Life Company were the plaintiffs, and the defendants were the Atlas Company, the Hope, the Promoter, and the Union Life Companies. These four companies refused to pay claims made against them on policies which they had respectively granted in favor of the Eagle Company, under the following circumstances. Cockrane borrowed £12,000 from the Eagle, on security of a contingent interest of £16,000. The Eagle effected policies on Cockrane's life with five different offices: one of them paid the contents of their policy without dispute; and the other four declined doing so, on the ground that, at the time the assurances were effected, "Mr. Cockrane was afflicted with a disease which tended to shorten life; that his habits were those of a confirmed drunkard; and that such circumstances had been concealed, whereby the policy became void." The Eagle had themselves assured on the life to the extent of £4,000. After the evidence for the plaintiffs had been led, the defendants abandoned two of their pleas, and rested their defence upon the plea of concealment, maintaining that the habits of life of Mr. Cockrane were known to the Eagle Office and concealed from the defendants, and that the policies had been thus fraudulently obtained. A number of witnesses were examined, to prove acts of Cockrane's intemperance, and if possible, to solve that question which has so often engaged judges, counsel, and juries in life assurance cases, what is intemperance?—and

to prove that a concealment of a material fact had occurred. The jury gave a verdict for the plaintiffs, the Eagle Office.

ASYLUM.

The action was brought upon a policy of assurance effected on the 11th August, 1837, for £2,000, on the life of the honorable H. G. Talbot, to whom the Reversionary Company had lent a sum of money. On Talbot's death, the Asylum repudiated the policy; and the question at issue between the parties was, whether Talbot's life at the date of the policy was moderate and temperate, or the reverse. The Asylum admitted that they had been made aware that Talbot had been intemperate, and addicted to drunkenness prior to the time when the policy was applied for; and on that account, a higher rate of premium than usual had been charged for the assurance; but they maintained, that the statements which they had received at the time of effecting the policy as to Mr. Talbot's then habits were unfounded. The jury decided in favor of defendants, thereby finding that the policy was void.

An object of Mr. Robertson, and also of Mr. Burt in his *Life Assurance*, is to advocate the system of the London Indisputable, by which "every policy issued by the company shall be indefeasible and indisputable, and the fact of issuing the same shall be conclusive evidence of the validity of the policy." As a general rule, the system is a good one; since the company can always, by a little trouble, ascertain the facts connected with a bona fide though negligent applicant, or baffle a common case of fraud. At the same time, to deprive an office of the right of resistance under all circumstances, seems going a long way. Cases of positive conspiracy have taken place to defraud insurance offices; and the original person who served for one of the characters of Sir Bulwer Lytton's *Lucretia* poisoned a connexion whose life he had insured. In that case, however, it should be stated that a cautious office declined an insurance, and their actuary threw out a warning hint to the subsequent victim: and perhaps actual conspiracy, or murder by an interested party, would vitiate a policy however guaranteed.

Mr. Burt's compilation has not the distinctive and original character of Mr. Farr's or of Mr. Robertson's productions, but it is a useful and popular volume. It traces the history, explains the principles, enforces the advantages, and exhibits the statistics of life insurance. From these last it would appear, that gambling speculations have a much greater attraction for mankind than a steady investment to provide for a family; unless it be, as Mr. Robertson intimates, that the state of the law, and the frequently litigious conduct of directors, deter many from insuring their lives. It would seem from Mr. Burt's account that not one in ten of those classes to whom life insurance is applicable insure; that the accumulations of the companies are about forty millions, and their engagements do not amount to more than about a hundred and twenty millions sterling. Large sums, no doubt; but the calls paid up on railways in twenty-two months only (from January 1847, to October 1848) amounted to seventy-five millions! Life insurance, too, has been established for nearly a century and a half—the Amicable dating from 1706: it is scarcely a quarter of a century since railways have been in vogue.

There is one point mooted in Mr. Burt's volume that deserves more consideration than it has yet received, and to which Mr. Farr's attention might be advantageously directed when he has finished his present course of inquiry; we mean, the expectancy or value of *unselect* or ailing lives, such as many offices would reject altogether, and none would receive except at a very high premium. The subject is arduous, on account of the difficulty and labor of procuring sufficient data: there is no doubt however, but that there is an average in ailing lives or persons tainted with hereditary disease, if a sufficient number of true cases could be got together; and though no one would think of insuring people in a well developed disease, yet there is every probability that the value of what are called unsound lives is much greater than offices choose to assume. We know not whether the following is an extreme instance of the premiums asked in such cases, but it shows what offices are when they think they can clutch an advantage.

"A gentleman aged 27, having occasion to effect a policy for £1,000, made proposals to two established offices, and by both was rejected; not on the ground that he was laboring under any disease, but merely that it appeared from his written answers to the routine questions, that predisposition or liability to disease might be inferred, from an accident he had met with some years before. This in the opinion of the medical officers, placed his life within the category of 'unsound.'

"This gentleman consequently applied to an office professing to receive diseased lives: although the medical examination declared him to be perfectly free from actual disease, the medical officer recommended the life to be taken at an advance on the usual premiums. The premium payable for a healthy life of that age was about £20, but an advance premium was demanded of £67, being the rate usually paid on the life of a person aged upwards of 60 years. At the great majority of existing offices this life would be uninsurable; and at those offices which would entertain the proposal the assured must pay a premium equal to that payable by a person aged 60: the premium, too, would be payable for life, unless the assured proved to the satisfaction of the assurance company that he was in such a state as probably to obtain his full expectancy of 36 years, which only would entitle him to any reduction in the premium.

"It is well known to all who are conversant with the details of life assurance business, that thousands of lives are annually rejected who are neither diseased nor have a strong tendency to disease, and which in many instances may be taken as average lives, or as lives but a small fraction below the average. The difference in value between a 'declined life' and an ordinary life may be effectually covered by a uniform increased rate of premium. The advantages of assurances of this kind are evident from the fact that upwards of 23 per cent. on the lives insured are annually rejected."

We have in preparation a series of recent decisions in the English courts, which have a bearing upon the business of Life Insurance Companies in the United States. The great importance of this subject is now becoming appreciated, and has derived a considerable impetus from the prevalence of the cholera in the U. S., and from the desire of those going to California to provide, in some measure, for their families.— [Ed. B. M.]

ON CAPITAL.

ITS ORIGIN AND GROWTH.—ITS APPLICATION AND USES.

From Bohn's Cabinet Cyclopaedia of Political Knowledge.

Capital is the term used in commerce to express the stock of the merchant, manufacturer, or trader, used in carrying on his business, in the purchase or manufacture of commodities, and in the payment of the wages of labor; and is understood not only of money, but of buildings, machinery, and all other material objects which facilitate his operations in trade. The term itself and the practical qualities and uses of capital are sufficiently understood in its commercial sense; but it is the object of the present article to treat of capital in a more extended form, as within the province of political economy, and embracing not only the capital of particular individuals, but the entire capital of a country. In this latter sense, capital may be defined as the products of industry possessed by the community, and still available for use only, or for further production.

To consider capital in all its relations to the material interests of man, to the increase of population, the employment and wages of laborers, to profits and rent, it would be necessary to travel over the entire range of political economy; but this article will be confined to the following points.

The Origin and Growth of Capital.

I. Capital is first called into existence by the natural foresight of man who even in a savage state discerns the advantage of not immediately consuming the whole produce of his exertions in present gratification, and stores up a part for his future subsistence. The greater proportion of mankind possess this quality, and those who do not possess it are admonished of its value by privation. In civilized life there are many concurrent inducements to accumulate savings; of which the most general are—the anxiety of men to provide for their families and for themselves in old age; social emulation, or their desire to substitute the manual labor of others for their own, and of advancing themselves from one grade to another in society; and a love of ease and luxury, which can only be purchased by present sacrifices.

A desire to accumulate some portion of the produce of industry being thus natural to mankind and nearly universal, the growth of capital may be expected wherever the means of accumulation exist; or, in other words, wherever men are not obliged to consume the whole products of their labor in their own subsistence. From the moment at which a man produces more than he consumes, he is creating a capital; and the accumulated surplus of production over the consumption of the whole community is the capital of a country.

Thus far the origin and growth of capital are perfectly intelligible; but in order to understand completely the progress of accumulation, it will be necessary to advert to certain matters which interfere with its apparent simplicity. As yet no distinction has been noticed, either in the

original definition of capital or in the succeeding explanation of its causes, between those parts of the products of labor which are reserved for the reproduction of other commodities, and those parts which are intended solely for use or consumption. These two classes of products have been divided by Adam Smith and others into capital and revenue; by which division all products are excluded from the definition of capital unless they be designed for aiding in further production. The impropriety of this distinction, however, has been pointed out by Mr. M'Culloch (*"Principles of Political Economy,"* p. 97,) and it does not appear that any such division of the stock of a country is founded on a proper distinction. How can its future application be predicated? The fund exists, and so long as it is not sent abroad or consumed it must be regarded as capital. The whole of it may be made available for further production, or the whole may be consumed in present enjoyment; but no part is separable from the rest by an arbitrary classification. A man may choose, hereafter, to spend all his savings in drinking spirits and frequenting the theatres; or he may carefully lay them aside for the employment of a laborer in some profitable work: but in either case the stock has the same capacity for production while in the possession of the owner.

These different modes of expending capital produce very distinct results, both as regards the interests of the individual and of society which will be examined under the second division of this article, where the application and uses of capital are considered; but here it must be observed that the accumulation of capital proceeds slowly or rapidly in proportion as one or other of these modes of expenditure is most prevalent. If men habitually consumed or wasted all the results of their industry, it is obvious that the effect of such conduct would be precisely the same to themselves, in preventing accumulation, as if they were unable to earn any thing more than was absolutely necessary for their support. It is true that they would enjoy more of the luxuries of life, and, as will presently be seen, their expenditure would conduce, indirectly, to the accumulation of capital by others; but still their labor would only suffice for their own support from year to year, and no part of the produce of last year's labor would be available, in the present year, either for their support or for any other purposes. But when a man, instead of spending the results of a whole year's labor within the year, subsists upon one-half of them, the other half remains to him in the succeeding year, and in the course of two years such economy will have placed him a whole year in advance.

As it is evident from these illustrations, that capital must increase in the ratio in which the products of labor exceed the expense of subsistence, it would seem to follow as a necessary consequence that, when a certain amount of capital has already been produced, the higher the rate of profit which may be obtainable from such capital, the greater will be the means of further accumulation. It is not necessary, indeed, that larger savings should in fact be made, as that must depend upon the conduct of those who enjoy the profits. The larger their profits may be, the greater may be their personal expenditure; and a taste for luxury and display may be engendered, the gratification of which may

be more tempting than the desire of further accumulation. Nor can it be denied that, in practice, an unusually high rate of profits very often encourages an extravagant expenditure. It is, perhaps, more natural that it should produce self-indulgence rather than stimulate economy. The accumulation of savings is an act of self-denial very necessary and profitable, it is true, but not very pleasing when the sacrifice is about to be made; and its necessity is less obvious when large profits are rapidly secured, than in less prosperous circumstances. When the profits arising from a man's capital, if expended, are already sufficient to satisfy his desires, we cannot wonder if he thinks less of the morrow.

Yet, whether savings proportionate to the means of saving be made or not, it is undeniable that a high rate of profit offers the best opportunity for augmenting capital. If three *per cent.* profit upon a man's stock will enable him to subsist as he has been accustomed, and to lay aside one per cent. annually as capital, the rise of profit to six *per cent.* would at once give him the power of adding four per cent., instead of one, to his capital, so long as he made no change in his style of living: and thus the doubling of the rate of profit would add to the means of accumulation in proportion of four to one.

Making all due allowances, therefore, for greater profusion of expenditure, the proposition that large profits are favorable to accumulation may be held as demonstrable; for, reverse the circumstances, and suppose the profits were so small as to disable those who were willing to save from retaining any surplus whatever, the result must be precisely the same to themselves as if they had voluntarily consumed the whole excess of their production; while their poverty would not conduce indirectly to accumulation by others, as their expenditure of a surplus might have done.

But, apart from abstract reasoning, does the experience of different countries bear out the same conclusion? In England, for example, was capital accumulated more rapidly while profits were high, than within the last few years? These questions do not always receive the same answer. Mr. M'Culloch compares the progress of the United States of America, in wealth and population, with that of England and Holland, and ascribes the comparative rapidity of their advancement to the fact, that the rate of profit is generally twice as high in America as in either of the other countries. (*Principles of Pol. Ec.*, p. 107.) He adds (p. 110,) that if the rates of profit have become comparatively low, the condition of a nation, "how prosperous soever in appearance, is bad and unsound at bottom." Professor Jones, on the other hand, denies this inference, and takes a more encouraging view of the state and prospects of our own country. He says, "That fall of the rate of profits, which is so common a phenomenon as to be almost a constant attendant on increasing population and wealth, is, it will be seen, so far from indicating greater feebleness in any branch of industry, that it is usually accompanied by an increasing productive power in all, and by an ability to accumulate fresh resources more abundantly and more rapidly. So far, therefore, is this circumstance from being, as it has hastily been feared and described to be, an unerring symptom of national decay, that it will be shown to be one of the most constant ac-

companiments and indications of economical prosperity and vigor." (*Distribution of Wealth*, Preface, p. xxxii.)

These opinions, apparently conflicting, upon matters of fact, may prove, upon examination, not to be wholly irreconcilable. It is doubtful whether the United States of America be a good example for the purpose of this inquiry, as there have been many concurrent circumstances in operation, in that country, all tending to the same result; and of which high profits may be regarded as the effect rather than the cause. It will be safer, therefore, to confine the examination of the effects of high profits upon accumulation to our own country at different times.

First, then, it will be admitted on all hands, that individual fortunes have been more rapidly accumulated in England at those times in which the profits in particular departments of industry were the highest. This admission is no more, in other words, than the truism, that when a trade is prosperous, money is made by it. The next question is, whether a high rate of profit in all departments of industry has the same effect in augmenting the sum total of national capital. Political reasoners are too apt to assume a universal analogy between individuals and nations, which is often deceptive, and leads to inaccurate conclusions. In the present instance, if this analogy were allowed, it would be decisive of the whole question, and would exclude all observation of facts. The fact, as stated by Professor Jones, is undeniable, that a fall in the rate of profits is the ordinary accompaniment of increasing population and wealth. There is more capital in England and Holland, in proportion to the population, than in any country in the world, and in those countries the rate of profit is the lowest. The resources of England, have been increasing in an extraordinary manner during the last forty years, as evinced by the productiveness of the property-tax and other imposts, compared with former periods, and as proved by all statistics (*Porter's Progress of the Nation*, sect. vi. ;) and, at the same time, the more evident the wealth of the country has become, the lower has fallen the general rate of profits.

The examination of the causes of profit is reserved for a separate article; but here it may be stated that a fall in the rate of profits is the inevitable result of enormous accumulations of capital. Capitalists are forced into competition with each other, and are ultimately obliged to content themselves with lower profits. But in the meantime, does the aggregate accumulation of national wealth diminish? This inference is contradicted by all the statistics which illustrate the progress and present condition of Great Britain. All evidence shows that British capital is positively overflowing, and seeking employment in every enterprise at home or abroad. It is true that no statistics can decide, with arithmetical precision, the comparative rate of increase in the accumulation of capital at different times; but so far as outward indications of wealth may be relied on, there are very few who are prepared to deny that accumulation is now advancing, in the aggregate, at least as rapidly as ever, in proportion to the population of the country.

This fact it is submitted, is, nevertheless, consistent with the general proposition, that high profits are favorable to accumulation. In calculating the aggregate savings of a people already rich and populous, it

must be borne in mind, first, that the existing generation has inherited the accumulations of many preceding generations; and, secondly, that a large number of persons continually saving a small portion of their individual gains, may produce a greater aggregate accumulation than the larger proportionate savings of a less number of persons.

With reference to the first point, it need only be observed, that if the inherited capital be not squandered or wasted, its annual interest alone affords the means of enormous accumulation; while the rent of land, the profits of trade, and the wages of labor are continually supplying new funds for further production and accumulation. The second point may be made clearer by an illustration. Let us suppose one hundred men, each saving £100 annually out of their profits. Their aggregate accumulations would amount to £10,000. But suppose one thousand men, with equal capitals, but unable, on account of a lower rate of profit, to save more than £50 a year; their aggregate accumulations would amount to £50,000. In both cases they would have maintained themselves and their families out of their profits, and have paid the wages of all the labor required in their business; after which their savings remain available for increased production, and for the employment of a larger quantity of labor. This example falls far short of the circumstances of Great Britain, for the number of small capitalists is even more extraordinary than the enormous capitals possessed by a comparatively small number of wealthy men; and their annual additions to the national capital are of incalculable amount.

The conclusions to which we are led by these inquiries, are—that a high rate of profit is favorable to accumulation; that rich and populous countries are denied the advantage; that if they enjoyed it, their capital would continue to increase more rapidly than it does, in fact, increase; but that, under ordinarily favorable circumstances, the masses of inherited capital and the aggregate savings of vast numbers of capitalists still facilitate accumulation in a greater ratio than the increase of population, which a high state of civilization has a tendency to check.

The Application and Uses of Capital.

II. The consideration of the application and uses of capital will be disembarassed of much complexity by explaining, at the outset, the distinction raised by political economists between what is called productive and unproductive labor and expenditure. The end of all production is use or consumption: some products are immediately destroyed by the use of them, as food or coals; others are consumed more slowly, but are ultimately destroyed by use, as clothes or furniture: but whatever is the durability of the thing produced, its sole use is the enjoyment of man. A man is rich or poor according to his power of obtaining the various sources of enjoyment which the skill and industry of others produce; and the aggregate of such permanent sources of enjoyment constitutes the wealth of nations. Whatever labor or expenditure, therefore, may be devoted to the increase or continuance of those sources of enjoyment, must be deemed productive: and labor and expenditure, which have no such tendency, must be viewed as unproductive.

The most scientific classification of productive and unproductive descriptions of labor and expenditure which we have met with is that of Mr. Mill. According to his definition the following are always productive:—When their “direct object or effect is the creation of some material product useful or agreeable to mankind,” or “to endow human or other animated beings with faculties or qualities useful or agreeable to mankind, and possessing exchangeable value:” or “which, without having for their direct object the creation of any useful material product, or bodily or mental faculty or quality, yet tend indirectly to promote one or other of these ends, and are exerted or incurred solely for that purpose.” Labor and expenditure are said to be unproductive when they are “directly or exclusively for the purpose of enjoyment, and not calling into existence anything, whether substance or quality, but such as begins and perishes in the enjoyment;” or when they are exerted or incurred “uselessly or in pure waste, and yielding neither direct enjoyment nor permanent sources of enjoyment.” (*Essays on Unsettled Questions of Political Economy*, Essay III.)

Examples of these several classes would transgress our limits, but a study of the above definitions may serve to correct an erroneous impression, that no expenditure is productive unless it be incurred directly in aid of further production. The most common form in which this error appears, is in a comparison of the ordinary expenditure of a gentleman living upon his income, with that of a person employing workmen in a productive trade. It is hastily assumed that the expenditure of the former is unproductive, but it is, in fact, of a mixed character. His servants, for instance, perform many labors of a productive character. His cook prepares food for his table, and thus adds the last process of a manufacture. In point of productiveness it is impossible to distinguish this necessary labor from that of a butcher or baker. His gardener is an agriculturist and directly productive: the upholsterer who makes his furniture is productive: and in what manner is the labor of his housemaid less productive, who keeps it fit for use? In the same manner, why is the labor of his butler less productive than that of the silversmith; or of his coachman than that of the coach-builder and the breeder of horses? All are engaged, alike, in increasing or continuing permanent sources of enjoyment. But the most important economical use of domestic servants is the division of labor which it creates. While they are engaged upon household services their employer is free to follow his own more important duties—the management of his estates, the investment of his capital, or the labors of his profession. It is not, therefore, in the employment of servants that expenditure is unproductively incurred, but in the employment of excessive numbers; for then they are used directly and exclusively for the purpose of an enjoyment “which begins and perishes in the enjoyment.”

We will now briefly examine the nature of productive and unproductive consumption of perishable articles, and the effects of consumption, generally, upon production. Those who produce anything have one object only in devoting their labor to it—that of ultimately consuming the thing itself, or its equivalent, in the form of some other product of labor. If the exchange be made in goods, each consumer is ob-

vously also a producer, and adds to the common stock of enjoyment as much as he withdraws from it. But money is the representative of the products of labor, and if given in exchange for them, the character of the transaction would appear to be the same as the direct interchange of the products themselves. In the case of productive laborers, it would be admitted to be precisely the same; but a distinction is taken when the labor of the consumer is itself unproductive. It is true that he offers the results of past labor, but his immediate end in consuming is enjoyment. He parts with his money, which is an equivalent to the seller, but he produces no new source of enjoyment for society. But the consumption of a productive laborer may also be unproductive. Such part of his consumption as is necessary to keep him in health, to render him perfectly fit in mind and body, for his employment, and to rear his children suitably, is all clearly productive. If any residue remain, and he spend it upon immediate enjoyment—such as spirits, for example, which vanish with the enjoyment—that portion of his consumption is unproductive.

It must not be imagined, however, that the only result of money spent upon unproductive labor, or of unproductive consumption, is necessarily waste. The results of a man's labor may be unproductive to society, but a great part of his gains may be productively expended: and again, the maker and seller of commodities unproductively consumed are productive, and their profits may be productively applied. The distiller and the publican are productive laborers, but the consumption of spirits is itself unproductive.

We are now enabled to confine our attention to the uses of capital, as applied to its most important end, the employment and aid of productive industry. Its first and most important use is the division of employments, which, though necessary for any advance in arts, is impracticable without some previous accumulation of capital. Until there is a fund for employing labor, every man's business is the seeking of his own daily food; but as soon as the capital of another secures that for him, his labor is available for the general good. The more capital is accumulated, the more extended are the facilities for indefinite distribution of employments, according to the wants of the community.

Capital may be applied either directly in the employment of labor, or directly in aid of labor: it may be spent in the food and clothes of laborers, or in tools and other auxiliary machinery, to assist their labor and increase its productiveness. The former is usually termed circulating capital, and the latter fixed capital. Both are equally essential to the progress of the arts and national wealth, and are used in combination; but the effects produced by each are not always the same. If a farmer employs three laborers, and his capital is afterwards doubled, it is a very important question whether he expend his increased stock in the payment of three additional laborers, or in providing auxiliary machinery to increase the power of the three laborers already employed. In the latter case we may be assured that his machinery will do the work of more than three men; for otherwise no ingenuity would have been applied to its contrivance. It is truly said by Professor Jones, that "when instead of using their capital to support fresh laborers in any

art, (a people) prefer expending an equal amount of capital in some shape in which it is assistant to the labor already employed in that art, we may conclude with perfect certainty, that the efficiency of human industry has increased relatively to the amount of capital employed." (*Distribution of Wealth*, p. 222.) The same able writer has pointed out another difference in the results of auxiliary capital, viz. "that when a given quantity of additional capital is applied, in the results of past labor, to assist the laborers actually employed, a less annual return will suffice to make the employment of such capital profitable, and therefore permanently practicable, than if the same quantity of fresh capital were expended in the support of additional laborers." (*Ibid.*, p. 224.) This circumstance arises from the greater durability of the fixed capital, which may not require renewal for several years, while the direct expenditure on labor must be renewed annually. Thus £100 spent in labor to cause a profit of 10 per cent. must produce results amounting in value to £110; but the same sum expended upon any machinery calculated to last for five years would be equally well repaid by a return of £30 a year; being £10 for profit upon the outlay, and £20 for the annual wear and tear of the capital.

Not only does capital facilitate divisions of employment, and increase the productiveness of industry, by which the enjoyments of man are multiplied, but it actually produces many sources of power and enjoyment, which without it could have no existence. It is the foundation of all social progress and civilization, for without it man is but a savage. It must precede his mental culture, for until it exists his noble endowments are idle or misemployed. Without it, his mind is a slave to the wants of his body: with it, the strength of others becomes subservient to his will, and while he directs it to increase the physical enjoyments of his race, his intellect ranges beyond the common necessities of man, and aspires to wisdom—to government and laws—to arts and sciences. In all the nations of the world riches have preceded and introduced intellectual superiority. Connected with the progress of the human intellect, the printing press is an apt example of the creations, so to speak, effected by capital. No dexterity of fingers, no ingenuity of contrivance, unaided by the results of former labor, could multiply copies of books. Without abundance of types and frames and other appliances of the art, secured by capital, the bare invention of printing would be useless; and its wonderful efficacy in the present age, may be ascribed as much to the resources of capital as to human ingenuity. In numberless other processes of art, capital enables work to be executed which could not otherwise be performed at all, or enables it to be performed better and in less time. In all ways it multiplies indefinitely the varied sources of enjoyment that are offered to civilized man; but never more conspicuously than when it stimulates and encourages invention. Look at the railways of Great Britain. What created them? The abounding capital of the people, which overflowing the ordinary channels of investments, found a new channel for itself. In ten years the land was traversed by iron roads, and millions of people were borne along by steam with the speed of the wind.

This rapid sketch of the uses of capital will not be complete without

its moral. The paramount value of capital to the prosperity of a nation should never be overlooked by a government. Unwise laws, restrictions upon commerce, improvident taxation, which are unfavorable to its growth, should be dreaded as poison to the sources of national wealth and happiness. No class is the better for its decay or retarded growth: all derive benefit from its increase. And above all, when population is rapidly increasing, let a government beware how it interferes with the natural growth of capital, lest the fund for the employment of labor should fail, and the numbers of the people, instead of being an instrument of national power, should become the unhappy cause of its decay. The material happiness of a people is greatest when the national wealth is increasing more rapidly than the population; when the demand for labor is ever in advance of the supply. It is then also that a people, being contented, are most easily governed; and that taxes are most productive and raised with least difficulty. But while the natural growth of capital should not be interfered with by restrictions, the opposite error of forcing it into particular channels should equally be avoided. Industry requires from government nothing but freedom for its exercise; and capital will then find its own way into the most productive employments; for its genius is more fertile than that of statesmen, and its energy is greatest when left to itself. The best means of aiding its spontaneous development are a liberal encouragement of science and the arts, and a judicious system of popular education and industrial training; for as "knowledge is power," so is it at once the best of all riches and the most efficient producer of wealth.

(Smith's *Wealth of Nations*, Book II. ch. 3, with Notes by M'Culloch and Wakefield; Ricardo *On Political Economy and Taxation*; M'Culloch, *Principles of Political Economy*; Professor Jones *On the Distribution of Wealth*; *Essays on some Unsettled Questions of Political Economy*, by John Stuart Mill.)

NEW BANKING LAWS OF NEW YORK.

Laws passed at the Seventy-second Session of the Legislature of New York, 1849.

REGISTERED NOTES.

An Act to authorize the Comptroller to issue Registered Notes in lieu of Unregistered ones in certain cases.

Sec. 1. Whenever any safety fund bank shall apply to the comptroller for circulating notes, in lieu of those reported to the comptroller as unregistered notes in circulation by such bank, on the first day of July, one thousand eight hundred and forty-three, and the comptroller shall be satisfied from the facts stated by the president and cashier of such bank, on oath, that such unregistered notes so reported as in circulation on the day aforesaid, have probably been lost or destroyed, he

may issue to such bank, notes in lieu thereof to an equal amount of those so lost or destroyed, the same as though such unregistered circulating notes had been returned to the comptroller's office.

SEC. 2. It shall be the duty of the comptroller to require of all banks asking for and receiving circulating notes under the provisions of the first section of this act, to deposit in his office stocks of this State to be, or to be made to be, equal to a stock producing six per cent. per annum, equal to the amount of the notes issued.

SEC. 3. This act shall take effect immediately.

THE BROOKLYN BANK.

An Act in addition to and amendatory of the Act entitled "An Act for the Relief of the President, Directors and Company of the Brooklyn Bank," passed April 29, 1840.

SEC. 1. The act entitled "An act for the relief of the president, directors, and company of the Brooklyn Bank," passed April 29, 1840, is hereby amended by fixing the value of the shares of the stocks of said bank, held by the stockholders thereof at five dollars each, which is hereby fixed as the value of the said shares at the time of the passage of this act.

SEC. 2. The said president, directors and company of the Brooklyn Bank are hereby authorized to issue new certificates of stock in said bank in shares of five dollars each, to the amount of one hundred thousand dollars, to fill up their capital stock to its full amount of one hundred and fifty thousand dollars, which new stock shall be distributed and disposed of in the manner provided for by the third section of the said act hereby amended.

SEC. 3. All and every sum or sums of money which shall be realized out of the present property and assets of said bank, over and above the sum of fifty thousand dollars and the costs and expenses of collection, shall be divided among the present stockholders or their legal representatives or assigns in proportion to the interests they may respectively have in the said capital stock.

SEC. 4. This act shall take effect immediately.

HOLIDAYS.

An Act to designate the Holidays to be observed in the acceptance and payment of Bills of Exchange and Promissory Notes.

SEC. 1. The following days, viz: the first day of January, commonly called New-year's day, the fourth day of July, the twenty-fifth day of December, commonly called Christmas day, and any day appointed or recommended by the Governor of this State, or the President of the United States, as a day of fast or thanksgiving, shall for all purposes whatsoever as regards the presenting for payment or acceptance, and of the protesting and giving notice of the dishonor of bills of exchange, bank checks and promissory notes, made after the passage of this act, be treated and considered as is the first day of the week, commonly called Sunday.

UNCLAIMED BANK DIVIDENDS.

An Act to amend an Act relative to unclaimed Bank Dividends and Deposits, passed May 9, 1835, and for other purposes.

SEC. 1. Every company or association now or hereafter incorporated or organized, or doing business under any general or special law of this State, on or before the first day of September next, and annually thereafter shall cause to be published for six successive weeks in one public newspaper printed in the county in which such company or association may be located, and in the State paper, a true and accurate statement verified by the oath of the cashier, treasurer, or presiding officer, of all deposits made with said company or association, and of all dividends and interest declared and payable upon any of the stock, bonds or other evidence of indebtedness of said company or association which at the date of such statement shall have remained unclaimed by any person or persons authorized to receive the same for two years then next preceding.

SEC. 2. Such statement shall set forth the time that every such deposit was made, its amount, the name, and the residence if known, of the person making it, the name of the person in whose favor the dividend or interest may have been declared, its amount and upon what number of shares and on what amount of stock, bonds or other evidence of indebtedness of any such company or association.

SEC. 3. The term "association" shall include every individual doing business alone, under any general or special law of this State.

 THE BANKS OF ALBANY.

Notices of the several Banks located at Albany. From the Albany Annual Register for 1849—by Joel Munsell.

The banks are open every day in the year, from ten A. M. to two P. M. except Sundays and holidays. The interest for discount in the banks in this city, is fixed at seven per cent. per annum. Three days of grace are allowed, and the discount taken for the same. Every bill or note offered for discount, must be delivered the day preceding the day of discount. Bills or notes lodged at the banks for collection, when protested for non-payment, the person lodging the same pays the charge of protest. Deposits of money, or notes for collection, must be entered in dealer's book at the time of deposit. No interest allowed on deposits.

Bank of Albany, No. 42 State street: incorporated April 10, 1792; charter expires in 1855; capital, \$240,000; shares, \$30 each; dividends, May and November; discount day, Thursday. Jacob H. Ten Eyck, president; Jellis Winne, Jr., cashier; J. H. Ten Eyck, Teunis Van Vechten, Harmon Pumpelly, Henry Bleecker, Volkert P. Douw, William Walch, Benjamin Tibbitts, David Newland, J. Winne, Jr., Andrew D. Lansing, Daniel Cady, directors; E. R. Phelps, teller; N.

Bleeker, Jr., book-keeper; John Sill, discount clerk; Charles Lansing and Henry Wilkinson, clerks.

A great many projects were on foot in the year 1792. The capitalists were eager for a bank, and a meeting was called on the 3d of February, at Lewis's Tavern, (south side of State street, corner of Pearl,) to discuss the subject. There was at this time, it is believed, but one bank in the State, the *Bank of New York*, the stock of which was fifty per cent. above par. It was decided that the interests of the northern part of the State required the location of a bank at Albany. Some one writing for the newspapers, confidently asserted that a hundred thousand dollars would be subscribed in a few hours in the city alone; but it was liberally resolved that the neighboring places should be permitted to share in the honors and emoluments of the enterprise. At a subsequent meeting, the outlines of a plan for the establishment of a bank were presented. The name of the institution to be *The Albany Bank*; the capital, \$75,000, to be divided into 500 shares of \$150 each; \$15 to be paid on subscribing, and the remainder in three instalments; thirteen directors to constitute the board, nine of whom to be residents of the city. Jeremiah Van Rensselaer, Jacob Vanderheyden, and Barent Bleeker, were to open the books for subscriptions in the week following, and to close them as soon as five hundred shares should be subscribed. Accordingly the committee opened the books on the 17th of February, and the stock was overrun in amount in less than three hours. After the books were closed, offers of 10 per cent. advance were made on the stock, and on Saturday, the day following, it rose to one hundred per cent. cash. Application was immediately made to the legislature for a charter, and as the prospect of its being granted was more or less doubtful during the progress of the bill, the price of the stock rose or fell, creating no little excitement and speculation in this quiet region, where stock *transactions* were quite a novelty. At one time it is said to have stood at \$100 premium on a share upon which only \$15 had been paid. Stephen Van Rensselaer was elected president. Towards the close of the session the act of incorporation became a law. The first election of directors was held on the 12th of June, at the City Tavern, and resulted as follows: Abraham Ten Broeck, Cornelius Glen, Stephen Van Rensselaer, Jeremiah Van Rensselaer, John Maley, Abr'm Van Vechten, Henry Cuyler, John Stevenson, James Caldwell, Jacob Vanderheyden, Goldsbrow Banyar, Daniel Hale, Elkanah Watson. At a meeting of the directors thus chosen, Abraham Ten Broeck was elected president. The bank was opened for deposits on the 16th of July, and began to discount on the 17th. The rate of interest was 6 per cent. In September notice was given that notes of 45 days only would be discounted. The act of incorporation limited the capital stock to \$260,000; each share to be 400 Spanish milled dollars, or its equivalent. This did not exhaust the idle capital, and those who were unable to get bank stock, proposed to build an aqueduct. Whether they designed to throw *cold water* on the former project does not appear, but it will be allowed that their scheme promised to furnish an equally useful *circulating medium*.

In 1797, a report was published in the New York papers that the Albany Bank had failed, on account of the great influx of counterfeits of

its own bills. The bank had now been in operation five years, and there had not yet been a counterfeit discovered. Its affairs appear to have been managed with great prudence and considerable ability; and in proportion to its capital, possessed more specie than any other bank in the country. The current price of its stock was from 45 to 50 per cent. above par. The banking house was originally located in Pearl street, and afterwards removed to the building next to the Mansion House on the south; in February, 1810, it was removed to the northeast corner of State and Court streets, the present site of the Exchange; and when the latter building was erected, the bank was removed to No. 42 State street, where it now remains.

New York State Bank, No. 69 State street: incorporated in 1803; charter expires in 1851; capital, \$ 369,600; shares, \$ 28; dividends, 5 per cent., semi-annually, in March and September; discount day, Monday; Rufus H. King, president; J. B. Plumb, cashier; Rufus H. King, G. Y. Lansing, Joel Rathbone, M. T. Reynolds, William Adams, R. Boyd, P. Gansevoort, W. E. Bleecker, W. C. Miller, L. Chapin, J. B. Plumb, A. McIntyre, directors; H. A. Allen, teller; John S. Leake and H. S. Lansing, book-keepers; John H. Van Antwerp, corresponding clerk; William McHarg and John Strother, clerks; Isaac Fonday and James A. Chestney, western department.

This bank was incorporated with a capital of \$ 460,000. At a meeting of the directors on the 25th of March, 1803, John Taylor was chosen president, and John W. Yates, cashier. It commenced business on Wednesday, Sept. 7; banking hours from 9 to 12, and from 2 to 4. Notes offered for discount were to be drawn payable at the bank, unless the drawer resided in the city of Albany or New York. Discounts were made for 36 days. In December the bank altered its hours of business, opening at 9, and closing at 2. On the 10th of May, 1804, they commenced business in their new banking house, where they have ever since continued. By the act of incorporation, the comptroller, together with John Taylor, Thomas Tillotson, Abraham G. Lansing, Peter Gansevoort, Jr., Elkanah Watson, John R. Bleecker, Francis Bloodgood, John Robinson, Gilbert Stewart, John D. P. Douw, Richard Lush, and Thomas Mather, were constituted the first directors. The business was to be confined to the city of Albany, the rate of interest to be six per cent., and the State reserved the right of subscribing for 3000 shares.

Mechanics and Farmers' Bank, corner of Broadway and Exchange street: incorporated in 1811; charter expires in 1853; capital, \$ 442,000; shares, \$ 17; dividends, semi-annually, in May and November; discount days, Tuesdays and Fridays. Thomas W. Olcott, president; Samuel S. Fowler, vice-president; Edward E. Kendrick, cashier; Thos. W. Olcott, Samuel S. Fowler, Friend Humphrey, Henry Newman, James Kidd, Lemuel Steele, Thomas Hillhouse, Hugh Humphrey, Harmanus Bleecker, W. W. Forsyth, James B. Jermain, Robert Shepherd, directors; Thomas Olcott, teller; O. M. Beach, second teller; Theodore Olcott, 2d, third teller; Constantine Kowalski, general book-keeper; William McHench, discount clerk; James A. Pratt, entry clerk; Edmund Winne, clerk; John F. Jenkins, notary; John Highland, porter;

T. W. Olcott, pension agent; Lemuel Jenkins and Robert Shepherd, accountants.

The history of the origin and infancy of this institution would be quite interesting to the present generation, since there were some phases in banking operations at that remote period, which are unknown now. The capital stock was limited to \$600,000. The first election for directors was held on Monday, June 1, 1812. It seems to have been very generally understood among the stockholders for some time previous, that two federalists should be admitted into the board, the directors named in the law being all democrats; but whose seats should be vacated for their admission, was not so easily agreed upon. The election opened at 10 o'clock, at the Columbian Hotel, in Court street, and was continued to a late hour in the afternoon. It was a warm and animated contest, and finally resulted in the election of the following: Solomon Southwick, president; Benjamin Knowler, Elisha Dorr, Isaac Denniston, Benjamin Van Benthuyzen, William Fowler, George Merchant, Thomas Lennington, Giles W. Porter, Willard Walker, Walter Weed, Peter Boyd and Isaac Hutton. The two latter were elected in the place of Spencer Stafford and John Bryan. Of that board it is believed there are three or four survivors. At the next annual election, Isaac Hutton was elected president, and the direction consisted of Thomas Lennington, Peter Boyd, Benjamin Knowler, Russell Forsyth, William Fowler, William Boyd, Elisha Dorr, Walter Weed, Giles W. Porter, Benjamin Van Benthuyzen, Charles E. Dudley and Thomas Herring. This bank has ever been conducted with signal ability and success.

Commercial Bank, No. 40 State street: incorporated in 1825; charter expired in 1847, and the institution is now under the general banking law; capital, \$300,000; shares, \$20; dividends, July and January; discount days, Mondays and Thursdays. John Townsend, president; John L. Schoolcraft, vice-president; James Taylor, cashier; John Townsend, J. L. Schoolcraft, John Gott, James Horner, Augustus James, Giles Sanford, James D. Wasson, Robert H. Pruyn, Andrew White, Anthony M. Strong, Anthony Gould, William C. Durant; John B. Wasson, teller; Frederick S. Pease, book-keeper; George C. Lee, Charles Lansing, James G. Stafford, clerks; John F. Batchelder, discount and Savings Bank clerk.

On the 20th of October, 1813, John Bogart, George Webster, E. F. Backus, Joseph H. Webb and Vinal Luce gave notice of application to the legislature for a charter to incorporate the Albany Commercial Bank, with a capital of \$1,250,000. The banking capital of the State was at this time \$20,350,000, exclusive of \$810,000, which the State reserved the privilege of subscribing; making an aggregate \$21,160,000. Notices of application were now given for eighteen more banks, with an aggregate capital of \$15,250,000. Three of these were from Albany, viz: the Merchants' Bank, Commercial Bank, and North River Bank; in New York, Millers' Bank, Grocers' Bank, Commission Company, Coal Company, Patent Cloth Manufacturing Company, North River Company, Vermont Mining and Smelting Company; also one at Utica, Schenectady, Johnstown, Cooperstown, Auburn, Canandaigua, Geneva and Oxford. No bank, however, was chartered in Albany until 1825,

when the Commercial Bank went into operation, having no connection with the one above contemplated. The present bank has at different times lost nearly the whole amount of its capital by speculation, but by extraordinary good management recovered itself again, and enjoys a high reputation for its soundness and the ability of its officers.

Canal Bank, No. 40 State street: incorporated in 1829; charter expires in 1854; capital, \$300,000; shares \$20. This bank failed in July, 1848, the first bank failure in Albany, and its affairs are in the hands of a receiver.

Albany City Bank, No. 47 State street: incorporated in 1834; charter expires in 1864; capital, \$500,000; shares, \$100; dividends, April and October; discount days, Tuesdays and Fridays. Erastus Corning, president; Watts Sherman, cashier; Erastus Corning, Ellis Baker, Martin Van Alstyne, Bradford R. Wood, William Seymour, John V. L. Pruyn, John Knowler, James M. Cook, Watts Sherman, William Smith, William Humphrey, H. H. Martin, Eli Perry, directors; C. L. Garfield, teller; D. W. C. Rice and John T. Marshall, book-keepers; Isaac Fonday, discount clerk and notary public; Simeon J. Leake, corresponding clerk; T. A. Knowler, in western department; Jacob Downing, Jr., Dudley Van Vliet, F. Van Vliet and — Story, clerks.

Albany Exchange Bank, No. 3 Exchange Building: certificates filed December 11, 1838, to continue 62 years; capital, \$311,100, with privilege to increase to \$10,000,000; dividends, January and July; discount days, Tuesdays and Fridays. George W. Stanton, president; Noah Lee, cashier; George W. Stanton, Samuel Stevens, James McNaughton, John Taylor, Oliver Steele, John M. Newton, Ichabod L. Judson, Samuel Pruyn, Galen Batchelder, Gaylor Sheldon, L. G. Taylor, William McElroy, F. J. Barnard, directors; Andrew McElroy, teller; Joseph M. Lovett, book-keeper; Wm. H. Lee, discount clerk; John Ward, clerk.

Albany Savings Bank: incorporated in 1820; being the oldest in the State. Open at the Commercial Bank, No. 40 State street, every day, to receive deposits. It pays an interest of 5 per cent. per annum to depositors, payable half-yearly, on the third Wednesday in January and July. John Townsend, president; Teunis Van Vechten, first vice-president; Samuel Stevens, second vice-president; John L. Winne, third vice-president; William Newton, William McHarg, James Taylor, Rufus H. King, Jacob H. Ten Eyck, Gerrit Y. Lansing, John I. Boyd, Frederick I. Barnard, Benjamin Tibbits, James Stevenson, William E. Bleecker, Robert H. Pruyn, Harmon Pumpelly, James D. Wasson, Friend Humphrey, directors; James Taylor, treasurer; Robert H. Pruyn, secretary. Open during banking hours, from 10 to 2 o'clock.

BANK OF THE STATE OF MISSOURI.—The semi-annual report of this bank will be issued in our next No. The parent bank, at St. Louis has a circulation of \$1,289,000, and coin on hand \$1,727,000. A semi-annual dividend of five per cent. has been declared, and also one per cent. carried to the reserve fund.

BANK STATISTICS.

[Compiled for the Bankers' Magazine from the Official Reports.]

BANKS OF KENTUCKY.

Bank of Kentucky and seven Branches.

LIABILITIES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	July 2, 1849.
Capital Stock,	\$3,700,000	\$3,700,000	\$3,700,000	\$3,700,000
Over issue by Schuylkill Bank, . .	470,300	338,300	52,100	.....
Circulation,	2,586,672	2,434,660	2,781,706	2,453,002
Deposits,	740,984	609,208	671,965	791,645
Bank Balances,	392,814	463,163	344,144	283,907
Fund reserved by charter,	100,000	100,000	100,000	100,000
Surplus fund for Schyl'l Bk. prop. .	.....	.....	.....	600,000
Fund to purchase over issue, . . .	55,137	85,708	.....	.....
Contingent fund,	89,262	92,471	89,785	101,536
Profit and loss,	50,218	.....	.....	13,290
Due Treasurer of the State, . . .	53,181	46,882	95,991	49,674
Dividends unpaid,	105,256	100,957	93,802	154,070
Total,	\$8,343,824	\$7,971,348	\$7,929,493	\$8,247,124
RESOURCES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	July, 1849.
Notes discounted,	\$3,093,840	\$2,958,060	\$2,642,215	\$2,645,531
Bills of exchange,	1,850,222	1,755,505	2,132,721	2,137,700
Suspended debt, stocks, &c., . . .	167,429	88,068	95,801	107,625
Banking houses,	87,534	87,534	87,534	98,066
Other real estate,	164,671	140,305	123,504	99,316
Kentucky State bonds,	250,000	250,000	250,000	250,000
Louisville City bonds,	200,000	200,000	200,000	200,000
Schuylkill Bank assets, . . . . .	.....	.....	.....	512,070
Bank Balances,	445,692	676,062	560,415	605,448
Due from corporations,	19,440	15,425	21,710	15,543
Deficiency from over issue,	470,300	338,300	52,100	.....
Gold and silver,	1,275,308	1,240,305	1,371,398	1,241,063
Notes of other banks,	319,388	221,784	345,373	324,761
Stock fund, . . . . .	.....	.....	46,722	.....
Total Resources,	\$8,343,824	\$7,971,348	\$7,929,493	\$8,247,124

BANK OF KENTUCKY, Louisville, 2d July, 1849.

We have the satisfaction, on resuming our regular dividends, to present to the stockholders, the annexed statement of the condition of this bank and branches.

It will be perceived, that the entire over-issue of the stock, amounting to one million three hundred and eighteen thousand five hundred dollars, has been purchased and cancelled, from that portion of the profits reserved from dividends, under the act of Assembly, authorizing the bank to recognize and purchase shares to the extent of the over-issue.

The arrangement made with the State, in 1843, by which one million of their bonds, bearing 5 per cent. interest, was returned, and the stock

held therefor, cancelled with the purchase of the over-issue, leaves the capital of the bank, \$ 3,700,000 00

There has also been appropriated of the earnings of the bank, since July, 1839, a fund to cover losses by bad debts, &c., 397,946 03

And losses charged to this fund, 337,081 00

Leaving as a balance of this fund, \$ 60,866 03

This includes all the losses sustained from the business of the bank, commencing in 1835; and the principal amount of bad debts had their origin in the revulsions of 1837 and 1839.

Since the last report, the Supreme Court of Pennsylvania affirmed the decision of the court below, giving us a judgment for \$1,184,738, and, subsequently, arrangements have been made so as to procure a voluntary transfer of all the property and effects, subject to our judgment, which we now have in our possession, and will dispose of as soon as practicable. These effects consist of

Cash and effects realized, \$ 87,930 69

Real estate in Schuylkill county, Pa., which includes about one thousand acres of coal lands, in several tracts; houses and lots in Pottsville, Port Carbon, Tuscarora and Minersville, estimated value, 177,361 00

Real estate, mostly in Philadelphia, valued at 176,702 00

Mortgage Loan, Beaver Meadow Rail Road and Coal Company, 98,757 69

Sundry stocks, ground rents, bonds and mortgages, debts, &c., 59,248 62

Total estimated value, \$ 600,000 00

During the autumn of the present year, we design making a public sale of the property in Philadelphia, and as soon as a sufficient sum can be realized, to make an *extra* dividend among the stockholders. Our regular dividends hereafter, it is hoped, will be from 7 to 8 per cent. per annum.

The semi-annual statement shows a surplus sufficient to justify the conclusion that the stock of the bank is worth more than par, and that the holders may expect their dividends, hereafter, without interruption.

VIRGIL MCKNIGHT, *President.*

Northern Bank of Kentucky and four Branches.

LIABILITIES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	July, 1849.
Capital Stock,	\$2,237,600	\$2,238,900	\$2,238,900	\$2,250,000
Circulation,	2,453,532	2,336,513	2,576,780	2,432,761
Individual Deposits,	674,503	605,320	742,806	755,954
Bank Balances,	669,327	903,480	827,153	274,143
Profit and Loss,	267,059	287,158	334,542	361,428
Dividends Unpaid,	6,491	7,748	6,368	10,525
Deferred interest, &c.,	26,204	13,763	8,840	26,756
Total Liabilities,	\$6,334,715	\$6,392,892	\$6,735,409	\$6,111,577

RESOURCES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	July, 1849.
Bills Discounted,	\$1,849,698	\$1,845,272	\$1,785,302	\$1,761,786
Bills of Exchange,	2,007,287	1,927,466	2,156,410	1,906,988
Suspended Debt,	123,268	122,005	136,910	91,564
Bank Balances,	923,231	1,061,265	1,111,784*	822,271
Real Estate,	179,865	135,340	123,980	117,668
Kentucky State Bonds,	5,000	5,000	5,000	5,000
Lexington City Bonds,	35,000	33,000	28,000	22,400
Gold and Silver,	909,704	931,806	1,038,413	918,537
Notes of other Banks,	287,819	322,895	340,760	466,834
Miscellaneous,	8,793	8,833	8,850	530

Total Resources, \$6,334,715 \$6,392,882 \$6,735,409 \$6,111,577

Contingent fund above stated \$361,439,—from which deduct 4½ per cent. dividend declared July, 1849, leaving a contingent fund on hand of \$259,876, or 11 per cent. upon the Capital Stock.

*\$566,956 Eastern Funds. \$255,286 Western Balances.

CIRCULATION AND COIN IN GREAT BRITAIN.

Circulation and Coin of the various Banks of England, Scotland and Ireland, April, 1849.

	Circulation April 21.	Bullion April, 1849.
Bank of England,	£18,599,569	£14,922,597
182 Private Banks,	3,696,800	"
66 Joint Stock Banks,	2,798,318	"
Total in England,	£25,074,687	£14,922,597
Scotch Banks,	2,907,915	†2,664,477
Irish Banks,	4,376,821	
Total in Great Britain,	£32,359,423	£17,477,074

*No Returns.

†Including Scotch and Irish Banks.

Some curious and authentic statements by the Governor of the Bank of England, and by Messrs. Tooke and Pease, in reference to the amount of circulation of the banks and of the coin in Great Britain will be found in pp. 501, *et seq.* vol. III, Bankers' Magazine. The aggregate coin in the vaults of the banks and in the hands of the people is there estimated at £44,000,000 sterling. Mr. Pease urges the issue of £1, and 50 shilling notes by the Bank of England. He says, "The present gold circulation of the country is a very harrassing and inconvenient circulation indeed: the circulation of bullion is carried to an extent that is extremely harrassing to men of business. I believe that the substitution of a lower denomination of paper money by the Bank of England, [would be a cheaper medium of circulation] would keep much more gold in the country, without depreciating paper at all. * * Notes of fifty shillings would be a wonderful relief to the working classes and to the currency."

MISCELLANEOUS.

SUFFOLK BANK REDEMPTIONS.—On the 22d June, the cash account of the Foreign Money Department of the Suffolk Bank was \$2,650 00 short. This loss falls heavily upon two individuals who have the Department under their charge. Somebody must know the cause of the deficiency in their cash account, and if this meets the eye of that person, we would suggest that he has yet a chance to redeem his character for honesty, and to restore to two meritorious individuals a sum which they cannot afford to lose.—*Willis' Bank Note List.*

STATE TAX UPON CORPORATIONS.—The Supreme Court of Pennsylvania have affirmed the judgment of the Court of Common Pleas of Dauphin county, rendered for defendant, in the suit by the Commonwealth of Pennsylvania *vs.* the Delaware and Hudson Canal Company, in which the sum in controversy amounted to about ninety thousand dollars. The opinion of the Court was delivered by Chief Justice Gibson. The main question settled, is, that the defendants, who by statutory license, purchased out the interest of Maurice Wurtz, in certain improvements in Pennsylvania, and by the same license hold land in Pennsylvania, *are nevertheless a New York Corporation*, and not embraced by the terms of the acts of 1840 and 1844 taxing companies "incorporated by or under the laws of Pennsylvania," &c. It is understood that the company have been paying the taxes imposed on them by the prospective act of 1848.—*Pennsylvanian.*

NATIVE SILVER IN NORWAY.—It is reported in the Swedish official journal, that at the King's Mine, at Konigsberg, two lumps of Native Silver, severally 238 and 436 pounds, had been obtained within the preceding two months. The mine was offered for sale in London twenty years ago, for £10,000, but failed of purchasers. It now yields to the Government more than this sum annually.

AFRICAN GOLD.—We were shown a few days since some specimens of gold received in this city by the last Liberia Packet. It was gathered by the natives of that country from washings at the base of the mountains, and is the richest specimen we have seen. It is said to be more abundant there than in California, and obtained with very little labor. When the new colony, now being rapidly settled by the colored emigrants, becomes fully developed, we have no doubt it will be discovered to possess immense wealth in the way of minerals, as well as in other resources, which will be productive of a large trade between that and our own country.—*Baltimore Sun, July 10th.*

LONDON MONEY MARKET JUNE 1ST.—The quiet routine of the Stock Exchange has been somewhat deranged this month by the renewed disturbances on the continent. There is at this moment scarcely a single country of continental Europe not devoured by foreign or domestic war. The commotions in Italy, Hungary and Naples, have perhaps little commercial consequence at present; but the revival of a spirit of lawlessness and ultra-revolution in France, is an event of the most serious moment. The elections for the French Assembly took place on the 13th May, and the result appears to have been such an increase of strength to the Socialist minority, as raises them in numerical force to a third of the Chamber. It is ascertained, also, that most of the army have exercised their suffrage in favor of candidates of extreme opinions. The influence of these events, and of the unsettled state of Paris, upon the French funds, has been very great. In less than a fortnight, the 5 per cent. Rentes fell 15 per cent. (from 89 to 74;) a depreciation only equalled in times of active revolution. Business in Paris is again almost entirely at a stand-still. Our own public securities were in some degree influenced unfavorably for a few days, but the decline has not been material. On the Rhine and in Germany there has been a renewal of active warfare, and all institutions of property in these regions are surrounded with so much uncertainty, that already there is a renewal of that emigration of capital to this country of which we saw so much in 1848. This is a circumstance not to be overlooked in considering the posture of our own money market.

In Lombard street there has been little, if any, alteration. The rates of discount are still exceedingly moderate, and, for first-rate three months' bills, may be described as ranging from 2½ to 2¾ per cent. The brokers accept funds at call, at 2 per cent.; not always, however, without the delay of a day or two.

The excitement in the Railway Share Market has partly subsided. There is nothing, however, to retract from the remarks of last month, and all descriptions of railway property have been most severely depreciated by these disgraceful disclosures.

In the following list, the *York and North Midland Railway* occupies the worst position. It was Mr. Hudson's original line. He has now resigned his connexion with it, and a Committee of Investigation is on the eve of being appointed.

	23 March, 1849.	20 April, 1849.	18 May, 1849.
New Castle and Berwick, . . .	25	23	21
York and North Midland, . . .	48	41	32
Eastern Counties,	10½	8½	8½
Lancashire and Yorkshire, . . .	66	64	58
London and North-Western, . . .	134	132	128
London and South-Western, . . .	38	37	34
Brighton,	37	39	37
Midland,	79	75	69
Great Western,	95	95	79

THE ÆGIS LIFE ASSURANCE COMPANY OF LONDON, has just introduced a new feature in life assurance, which deserves attention, as it may be made useful in facilitating arrangements between debtor and creditor at a very moderate expense, where liabilities are to be liquidated by instalments; for example, if a debtor aged 30 owes £350, which he agrees to pay in seven annual sums of £50 each, and the creditor requires security in case of the debtor's death, he may insure the continuance of these payments by paying the very moderate premium of £1 17s. 1d., per annum, whereas if he were to insure the whole sum of £350 according to the plan hitherto pursued, the premium would be £3 16s. 3d. The same office has also adapted the system of assurance to the circumstances of building societies, so as to secure the sums subscribed in case of death, and thus avoid the sacrifice of a forced sale, which must attend the discontinuance of subscriptions. Thus, a person aged 30, holding five shares in a building society, the subscription for which is £30 per annum, for twelve years, may secure the payments, in case of his death, for the single premium of £17 16s. 10d., or an annual premium of £1 18s. 9d., and thus secure the same advantages to his family in respect to this property as if he had been spared to them. This office is connected with the *Union Assurance Company*, and having a large capital at command, contemplates, in addition to the usual assurance business, the carrying out of a liberal system of loans, which cannot fail to be attractive to the public, and may be made, at the same time, profitable to the proprietary.

BANK ITEMS.

FREEMAN'S BANK.—A silver pitcher and salver have been presented to Solomon Piper, Esq., president of the Freeman's Bank, Boston, in consideration of his valuable services to the institution.

SCHUYLKILL BANK.—Joseph Brobston, Esq., has been elected cashier *pro tem* of the Schuylkill Bank, Philadelphia. The building hitherto and at present occupied by the bank is advertised to be sold on the 13th September next. The lot has a front of thirty feet on Market street, one hundred and eighty feet on Sixth street and thirty feet on Minor street, and is a desirable location for a bank—there being at present no monied institution in that part of the city for the convenience of the Western Merchants. J. Price Wetherill, Esq., is president of the Schuylkill Bank.

CANAL BANK OF ALBANY.—The receivers of this institution have given notice that a further and final dividend of 40 per cent. will be paid upon the circulation of the Canal Bank: this added to 60 per cent. previously declared will pay the circulation in full.

SUFFOLK BANK.—Jeffrey Richardson, Esq., was on the 27th June last, elected president of the Suffolk Bank, Boston, in place of Henry B. Stone, Esq., deceased.

MECHANICS AND TRADERS' BANK OF NEW ORLEANS.—In consequence of the resignation of the former cashier, Mr. Jackson Duplessis, was elected in July, cashier of the Mechanics and Traders' Bank of New Orleans. Before taking office it was ascertained that he was a defaulter as first teller. "The defalcation, according to the revelations made by Duplessis, has arisen in part from the purchase made by him with the funds of the Bank, of a house in Bourbon street, between Customhouse and Bienville streets, now occupied as an academy, valued at \$20,000, and a loan to Bernead, broker, of \$15,000. The balance, ten to fifteen thousand dollars, Duplessis states was caused by errors committed in overpayment of checks, from time to time, for a series of years."

The Bulletin adds, that the defaulter was lately elected cashier, but had not been qualified. The amount of his deficit is \$48,000. It occurred while he was first teller.

NEW ORLEANS CANAL AND BANKING COMPANY.—Samuel C. Bell, Esq., late cashier of the Mechanics and Traders' Bank at New Orleans, has been appointed cashier of the New Orleans Canal and Banking Company, in place of N. N. Wilkinson, Esq.

NEW ORLEANS BANKS.—The monthly report of the New Orleans Banks, shows their condition as follows on 30 June last:

	<i>Circulation.</i>	<i>Specie.</i>	<i>Cash Liabilities.</i>	<i>Total Assets.</i>
Bank of Louisiana,	298,000	2,002,000	3,022,000	9,341,000
Canal and Banking Co.,	1,431,000	1,460,000	3,225,000	7,321,000
City Bank of N. O.,	599,000	790,000	1,751,000	3,546,000
Louisiana State Bank,	598,000	877,000	2,039,000	3,544,000
Mechanics & Traders' Bank,	914,000	1,593,000	2,926,000	4,867,000
Union Bank,	26,000	151,000	63,000	6,011,000

Notes on the Money Market.

NEW YORK, 23 JULY, 1849.

The past month has exhibited very little change in the face of money affairs. Dulness marks the stock exchange as well as the usual departments of trade. The desire on the part of our citizens generally, to leave the city for a few weeks at this season of the year, seems by general consent to leave business and stocks as quiet as possible, and serves to repress all inclination to speculation. The *bulls* and the *bears* hie to the shades of the Catskill, West Point, Saratoga, Niagara, or to the more northern latitudes of Montreal and Champlain. The thermometer at 95 drives the frequenters of Wall street to the cool retreats so numerous and so refreshing at the north: Nearly all the speculators and dealers in the fancies, have drawn upon their *reserve-fund*, and hastened to spots where a blanket is as indispensable at night as ice at this period in Wall street during the day.

Our foreign trade is now so well balanced that we find little or no specie going abroad or coming to us. Fortunately for the money matters of the country, there are no shipments of coin and there is at present no disturbing element in the various channels of trade. Money is abundant at New York, at six per cent. and loans have been recently made at rates as low as four to five per cent. Stocks maintain the quotations made thirty days since, and in some instances have advanced. United States six per cents are held at 117½. Treasury notes 117. The ease of the money market may be known from the fact that the city of New York has within a few days procured a loan of two hundred thousand dollars, redeemable in 25 years, bearing five per cent. interest, at a premium equivalent to one per cent. Such is the

firmness in New York securities, that new banking institutions cannot procure them for deposit with the Comptroller, except at rates which few will pay. A new bank was proposed for South Brooklyn a few months since. We learn that the only obstacle to its going into early operation is the enhanced price of our five and six per cent. stocks.

In Pennsylvania, where further banking capital is applied for, no such obstacle exists. Applications are now about to be made for eight or ten new banks in that State, with an aggregate capital of about three millions of dollars. If our Pennsylvania friends will enlarge their legal rate of interest so as to be upon a par with New York, *say seven per cent.*, there will be with them a greater concentration of capital. Money will seek employment where it is most liberally encouraged, and it is evident that seven per cent. attracts to New York much foreign capital. We think the rapid increase of business in the latter State, is in part attributable to a more liberal rate of legal interest.

The usury laws, which bind so heavily the poor man and lock up the rich one, exercise a most injurious tendency upon the people. Money would be more free, more accessible to the needy man, if the existing misplaced restrictions were removed. Large capitalists, who have generally money to spare, refuse from conscientious scruples to loan at a higher rate than six per cent., and this rate will not under ordinary circumstances remunerate them for the risks. Great Britain has set us the example of liberalizing their money laws, and bills of exchange are by statute negotiable at ten per cent. Our own usury laws are evaded every day and the necessitous borrower is compelled at times to pay two per cent. a month for loans from unscrupulous extortioners, when liberal men would feel inclined to lend their surplus funds at eight or ten per cent. per annum, if allowed to do so by law.

The coinage of gold is going on with accumulated force at the parent mint, and we suppose the branches are equally active. We have been favored by the proper officers with the following returns of the operations at Philadelphia, since the 1st January last.

COINAGE OF 1849.

The coinage at Philadelphia, for the six months ending 30th June, 1849, has been as follows:

In gold,	value,	. . . . .	\$2,375,369
In silver,	"	. . . . .	598,590
In copper,	"	. . . . .	25,805

a total of \$2,999,764; or over sixteen thousand dollars per day.

The deposits of California gold, at the Philadelphia Mint, during the same period have been \$1,137,000, and the amount of gold bullion on hand, on the 30th June, to the credit of the United States, \$521,115

And deposits of individuals for coinage, , 907,972

The coinage of gold dollars is fully equal to the present demand. The number coined from the 8th May, (the first issue,) to 30th June, was \$362,530

And from 30th June to 19th July, 65,000

An average of six thousand daily. Preparations are making for the coinage of the twenty dollar gold pieces.

The operations of the mint and branches for the year 1848, were as follows:

	Gold.	Silver.	Copper.
Philadelphia,	\$2,780,930 00	420,050	64,158
New Orleans Branch Mint,	359,500 00	1,620,000	
Charlotte, N. C. " "	364,330 00		
Dahlonga, Geo., " "	271,752 50		
Total for 1848,	\$3,775,512 50	\$2,040,050	\$64,158
Philadelphia, six months, 1849,	2,375,369 00	598,590	25,805

Gold only is coined at the two branches in North Carolina and Georgia, and copper at the parent mint only. The total coinage since the establishment of the mint in 1793 to 1848 inclusive has been in gold, \$76,341,440; in silver, \$73,466,516.

THE BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. IV.

SEPTEMBER, 1849.

No. III.

DOMESTIC EXCHANGE IN MASSACHUSETTS.

BANKING POLICY, SUFFOLK SYSTEM, USURY LAW, &c.

By W. H. FOSTER, (Cashier,) Boston.

THE charters of all the banks in Massachusetts, granted previously to the last session of the legislature, will expire, by limitation, in 1851.

Provision, however, was made at the last session, for the renewal of the corporate rights of such of the banks as petitioned therefor, should they be found, upon a thorough examination of their affairs, by commissioners specially appointed for that object, to be in a sound and satisfactory condition, and to have conducted their operations within the intent and meaning of the laws regulating banks and banking.

It is, therefore, highly probable that very little, if any, of the present banking capital in this State, will be withdrawn from public use, but, on the contrary, that all the banks now in operation will be continued as heretofore. It is not generally believed that many of the banks have often been guilty of serious infractions of the statutory code; or, if now and then they have violated a *principle* that, to the minds of the commissioners may appear, at first sight, as an *intentional* deviation from strictly banking rules, yet, as they pursue inquiry, it will most likely be shown that they are more sinned against than sinning.

Banking in Massachusetts, as in nearly all the States in the Union, has become a policy well settled and well understood. There are not now, as in the earlier days of some of the first incorporated banking institutions in this country, believers in the existence of any such principle as *mystery*, in the machinery of a bank. And this idea—that banking is in no manner mysterious,—that, in its ordinary details it is within the comprehension of every business man, and may be conducted successively through every difficulty, has, more than any other cause, induced individuals of nearly every calling to become in some way connected with the management of banks; and hence, in this State, more especially, we have a very large number of banking institutions, with small capitals,—varying from \$50,000 to \$500,000.

But the multiplication of the number of banks has not been found, it must generally be conceded, to operate injuriously upon the public. On the contrary, much good has resulted; for, the varied and diversified interests of society—such as the agricultural, commercial and manufacturing,—all have been represented thereby, and all have shared, in a greater or less degree, in the benefits which banking capital is calculated to confer.

But, although, as has been stated, the policy is the same, and, generally speaking, the methods of conducting the ordinary business operations of the various banks in the State are much alike, yet, in respect to the means resorted to for the purpose of swelling the profits, there is, doubtless, some difference.

It would be well, however, before expressing any great degree of surprise at this statement of a material fact as connected with the subject, to be made acquainted with the custom that has pretty generally obtained among banks of charging exchange.

In some one of the courts in the State of New York, it was decided, not long ago, that where a bank had discounted a note, and paid the proceeds in its own check upon another bank within the State, at a premium, the act was clearly usurious within the meaning of the law. In Massachusetts, the law, in relation to the charging of exchange, is not very clear, or, perhaps, in other words, not so circumstantial as not to admit of doubt. It says :

“In discounting drafts or bills of exchange, the bank may, in addition to the said interest (six per cent.) charge the then existing rate of exchange between the place where such draft may be discounted and the place where it is payable.” Revised Statutes, ch. 36, sec. 59. So also in respect to notes of hand: “Any bank in discounting notes of hand, payable at any other place than where such bank is established, may charge in addition to interest, the then existing rate of exchange, in like manner as may now be charged by such bank on bills of exchange or drafts.” Supplement to the Revised Statutes, ch. 190, sec. 4.

There would be no great difficulty in deciding the point as to what is meant by “the then existing rate of exchange,” nor what would be strictly legal, had not the banks themselves, in the multifarious shifts of balances, and from absolute necessity, adopted two different scales of charges. Thus, in Boston for instance, it has been the practice of the banks to discount paper payable in the city, and for the proceeds draw their own checks on some bank in New York, where funds may have accumulated, charging therefor a premium of a half or a quarter of one per cent.—while, on the same day and hour, a customer applying, with cash in hand, for new York funds, has been furnished them at par, or, at the most, at a rate not exceeding one-tenth of one per cent.

But there are a few banks which, entertaining a different view of the subject as respects the strict legality of the former practice, seldom or never adopt it. Nevertheless, they practice occasionally that which must be regarded quite as objectionable on the score of usury. They discount city notes and drafts, paying the proceeds, in southern and western funds *at par*. These funds are always at a discount, varying from one to two per cent.

There are to be met with, in almost every community, individuals who, aiming to be thought more righteous than their neighbors, profess to be astonished, when observing the various phases which business operations are made now and then to assume, at the apparent willingness with which business men take advantage of each other's necessities. Thus, on the principle of usury, in times of commercial disaster and distress, they are seldom able to discover, in the ordinary dealings of the money lender or banker, that he is influenced at all, in his manner of dealing, except by motives the most corrupt and sordid. They regard the law upon the statute book, concerning usury, as a wholesome restraint upon society, yet, not having the power to enforce, they witness its provisions continually and openly contravened.

It is this class that declaim against any advantage which a bank, from its peculiar position, may sometimes take, though legitimately enough, to add to its profits.

Public sentiment, however, is not *wholly* averse to "extra interest," whether in the form of exchange or otherwise—hardly more so than to extra profits assessed upon tea and coffee, in the event of a scarcity of those articles of luxury.

Having spoken of the custom of charging exchange by the city banks, it may not be amiss to refer to a somewhat modern custom of a similar character which has obtained among the country banks.

Formerly, it was thought that as the country banks derived a direct benefit from the deposit of funds in Boston, it was unjust in principle and illegal in practice, to charge exchange on discounted paper payable at that point. During the late stringency in the money market, the circulation of the country banks, has been greatly diminished. In order, therefore, to divide their usual profits, they have been compelled to seek out new inventions, and thus not a few have learned that something may be gained by exchange. Nevertheless, the resort to this practice has been the cause of animadversion on the part of those obtaining discounts, and they have even pronounced it, in repeated instances, as illegal and usurious. But upon what ground any such opinion is based does not appear, as it has been clearly shown, by reference to the statute, that the charge of exchange is allowable.

In a country town, with but a single banking concern, it is obvious that the business done must be limited. A few tradesmen, shoemakers, blacksmiths, and other useful and respectable mechanics, make up the "aggregate" of all the "commerce" of the place; and the individuals composing these several interests, are those who usually apply for, and obtain, the principal part of the discounts. They labor hard and long, and for small gains. It is not, therefore, at all surprising that a charge of exchange, especially as it is somewhat new to them, should be regarded in the light of extortion. But in the larger villages it is in some degree different. There, trade and manufacturing are carried on rather extensively. The banks, usually, are of larger capitals, and are conducted more upon the principles of the city banks. That is to say, the directors, for the most part, are men of more or less mercantile experience, and accustomed to operate upon a liberal scale in matters of business. They have learned to appreciate the system of

domestic exchanges, as a source of profit. They furnish to the public, in the form of bank notes, a safe and convenient circulating medium, redeemable at par in the chief commercial city in the commonwealth. And it would be absurd, indeed, if they were deprived of the privilege of adopting a measure in any degree remunerative.

The "Suffolk system," as it is called, and which compels each country bank in the New England states to redeem its bills in Boston, is a measure of great value to the public, but bearing not lightly upon the profits of those banks. Each bank is required to deposit, in the vaults of the Suffolk bank, not less than \$3,000, some deposit \$5,000, and a few \$10,000. On this deposit no interest is allowed. Taking into view then, the loss of interest on these deposits, the one per cent. tax paid to the State (in Massachusetts) and the expense of redeeming the "circulation," or bills, in Boston, it is evident that directors and managers of banks have been forced to adopt the system of domestic exchanges as a prudential measure. Nor can it be supposed that banks will be much in favor, or stand any chance of success, in competition with other incorporated, dividend-paying institutions, so long as they continue to be burdened with the present onerous bank tax, and, meanwhile, restricted by law, to a limit in their operations from which but comparatively small profits can be derived.

No one, probably, desires such a change in our banking policy as to permit public banks to *trade*, or to be allowed to conduct business upon the scale of private bankers or brokers. Yet, at the same time, every practical merchant knows, for experience must have taught him, that, during the recent severe stringency in the money market, to the very fact of the banks having been tied down, by legal enactments, to the narrowest compass possible, was owing, in a great measure, the enormously high price that money commanded.

The legislature, without doubt, will ere long be called upon to consider a proposition to remodel the present banking laws. Whether it will consent to reduce, at all, the present bank tax, and, at the same time so modify the law in regard to usury as to allow the banks to charge more than six per cent., will depend, doubtless, upon the material of which that august body may be composed.

THE DISTRIBUTION OF RICHES.

From the London Athenæum.

On the Causes of the Unequal Distribution of Riches—[Des Causes de l'Inégalité des Richesses.] By Hippolyte Passy. Paris, Pagnerre.

This is another of the "Petits Traités" publishing under the auspices of the French Academy of Sciences. M. Passy is favorably known to readers on economical subjects by his treatise "Des Systèmes de Culture, et de leur Influence sur l'Economie Sociale,"—mentioned by Mr. John Mill, in his recent work on Political Economy, as "one of the

most impartial dissertations as between the two systems which has yet appeared in France." M. Passy is also the author of a tract "On the Changes in the Agricultural Condition of the Department of the Eure since the year 1800," which Mr. Mill calls "one of the most important papers that have appeared in the *Journal des Economistes*." We are glad to quote so high an authority in M. Passy's favor, in order to ensure to the treatise before us the attention which it deserves. M. Passy, as is evident from these antecedents, enjoys the advantage of thorough acquaintance with the subject of which he treats. He has considered it in its various bearings, and familiarized himself with it, long before it came to be (or at least to be regarded as being) one of those "*questions palpitantes*" which can rarely receive the patient and dispassionate examination which they so imperiously demand. Indeed, these inquiries are in a manner hereditary in the family of M. Passy. His father (or uncle, we forget which) was Prefect of the Department of the Eure for many years: the accurate record of his observations, and the official documents at his command, formed the basis of M. Passy's comparative view of the condition of the department for the last half century.

It is not surprising that a writer so qualified should enjoy a great advantage on his own ground over those who, though superior to him in other fields of science or literature, cannot be supposed to have the appropriate knowledge which he possesses. Most of all has he the advantage over men of the advocate or partisan class, whose habits of mind eminently disqualify them for impartial inquiry. M. Passy's little essay of sixty-seven pages contains all that has any value or cogency in the two hundred and eighty-six declamatory pages of M. Thiers, besides important matter not there found. It is free, at the same time, from the errors with which M. Thiers' pages abound. The style is appropriate; simple, clear, unencumbered with irrelevances, agreeable to read, easy to comprehend, popular without triviality, and without that air of condescendence to the minds of the people which is at once an affront and a mistake.

It appears strange that at this time of day, the question of equality of riches (or it were better to say possessions, for riches always seem to imply superfluity) has to be expounded and discussed. We have the firm and comfortable persuasion, that the better order of workmen and artisans in this country, have got beyond such a humiliating necessity. They know the inequality that exists, and must exist, among themselves. With their sound heads and true instinct (to use a favorite French word) of the possible and the just, nothing is wanted but more knowledge, more faith, and more charity among the class called *instructed*—and who ought to be *instructors*—to render the great body of able and intelligent artisans of England inaccessible to such mischievous delusions as have nearly ruined France and Germany. We cannot say that we are sanguine as to the assistance which the higher classes will or can give to the lower, in mastering these vital problems: but we are not without hope that the good sense of the working men will master them unaided. We do not flatter them or ourselves with the notion that they possess a greater amount of intelligence than their

neighbors; but we are satisfied that that intelligence is less subject to the obliquities caused by vanity, vague ambition, and above all, unappeasable envy, than among the corresponding classes in France.

Passing over those illustrations of inequality, as the great original law of the universe, which must be familiar to every man who can see and think—such as inequality in health, in beauty, in the results of family ties, in natural intelligence, &c.—we come to the acquired inequalities which might seem to be more within the reach of human action. And first, in the knowledge necessary to enable men to turn their physical powers to advantage.

Nothing, says M. Passy, is more distinct in the works of different people, than the effect of their inequality in knowledge. A year scarcely suffices for the inhabitant of the shores of Australia to fashion his canoe; while, in the same lapse of time, a peasant of the coast of Norway finishes at least a dozen excellent boats. Yet both expend the same sum of exertion; but the one has neither the knowledge nor the implements, the employment of which would render his labors more efficacious; the other possesses them, and under his expert and well-furnished hands, the work advances more rapidly, and is completed better. * * Similar contrasts are found in every kind of manufacture. * * Thus there is an intimate and continuous connection between the progress of labor and the progress of intelligence. Men obtain from the pains which labor costs them, more ample means of providing for their wants, only on the condition that they cultivate and enlighten their minds; in every age, mitigation of suffering has been attained only by the acquisition of some knowledge which they did not possess before. Nevertheless, the conquests of mind, through the principle of all industrial progress, do not suffice to enable a man to realize the advantages which they put within his reach. Man acts on the various objects around him only by the aid of material forces; and before he undertakes a work, he must provide himself with all that is necessary to its execution. For example, when a savage wishes to build himself a hut, he must begin by amassing not only the materials which he purposes to use, but the provisions on which he must subsist while he is at work. This necessity exists at all times and in all places. There is no enterprise, no creation, nor improvement, which can be accomplished without produce laid up in reserve, savings amassed,—in other words, without a dispensable capital. Nothing can be done, nothing completed without capital proportioned to the work to be executed. It is with the savings spared from immediate consumption, that the dwellings, the manufactures, the towns which cover the earth have been built; that the soil has been cleared and rendered valuable; that canals and roads have been constructed. Tools, machines, furniture, clothes, all that results from human labor, all that, under whatever form, constitutes native wealth, exists only by means of the successive employment of the capital which paid the cost of their creation. In fact, all these things are only capital transformed, and their value is but the reproduction of that of the sums they have absorbed. Take away from men the faculty of accumulating capital, and it will be impossible for them to extend the sphere of their activity, to use the knowledge they may

acquire, and to sow in the present the seeds of future prosperity. The productive capacity of society must always depend on the abundance of the capital it has at its disposal. Knowledge and capital have always been, and must always be, the generating elements of all wealth. Without them, mankind could never have emerged from their original destitution, nor advanced progressively in well-being and dignity. Now, if we inquire how these indispensable elements arise and extend, we shall find that they have, and can have, no other source than the inequalities which nature has established among men, and which are reproduced in their outward conditions and fortunes.

The author then enters into a well-written, but almost needless, description of the physical and moral inequalities among men. The following is his clear and concise history of the formation of capital.—Capital is the fruit of savings realized, in order that they may be applied to reproduction; it follows, therefore, of course, that they can be accumulated only by persons who have something beyond bare necessities. This supposes an unequal partition of wealth. Let us go back as far as we will in the history of mankind, we shall see that capital has been formed only in consequence of marked differences in the parts that each individual has found means to procure for himself. It is because there existed, even in the most miserable communities, some men endowed with greater ability than others, that labors different from those necessary to mere sustenance, became possible. These men succeeded in procuring stores of food beyond what were demanded to appease the hunger of the moment; and these stores permitted them to devote their leisure to fabricate things for their use. What took place then has taken place ever since. At every successive epoch, the savings of the rich have been converted into reproductive capital, and have furnished industry with the resources necessary to its further development. The more private wealth was augmented by the impulse given to production, the greater was the accumulation of capital; and if we now see works, of which former ages would have been incapable, achieved with a marvellous celerity, it is solely because, thanks to the progress of general prosperity, the number of fortunes which will admit of accumulation has multiplied to such a degree, that the most gigantic undertakings easily obtain the immense advances required for their execution.

The following considerations are obvious enough, and hardly seem to require enforcement; but the fact that men whose brains are in so inextricable a puzzle, as to talk of property being a theft, (as if the idea of theft did not involve that of property!) have acquired influence among the people of France, proves that their statement is not superfluous.

Property is not, as has been sometimes supposed, the result of arbitrary and factitious conventions. It is not founded on considerations of public utility; for such considerations could only have arisen from experience of its effects, and consequently from its previous existence. Property is one of those primitive facts which have their source in the nature of man, and necessarily spring from the laws by which that nature is governed. * * In the successive applications of property,

everything followed the progressive movement of human intelligence and activity. * * * There came a time when legislators intervened in the matter of property; but legislators did not invent a fact to which the constitution of man had given birth; all that they did was to regulate and sanction it, and to give it the support of the public authority.

It is difficult to find anything new to say on this subject; but there is originality, as well as cogency in the following answer to the opinions of the Communists:

All, they say, have a right to take from the common fund the products they may want. Let this be granted: would not this right necessarily involve another?—that of disposing of those products during the time necessary for their use and consumption? This point admitted—and the Communists are constrained to admit it—the question of property is settled. From the right of use, results the right of possession as long as the use subsists; and from thence we are necessarily led to conclude in favor of the right of continuous occupation of things, the use of which is continuous. The Communists must see that there is no middle term in the matter of property. Either they must refuse men the right to touch anything produced by the soil, since nobody can take anything for his own use without abstracting so much from the fund destined to the use of his fellow men,—or they must resign themselves to see acts of permanent, and legitimately permanent, property, arise from the right of use. It is for them to choose.

M. Passy's arguments are at once so brief and so well concatenated, that we can hardly do justice to them by extracts. We recommend our readers to follow them in the original. We must, however, add a few more of the passages by which we have been most struck.

One main cause of the errors of the adherents of the different sorts of Communism is, that they take no account of the progress of mankind, and suppose that they have lived from all time in the midst of the wealth they now enjoy, which is, however, only the painfully acquired fruit of the continuous labors of all the generations which have successively passed over the globe. Judging from the actual value of the soil, they imagine that something of this value existed from the beginning, and that the predecessors of those who now possess nothing were deprived of their share. The error is great. The soil is only an instrument of labor, and before cultivation had called it into operation, it had, in the eyes of its inhabitants, no more value than the plants, the animals, or the stones on its surface, which every one was free to use at his will. It must be remembered that small tribes lived surrounded by immense deserts; and the portion which one family could occupy or till, formed but an imperceptible point in space. Not only did these tribes allow any man freely to cultivate and to appropriate the land he might need, but such acts were regarded with the greatest favor. The reason is obvious.

M. Passy then proceeds to show the no less natural and inevitable tendency of property to descend.—

Property did not expire in the hands which had acquired it. It immediately took a patrimonial character, and was transmitted by inheritance. This, too, was the effect of those natural sentiments of equity

which precede the decisions of the legislator. Man is not an isolated being, nor is it for himself alone that he toils; generally indeed it is the well being of those whose existence is bound to his own that determines him to the sacrifices which are demanded by the formation of property; while, on the other hand, they aid him in his labors. The sons follow their father to the field, which they till, sow and reap with him; they take his place when the weight of years compels him to rest, and the fortune which he acquired has generally been improved or augmented by them. Such are the circumstances upon which their right to inherit from him is founded. * * The existence of the right of succession was a most potent agent. This right gave to personal activity an aim, the moral elevation of which constantly sustained and stimulated its energies. No exertion, no sacrifice was too great to secure the well being of the objects of man's tenderest affections.

The next link in the chain of argument is, the advantage to society of families in continuous possession of wealth; and we should esteem M. Passy as successful in this as in other parts of his argument if we could feel the conviction which he expresses, that "a desire for knowledge, a refined taste, and a high value for the distinctions of intelligence" are the constant, or even the usual, concomitants of hereditary wealth. That conviction would give us a security about the future destinies of this country which we would fain attain to, but cannot. Time was, no doubt, when the possession of knowledge, and the desire for knowledge, were the almost exclusive privilege and distinction of those placed by their birth above the engrossing necessities which compel men to daily labor. But the former is now only partially true,—the latter wholly untrue. In the actual possession of knowledge, the working are daily advancing to a level with the leisure classes;—in the ardent craving for knowledge, they are already far above them. To those who doubt this we would suggest the following test. Let some eminent man of science who is lecturing to five or six hearers in our "seats of learning," announce that he will deliver the same lectures in Spitalfields:—he will see around him hundreds in whom hunger for bread has not been able to extinguish hunger for knowledge;—he will see the eager asking eye, sometimes perplexed, never wandering or indifferent;—he will see humble, fervent homage to his superior intelligence and acquirements, and sincere gratitude for this employment of them. If he sees these things, as we confidently believe he will, what is the conclusion to which he will come? What, but that an aristocracy that wilfully or recklessly throws away its most precious and most potent prerogative,—that renounces the only indestructible ascendancy—has virtually abdicated. Traditional respect, habit, rational fear of change, may uphold it for a time; but its days are as surely numbered as those of a sapless tree.

Hear M. Passy.—

It is not that instruction does not begin to penetrate the ranks in which it was formerly unknown, or that it may not more completely pervade them; but the sciences are not stationary, and it is impossible that their level should be raised without rendering the acquisition of them more onerous and more difficult. In our days, long and painful

study is necessary to the mastery of a single one; and no man can contribute to the advancement of those which he cultivates, without the devotion of a whole life, exempt from the cares imposed by the want of pecuniary resources. On the other hand, there are men who can only realize the discoveries they pursue by means of costly experiments, distant travel, and sacrifices from which the sole recompense they can hope to obtain is a little reputation. These circumstances justify us affirming that the power of adding to the sum of human knowledge will remain in the future, as it has been in the past, the privilege of those who are possessors of competence.

To a certain extent this is doubtless true; but we think M. Passy has underrated the increasing power of the mass of the people to appreciate eminent gifts, and to repair the injustice of fortune towards their possessors. We can imagine a state of society in which rare intellectual endowments would be regarded as the prime treasure of the whole, and ample provision would be made for their culture and employment. We are indeed far enough from any such state of things here. Not only have men interested in maintaining the ascendancy of social over intellectual rank and advantages, seconded the indifference of the people to this, their highest interest, but some of those whose interest seemed to lie in the contrary direction have been found to sacrifice this most important principle to the gratification of vulgar popularity. Instead of ministering to the baser tastes and opinions of the uneducated, by representing the money given to men of science and letters as so much taken from their wants or enjoyments, a true and honest and far-sighted friend of the people would lose no occasion of showing them that it is yet more their interest than their duty to provide sustenance and leisure for those who can instruct them;—that their greatest want and weakness, the source of nine-tenths of the evils under which they labor, is their ignorance;—that those who preach to them this sort of economy are their worst, because their most lasting, enemies;—and that all shows of disinterestedness are dearly paid for in the encouragement given to a radically false and pernicious principle. If, indeed, society will not pay its teachers, it is manifest that M. Passy's prediction must always remain true to the fullest extent: the task of instructing, and, as a natural consequence, the power of governing, mankind must be forever the exclusive privilege and inheritance of wealth. At this moment great efforts are making to persuade the people that the saving of a little money is the highest proof that can be given them of solicitude for their welfare: and may they not learn too late that intelligence, learning, experience, honor, are not wares that will be hawked about at the lowest prices,—and that the only true thrift for a nation is to secure, *at whatever price*, the best, highest, and safest services that are to be had!

[We give place to the preceding article from the London Athenæum, as a curious and instructive commentary upon one of the radical fallacies of the age—a *community of property*. It is rarely that we meet, among the French writers of the age, so much straight-forward common sense;—and it comes very opportunely, when the dogmas of Fourier are so diligently disseminated.—ED. B. M.]

LEGAL MISCELLANY.

DECISIONS IN MARYLAND.

In Chancery. July Term, 1849.

[We are indebted to the Baltimore American for a copy of the following opinion delivered by the Chancellor of Maryland at the July term, 1849. The points at issue are of the utmost importance to all corporations, and deserve the especial attention of banks, insurance companies, savings banks, rail road corporations and others, in whose custody stock shares are held, and at whose discretion shares are transferred. In the present case the Chancellor enters minutely into the examination of important and intricate questions in relation to the rights, duties and liabilities of corporations in reference to the transfer of their stocks. In this suit, the property is involved belonging to the same estate as in the case decided in July term, 1848, before the Circuit Court of the United States for this District. The opinion in the latter case was delivered by Chief Justice Taney, and we are informed its publication in this Magazine has already put several banks on their guard.

The decision in this case has been looked to with interest, as fixing the extent of responsibility imposed upon corporations in guarding the interests of *cestui que trusts*, which hitherto in Maryland has not been clearly defined.

We understand that there has been an appeal taken by the complainants to the Court of Appeals from this decision of the Chancellor, and we shall have to await the determination of the Appellate Court for a final adjudication upon the several points of law involved in the inquiry. The case was argued before the Chancellor by J. Mason Campbell, Esq., for the complainants, Benj. C. Proestman, Esq., for the City of Baltimore, Samuel I. Donaldson, Esq., and Hon. Reverdy Johnson for the Savings Bank of Baltimore, defendants.—Ed. B. M.]

TRANSFER OF BANK STOCK.

William J. Albert, and Emily J. Albert, his wife, vs. The Savings Bank of Baltimore et al. Before the HON. JOHN JOHNSON, Chancellor of Maryland, July, 1849.

This case presents questions of importance and difficulty :

By the will of Talbot Jones, who died in the year 1834, there was bequeathed to the testator's two sons, Samuel Jones and Andrew D. Jones, and the survivor of them, a portion of his estate, in trust, for the use and benefit of his daughter, Emily Jane Jones, now Mrs. Albert, and one of the complainants, during her natural life ; to the end that she, during that period, be permitted to have and enjoy the same, and the income and profits thereof, to her own use and benefit, and without being subject to the control, power, or disposal of any husband she might thereafter have, or in any manner liable for the payment of his debts ; and for the income thereof, her receipts, whether sole or covert, are made sufficient discharges ; and by the will, the parties named as trustees are made executors.

Afterwards, upon a bill filed by certain of the parties in interest, against the said executors and trustees, for the purpose of obtaining the direction and aid of the Court, in the execution of the trust, and for other purposes, a decree passed on the 6th of November, 1841, by which it was, among other things, adjudged that said Samuel and Andrew D. Jones, as trustees under said will, should hold in trust, to

and for the use of Emily J. Albert, certain property therein mentioned, included in which are several sums of the six per cent. stock debt of the city of Baltimore, amounting together to \$6,300.

It does not appear from the will of Talbot Jones, whether any portion of the stock debt of the city of Baltimore was included in the devise and bequest for the use of his daughter, the present Mrs. Albert, the property so devised, consisting of other stocks which are enumerated, portions of his real estate and the rest and residue thereof. But it does appear that on the 20th of November, 1841, Samuel Jones and Andrew D. Jones, executors of Talbot Jones, transferred by endorsements on the certificates to themselves, as trustees, three parcels of said stock, amounting in the aggregate to the sum of \$6,299 99; and that the dividends upon this stock from the 1st of January, 1842, to the 1st of October, 1845, inclusive, were paid to William G. Albert, the husband, upon an authority to Emily J. Albert, dated the 10th of December, 1841, and signed by Samuel and Andrew D. Jones, executors.

It further appears that on the 16th day of October, in the year 1845, this stock was transferred to the Savings Bank of Baltimore, by the endorsement of the said trustees and filing the original certificates in the office of the Register of the city, to secure the re-payment of the sum of \$5,500, loaned by the bank to the commercial firm of Talbot Jones & Co., which consisted at that time of the said Samuel Jones only.

The original certificates, copies of which are produced, and which amount to the sum mentioned, certify, "that the corporation of the city of Baltimore is indebted to Samuel Jones and Andrew D. Jones, trustees," the several sums of money therein expressed, and upon the back of each of them an authority to transfer to the Savings Bank of Baltimore is signed by these parties, as such trustees. Certificates were issued to the bank accordingly, dated on the day of the transfer, by the trustees, signed by the proper officers of the city, stating that the city was indebted to the bank in the sums of money mentioned in the certificate, and thus stood in the name of the bank until the 19th of January, 1847, when a note, given by Talbot Jones & Co., in renewal of the note first given for the money loaned, not having been paid, the stock was sold by the bank for its reimbursement, leaving in its hands a surplus of \$656 90, which is held for the use of the person legally entitled thereto.

The bank denies all knowledge of the decree of the 6th of November, 1841, and of the trust for the female complainant; or that the stock in question stood upon the books of the city in the names of Samuel and Andrew D. Jones, as trustees; or that the same was transferred to it by said trustees. It denies that it knew at the time or knows now, by whom the transfer was made, being satisfied with, and not looking or supposing they were bound to look beyond what appeared upon the face of the certificates; and it may be stated without qualification or reserve, that there is nothing in the record to show that the Bank knew, or had reason to suspect, that the said stock was affected by a trust of any description whatsoever.

In truth, the counsel for the complainants was not understood to ask for a decree against the Bank, upon the ground of either actual or con-

structive notice of the trust; the right to relief, as against it, being claimed upon other grounds.

Assuming that the trustees had the power to sell and transfer this stock, it would seem to be unquestionable that the Bank, regarded as a bona fide purchaser, and without notice, will be protected. The opinion of the Circuit Court of the United States for the Maryland District, in the case of *Lowry v. The Commercial and Farmers' Bank of Baltimore, and others*, delivered by the Chief Justice, in July, 1848, is very clear and full upon this point; and the same principle was conceded in the case of *Wayman and Stockett v. The Westminster Bank, et al.*, 5 Gill, 336.

The mischiefs which would be consequent upon a different doctrine, in disturbing the usages of trade and business, and in depreciating the value of property of this description, are stated forcibly by the Chief Justice in the case referred to, and distinctly presented by the Court in the case of *Davis v. The Bank of England*, 9 Eng. Com. Law Reps. 444. In the latter case, though the property in the stock did not pass, the transfer having been made by a forged power of attorney, yet it was decided that a bona fide purchaser from the party who committed the fraud was entitled to recover from the Bank the dividend which fell due upon the stock, which consisted of consolidated annuities, made payable at the Bank of England. The Judge said in that case—"If this be not the law, who will purchase stock, or who can be certain that the stock which he holds belongs to him?" That "this facility of transfer is one of the advantages belonging to this species of property, and this advantage would be entirely destroyed if a purchaser should be required to look for the regularity of the transfer to all the various persons through whom such stock had passed."

The case of *Wayman and Stockett v. The Westminster Bank, et al.*, may, perhaps, be understood as going beyond the case decided in the Circuit Court, for in that case the stock was transferred by parties who had no legal authority to make the transfer, not being clothed with the legal title, and having but a limited beneficial interest in the stock itself, and yet the Messrs. Wilson, who took the transfer from parties thus destitute of the legal capacity to sell, and having but a limited beneficial interest, being bona fide purchasers without notice, were protected. And it is very manifest, that unless purchasers may rely with confidence upon the certificate of the bank, as evidence of ownership, the difficulty of tracing out the true title, and the distrust which must surround this description of property, will materially diminish its marketable value. In the case of *Hodges v. The Planters' Bank of Prince George's County*, 7 G. & J., 306, the Court of Appeals say—(speaking of a transfer of the stock of a bank made by the proper officers upon the books)—"If fraud or collusion exist, it will, as in all other cases, vitiate the act; but if there be no fraud or collusion, the bank, and not the transferee, must abide the loss, if a loss be sustained by any act of the proper officer of the bank arising either from a misconception of his duty or a want of judgment."

So far, therefore, as the Savings Bank is concerned, they being bona fide purchasers without notice, it might not be necessary to show that

the trustees, Samuel and Andrew D. Jones, had legal authority to transfer this stock. If the City of Baltimore suffered them to make the transfer upon their books, and issued a certificate to the transferee, the City, and not the transferee, must bear the loss; and whether the title to the stock passes or not, the latter will be protected; unless indeed the party by whose negligence or default the loss was occasioned should be incapable of making it good; which, of course, in this case cannot be supported.

But my opinion is, that Samuel and Andrew D. Jones had the legal capacity to transfer this stock; though they may have committed a breach of trust in doing so.

In the entry in the books of the City there was added to their names, as proprietors of this stock, the word "trustees."

The language of the entry, as appears by the certificate, is, "that the corporation of the City of Baltimore is indebted to Samuel Jones and Andrew D. Jones, trustees, in the sum of," &c.; but there was nothing there to show who was the *cestui que trust*, or what the nature of the trust was; nor is there any ground for believing that the officers of the Corporation did know in fact.

In the case of *Harrison v. Harrison*, which was supposed by the court, in *Davis v. The Bank of England*, to be best reported in 2 Atk. 121, the legal authority of the trustee to transfer was conceded; though in doing so he might be guilty of a breach of trust, and of course responsible to the *cestui que trust*.

The judge, in *Davis v. The Bank of England*, in remarking upon this case, as reported in Atk., says—"In this report it appears that the stock was transferred by a trustee, and if so, the question whether a transfer unauthorized by a stockholder would alter the property in the stock, could not arise, the trustee having a legal authority to transfer, although he might be guilty of a breach of trust in exercising that authority."

The case of *Stockdale v. The South Sea Company*, reported in *Barnardiston*, 363, has been relied on as maintaining a contrary doctrine; but I do not so understand it. In that case, speaking of the Company, the Lord Chancellor says—"However, it is very certain, that these great companies are only to consider the person in whose name the stock is standing, unless the trust of the stock is declared on their books." Now what is meant by a declaration of the trust? Does it mean the mere addition of the word "trustee" to the name of the person who appears upon the books as the stockholder? Or must there not be something indicating the character of the trust, or the party beneficially interested?

There never could have been a question, I presume, of the power of a person to transfer stock in whose name it stood, simply, and without any addition; and when the courts speak of the legal authority of a trustee to transfer, they must be understood as meaning trustees, who are known to be such, either by some entry upon the books of the corporation, or in some other way. To doubt the power of the party in whose name the stock stands, when there is nothing to show that he holds it in a fiduciary character, would seem to be impossible; and,

therefore, when questions have arisen as to the legal authority of the trustee to sell and transfer, it must be understood as applying to cases in which the fiduciary character appears, but there is nothing to indicate the nature of the trust or the beneficiaries. It is supposed to be very clear, that no relief can be had against the Savings Bank of Baltimore, except with regard to the surplus in their hands, unless the fact that Samuel Jones was a director of the institution at the time of the loan to him, renders them liable.

The second proviso to the second section of the act of 1818, ch. 93 (the charter) declares among other things that the Corporation shall not be authorized to loan any part of the funds deposited to any director of said Corporation.

The loan in this case was to the firm of Talbot Jones & Co., of which, as it appears by the evidence, Samuel Jones, the director, was the only member; and it is insisted that, as the charter prohibits loans to directors, the contract was void, and the Bank acquired and could exert no title to the stock pledged as security for the re-payment of the money loaned.

If the contract of loan between the Bank and Jones were now open and unexecuted, and an attempt were made to enforce its performance, it appears to me the case of *The Pennsylvania &c. Steam Navigation Co. v. Dandridge*, 8 G. & J. 284, would be conclusive upon the question. The doctrines announced by the court at pages 318, 319 and 320, render it too clear for controversy that even the Corporation itself may avail itself of the want of authority to make the contract sought to be enforced against it, though it has received and enjoyed the consideration upon which it was made.

If then a suit had been brought by the Bank against Jones, or by Jones against the Bank, upon this contract, it would, in my judgment, have been competent to either of the defendants under such circumstances to deny the validity of the contract, as forbidden by the charter.

But this is not a suit upon the contract by either of the parties thereto, against the other. The contract between the parties has been consummated and closed by a sale of the stock held by the Bank and the re-payment of the money loaned. There has been a satisfaction and extinguishment of that contract by payment, four months before this bill was filed by a stranger to that contract; and the question is, whether it is competent to this stranger, now that the money has been paid and the contract performed, to open it, and, upon the ground that it was interdicted by the charter, take away the money from the Bank?

I cannot think so. Even in the case which has been referred to, of *The Steam Navigation Co. v. Dandridge*, which was a suit between the parties to the contract, I am persuaded, that if either of them, after the performance of the contract, had instituted an action against the other, either to recover back the money paid, or for any other purpose, and had placed its right to recover upon the ground of the invalidity of the contract, the answer would have been—you come too late with your complaints, the contract has been performed and is extinguished, and there is an end of it.

I am, therefore, of opinion that there can be no decree against the Bank, except for the surplus which it holds for the party legally entitled thereto.

The right of the complainants to a decree against the City of Baltimore will now be examined.

The answer of the City denies all knowledge in fact of the decree referred to in the bill, or that the said stock was set apart and directed thereby to be held by Samuel Jones and Andrew D. Jones, as trustees, under the will of Talbot Jones, for the use of Mrs. Albert; or that the transfer of said stock by the trustees, to the Bank, was made with the knowledge of the officers of the Corporation, for the use and benefit of Samuel Jones, or Andrew D. Jones, or in any manner misapplied from the purposes for which it was held in trust.

And the answer likewise denies that the officers of the City Corporation knew for whom the said Samuel Jones and Andrew D. Jones did hold said stock, and there is no evidence bringing home to them any knowledge, in fact, of any of these particulars.

The question then is—are there in the facts and circumstances of this case sufficient grounds to charge the City of Baltimore with constructive notice of the violation of his duty as trustee, by Samuel Jones? Did the City know enough to put it on the enquiry and to make it responsible for neglecting to do so, in the same manner as if it knew, in fact, of the existence, character and nature of the trust, and that the trustees, or one of them meant to misapply the trust fund, when the transfer was made? If the City is liable at all, it is upon the ground of negligence, in not instituting the proper investigation, when it was in possession of the knowledge of circumstances sufficient to awaken its suspicions that Jones was about to commit a breach of trust by a misapplication of the trust property.

In this case, as has been stated, the stock stood upon the books of the City in the names of Samuel Jones and Andrew D. Jones, trustees; but for whom they were trustees, and what was the nature and character of the trust, did not appear. In this respect it differs altogether from the case of *Wayman and Stockett v. The Bank, et al.*, in 5 Gill; for in the latter case the entry on the transfer book of the bank displayed the origin, nature and character of the trust, and who were the beneficiaries, and the Court of Appeals say that “the bank by this transfer had notice of the trusts with which the stock was clothed, and that the complainants were the legal proprietors of the stock; and its officers being the trustees of the stockholders, could not, without making the bank responsible, by any negligence or mistake, allow the title to pass to the stock by a transfer, by any other persons than the trustees, without involving the bank in responsibility.” The power of the trustees, holding the legal title, to transfer the stock, thus standing in their names, was affirmed by the court, who maintained them to be the only persons authorized to make the transfer, and the bank was held liable, because it permitted the transfer to be made by others. It is believed, however, that even if the trustees had themselves offered to transfer, under circumstances calculated to excite suspicions that they were about to abuse their trust, the bank would have been bound to institute the

necessary inquiry, and if it omitted to do so, and loss resulted, the loss would be thrown upon it.

Such was the decision of the Circuit Court, and such is believed to be the law. There are, however, circumstances in the case referred to in the Circuit Court which clearly distinguish it from this.

In that case, long after the period allowed by law in this State for the settlement of the estates of deceased persons, one of the executors, his co-executor not concurring, transferred the stock to another bank as security for the loan obtained by him. This loan being re-paid, the bank from whom the executor borrowed the money transferred the stock back to him, by the name of the commercial firm under which he was trading; by which name he subsequently transferred the same stock to himself and his co-executor, as such; and then, shortly afterwards, the same party, signing his name as acting executor, again transferred the stock to the same bank as security for other sums borrowed by him for his own use, and these latter loans not being paid by him, the stock was sold, and hence the loss. These various acts, the Chief Justice said, all appearing upon the books of the bank permitting the transfer, the purpose for which the last transfer was made could not be doubted by the officers, familiar as they were with the usage of loaning money upon the hypothecation of stock; and in truth, as stated by the Court, the bank, in its answer, impliedly admits such knowledge by saying "if the President had known that the transfer was about to be made he would have prevented it."

In this case, there was but a single transfer, and that was made by both the parties in whose names the stock stood, and there is nothing in the answer of the City, or to be found in the evidence, upon which any presumption can be raised that the officers of the City knew, or suspected, that the parties making the transfer were abusing their trust.

In the case in the Circuit Court, the stock stood in the name of the deceased, Talbot Jones, and was transferred by Samuel Jones as executor, from which the Bank must have known that there was a will; of which, as the Chief Justice says, in Maryland the Bank was bound to take notice. In this case, though the stock may at one time have stood in the name of the deceased, yet, from the year 1841, it had stood in the name of the trustees, and as their trusts may be, and often are, created by agreements, of which no record need be made, the same facility of ascertaining the true ownership of the property did not exist, as in the case decided in the Circuit Court, where the bank was pointed to the will of the deceased, to be found upon the public records of the State.

In the case now under consideration, the officers of the City of Baltimore saw by the books of the Corporation that this stock had stood in the names of these parties as trustees, from 1841 to 1845; and although in 1841 it had been transferred by themselves as executors to themselves as trustees, and although the transfer made by them as executors in 1841 was evidence that Talbot Jones left a will, yet as the stock continued to stand in their names as trustees from that time down to 1845, the officers of the City might well assume that the will of the deceased had ceased to operate upon it.

There is another circumstance in this case, which, as it appears to me, draws a marked line of distinction between it and the case decided by the Circuit Court.

The dividends upon this stock, from January 1842 to October 1845, inclusive, were paid to the husband of Mrs. Albert under an authority to her, signed by the executors, and from October 1845 to January 1847, during which period it stood in the name of the Savings Bank, they were paid to its President, Mr. Cushing; and there is no evidence whatever that during that time, or until the filing of this bill, in May, 1847, any enquiry or complaint was made by the complainants to the City on account of this diversion of their accustomed receipts.

The bill alleges that in May, 1846, one of the complainants informed Mr. Cushing that this stock was held by the trustees, in trust for the female complainant; but this allegation is expressly denied in the answer of Mr. Cushing, and there is no evidence in support of the averment. The answer admits that there was a conversation between William J. Albert and the respondent, in the spring of 1846, in reference to a parcel of the stock of the Water Company held by the Bank as security for money loaned to the firm of Talbot Jones & Co., in which he, Albert, intimated that that stock was his, or that he had some interest in it, but the answer wholly denies that the conversation related to the stock now in controversy.

When this conversation was held, two dividends had accrued on this stock, those for January and April 1846. They had accrued and been received by the Savings Bank since its transfer to them in October 1845, and it is difficult to believe that Mr. Albert, who had been accustomed to receive the dividends himself, did not know at that time of the transfer of the stock to the Bank: and yet he said nothing about it, though setting up a claim to another parcel of stock which had been placed with the Bank by the same parties.

Samuel Jones in his answer says that he transferred this stock to the Savings Bank in 1845, with the full knowledge and consent of the said Albert, and the presumption is, I think, very strong that this is the case; as otherwise, it can scarcely be doubted inquiries would have been instituted by him, and the stock traced to the Bank; and if Albert, the husband, knew it, and consented to it, it is certainly not pressing presumption to an unwarrantable extent to presume that Mrs. Albert also knew and consented to it.

It is not at all reasonable to suppose that the loss of the income and dividends upon this stock would not have excited inquiry; and inquiry of the officers of the City would have led directly to a knowledge of the party to whom the stock had been transferred. It may be that if the complainants had (in the latter part of 1845, or in the spring of 1846, when I think they must have known of the transfer of this stock) adopted the proper steps or given the necessary information to the City and Bank, that no loss would have occurred.

Samuel Jones did not stop payment until September, 1846, or petition for the benefit of the insolvent laws until January 1847; and it may very well be said, if the officers of the Bank and the City had been put on their guard in due season, they might have secured themselves

from loss, if under the circumstances of the case they would have been liable.

This was not done, and it was not until after the failure of Jones that this bill was filed, which, for the first time, brought to the knowledge of the defendants the facts upon which relief against them is asked.

I do not think that in the entry upon the books of the Corporation, that this stood in the names of Samuel Jones and Andrew D. Jones, trustees, was, standing by itself, sufficient to put the City upon the inquiry, and to make it responsible upon the ground of negligence; and I am not prepared to say that the fact that another received the dividends upon the order of the trustees, would have that effect. But be that as it may, there has, I think, been negligence if not acquiescence on the part of the *cestui que trusts* quite equal to that imputed to the City, and, therefore, I do not think they are entitled to relief.

The bill will be dismissed as against the City and Cushing, and as against the Bank there will be a decree for the surplus now held by it.

JOHN JOHNSON, *Chancellor.*

DECISIONS IN NEW YORK.

From the New York Legal Observer, June 1849.

Liability of Endorsers.

The decision of the case of the *Cayuga County Bank v. Ethan A. Warden and Franklin L. Griswold*, in the Court of Appeals, a report of which appeared in the April number of the New York Legal Observer, appears to have changed the law in this State in relation to the liability of endorsers, and overrules the case of *Remer v. Downer*, 23 Wendell, 620. In that case, the question was submitted to the jury, "whether the notice of protest was sufficient to apprise the defendant of the dishonor of the note"—or, in other words, "whether the notice conveyed to the mind of the defendant information that the identical note in question had been dishonored," and the jury found in the affirmative, yet the Court of Errors decided that the endorser was not holden. In that case the jury came to the same conclusion on the facts that the judge did who delivered the opinion in the Court of Appeals in the case of the *Bank v. Warden and Griswold*, but the judgments pronounced are entirely different. We have, then, two decisions, recently made by the court of final resort in this State, on the same conclusion of facts, standing in opposition to each other, and the question naturally presents itself to the profession, and the commercial community, which is correct. That two such distinguished and able jurists as Ex-Chancellor Walworth and Judge Jewett stand directly opposed to each other on the same state or conclusion of facts, certainly throws great doubt upon the question, and should cause any one who approaches the investigation of it, to do so with much hesitation and doubt.

The proposition is reduced to this:—Does the liability of the endorser depend upon the state of his own mind, or upon the acts of the

holder. Must the holder of an endorsed note give notice of the presentment and non-payment of the note in order to charge the endorser, or may the holder *substitute*, in place of *such* notice, either *in whole or in part*, the supposed *knowledge* or *information* of the endorser.

In the case of *Remer v. Downer*, the point was distinctly met, and it was decided that the rights of the holder of endorsed paper to recover, depended *upon his own acts*, and in the recent case in the Court of Appeals, the point appears to have been presented with equal clearness, and to have been directly passed upon by the Court, for on examining the printed points in the State Library, it will be seen that the defendant's counsel contended, that "the plaintiff's right to recover did not depend on the *mind or knowledge* of the defendants as to whether the note was paid or not, but upon the *fact* whether the plaintiffs had *performed the conditions* on their part, on the performance of which, *only*, the defendants agreed to pay the note in question," while the plaintiff's counsel insisted, that "the notice of protest served on the defendants was a sufficient notice to charge them as endorsers of the note in question; because, they will be presumed to have *known* that this note for \$600 became due at the time mentioned in the notice, when the note *intended to be referred to* was protested," and the whole *gravamen* of the opinion is, to show, *not* that the plaintiffs gave the defendants notice of the dishonor of the note in question, but that the notice which they did give, *when taken in connection with other facts*, "conveyed to the mind of the defendants information that the identical note in question had been dishonored." It is no where pretended in the opinion that the *acts* of the plaintiffs were sufficient, in and of themselves, to charge the endorsers, but on the contrary thereof, it is the *mind* of the defendants, and that alone, which is looked at in the decision.

That such was once the rule in this State, by which the liability of endorsers were to be ascertained, is not denied; but was that the rule when the case of the *Cayuga County Bank v. Warden and Griswold* was decided, and can it be sustained by sound and correct reasoning?

At the Jefferson County Circuit, in June, 1841, before the case of *Remer v. Downer* was reported, Judge Gridley, in an action of debt against an endorser, doubted the correctness of the rule, and thought the endorser was discharged, but he felt bound, under the decision of the Supreme Court in the case of *The Ontario Bank v. Petrie*, 3 Wendell, 456, to submit the question to the jury, whether the defendant had been misled—or, in the language of Judge Jewett, whether the notice of protest "conveyed to the mind of the endorser information that the identical note in question had been dishonored," and the jury found in the affirmative, and rendered a verdict for the plaintiffs. On a motion for a new trial, Bronson, Judge, is reported to have said, (2 Hill, 593) that the recent decision in the Court of Errors, in the case of *Remer v. Downer*, had shaken the former decisions of the Supreme Court, and rendered it necessary to consider the question upon principle, and a *new trial* was ordered.

It is proposed briefly to review the question, and present some considerations why the rule laid down in *Remer v. Downer*, and *Ransom v. Mack*, should be followed, *hereafter*, instead of the one laid down by Judge Jewett in the case of the *Cayuga County Bank v. Warden and Griswold*.

If it may be assumed as admitted, "that it is important to establish some fixed and certain rule as to what shall be a sufficient description of the note, in a notice of dishonor, so that the holders of negotiable paper, and those who are contingently liable for its payment upon the fault of the parties who are primarily liable, may know and understand their rights and duties in each particular case that may arise," then the rule laid down in *Remer v. Downer* and *Ransom v. Mack*, is correct; but, that is one of the very questions in dispute, for if accessory facts may be let in to aid or help out a defective notice, then it follows as a matter of course, that the notice may vary according to the accessory facts, as they shall be few or many, weaker or stronger, or in other words, the sufficiency of the notice is *then* to be ascertained by the accessory facts, and not by any fixed or certain rule, as by comparing the note "*intended* to be referred to in the notice of dishonor," with the description contained of it *in the notice* served. In some cases the accessory facts may be so strong as to override entirely the notice given, and thus the notice, when taken in connection with *those accessory facts*, may convey to the mind of the endorser information of the identity of the note dishonored, although it should misdescribe the note as to the parties, amount, and every other particular, or should be a blank notice and not describe it at all.

If accessory facts may be used to aid, or help out, a defective notice, *how far may they be used?* If good in *part*, why not good in *whole*, and thus notice of presentment and non-payment to the endorsers be entirely dispensed with. If the mind of the defendant has anything to do with his liability, it must be immaterial *how* that state of mind is produced, or that information conveyed to it, unless it can be maintained as good law and sound logic, that that state of mind must be produced, or that information conveyed to it, in a *particular* way—partly by the notice and partly by the accessory facts; but if that is the rule it defeats the other proposition, for then, the state of mind of the endorser, or the information conveyed to it, would not govern, but the *mode* or *manner* in which that state of mind was produced or information conveyed to it; and, *perhaps*, the *proportions* which the notice and the accessory facts respectively had in producing that result.

It will be found on examination, that the rule laid down by Judge Jewett, cannot be carried into active practice without producing the *worst* of consequences, not only to endorsers but to the holders of endorsed paper, by placing their right to recover, not within their own control and dependent upon their own acts, but by making their rights to depend on the "information which the notice conveys to the mind" of the endorser. It will not be contended, that the mind of the defendant may be looked to, *to aid a recovery*, and not to *defeat one*. If the plaintiff has a right to show what information a notice of dishonor conveyed to the mind of the defendant, in order to ascertain whether it

is a sufficient notice to charge him as an endorser, the defendant has, of course, a right to rebut the evidence, and show that it did not convey such information to his mind. It follows then, conclusively, that if the mind of the defendant may be looked into, in order to *aid a defective notice*, it may be looked into in order to *defeat a perfect one*. The issues at the circuits will then be, not whether the holder has given notice of the dishonor of the note in question, but what information the notice served, *when taken in connection with the accessory facts in each particular case*, conveyed to the mind of the defendant. Accessory facts will then be met by accessory facts, and the business tact and skill of each endorser will become a legitimate and important subject of inquiry upon the trial of every cause. There is not a foreigner in the State, whether he be French or German, Jew or Gentile, who cannot defeat a recovery against him as an endorser, if he cannot read English, and that language is used in the notice of dishonor served, if the rule adopted in the case of the *Cayuga County Bank against Warden and Griswold* be correct.

The error of the rule cannot be better illustrated than by reference to the case under review. Suppose on the re-trial of the cause ordered by the Court of Appeals, the defendants could show that one or both of them had been taken suddenly ill, and was in consequence thereof laboring, on the 3d day of May, 1845, under a temporary derangement, would it not be an impeachment of the integrity of the Court to suppose that in such a case the language of the Court would be otherwise than "who can doubt but that this notice did *not* convey to the mind of the defendants, information of the identity of the note dishonored." Do the rights of the holders of endorsed paper depend upon such contingencies? and if not, do the liabilities of endorsers depend upon them?

Take another illustration. The endorser lives in a country town where the mail is received but once a week, and the note is protested at the county seat on Monday after the mail has left, and the notice of it is deposited in the post-office, directed to him, but which he will not receive by due course of mail until the next week on Monday; on Tuesday after the note is protested, it is sued, and on Wednesday the endorser is served with a summons and complaint, and that too, before he has received the notice, and before it has "conveyed any information to his mind." What then becomes of the reasoning of the judge in the case above referred to?

Who is to judge whether the note is correctly described in the notice of protest, the court or the defendant? In the case above referred to the court undertakes to tell what kind of a judgment the defendants formed, and to substitute *that* as the judgment of the court. It is a dangerous rule for deciding causes, and one by which the liability of defendants must vary according to the intelligence of each particular endorser.

But the most objectionable feature in the decision of the case of the *Cayuga County Bank against Warden and Griswold*, is, that it makes the terms and conditions of one independent contract, dependent upon the existence of other independent and separate contracts, and the terms and conditions of them, thus permitting the notice of the

dishonor of *one* note to vary, as there are few or many *other notes* endorsed by the same defendants. It is entirely clear from the evidence, and the opinion, that if Warden and Griswold had been endorsers of a \$300 note, payable at the Cayuga County Bank, and falling due at or about the time the note in question did, although given to and held by some one, other than the bank, that the court would have held the notice of protest served, insufficient to charge them as endorsers of the note in question for \$600. Cannot the court tell, *as a question of law*, whether the notice correctly described the note in question, as well without knowing whether there were other notes endorsed by the defendants payable at the same bank as with? Suppose there were other notes, how could that affect the question whether the note in suit was or was not correctly described in the notice of protest? The existence or non-existence of other contracts would not add one word, or dot an *i*, or cross a *t*, in either the note or notice. How then could the existence of them, render a *correct* description *less* correct, or the want of them render an *incorrect* description *less* incorrect? Would not the papers read the same in either case? If the notice does not describe the contract correctly when other notes exist, it does not describe it correctly when they do not exist.

Notices of protest may be verbal or written; if written, the question is upon the written notice, *when compared with the note*. If it describe the note correctly it is sufficient, whether the endorser understands it or not, and its sufficiency can be ascertained with the same certainty, that it can be ascertained at the circuit whether the note produced is the one described in the declaration or complaint, and as a *question of law*, the same rule should govern in the one case as in the other, and the same variance which should prevent a note being read in evidence in the one case, should prevent its being read in evidence in the other; and it would be as pertinent to inquire at the circuit on a question of variance or misdescription between the note produced and the one described in the declaration or complaint, whether the defendant had made other notes, or what was the state and condition of his mind in order to ascertain whether such variance or misdescription existed, as for the purpose of ascertaining whether there is a misdescription between *the note produced and the one described in the notice of protest*.

Other and further reasons might be assigned in support of the views above expressed, but if what has been already stated, does not satisfy the understanding and convince the judgment, it is not supposed that any further argument will; and the final disposition of the question must therefore be left to be disposed of when some one shall interpose *his own ignorance* and inability to understand and know what is meant or intended by a written notice of protest as a defence to a recovery, and then, and not till then, may we hope for a final settlement of the question, whether the right to recover depends upon the *fact*, whether the notice is correctly described in the notice of protest, or whether it depends upon the information which the notice conveys to the mind of the defendant, *when taken in connection with the peculiar accessory facts of each particular case*.

Promissory Notes, Notice of Non-Payment.

Benj. Dole, plaintiff in error vs. Charles R. Gold, defendant in error.
 Before the Supreme Court of New York, March term, 1849. Judges Mullett, Hoyt, Sill and Marvin, present.

Note by the Editor B. M.—Recent cases in the courts of New York and Massachusetts, present views of the law with which few States and few individuals are familiar, in regard to notarial notice of protest. It has been generally held, and is so at this moment in nearly all the States, that a notice of protest is sufficient where the party interested receives it in due time and when the notice distinctly conveys to him, as endorser, information of the dishonor. The Supreme Court of the United States decided in the case of *The Bank of Alexandria v. Swann*, (Bankers' Magazine, vol. 2, p. 146,) that "the law has prescribed no particular form for such notice. The object of the notice is merely to inform the endorser of the non-payment by the maker, and that he is held liable for the payment thereof."

And this point is laid down as clearly as the English language can express it, by Judge Story in the same Court, in the appeal of *Mills v. Bank United States*. In that case (Bankers' Magazine, vol. 2, p. 159,) Judge Story uses the following language:

"The last objection to the notice is, that it does not state that payment was demanded at the bank when the note became due. It is certainly not necessary that the notice should contain such a formal allegation. It is sufficient that it states the fact of non-payment of the note, and that the holder looks to the endorser for indemnity. Whether the demand was duly and regularly made is matter of evidence to be established at the trial. If it be not legally made, no averment, however accurate, will help the case; and a statement of non-payment and notice is, by necessary implication, an assertion of right by the holder, founded upon his having complied with the requisitions of law against the endorser."

Notwithstanding these positions so clearly laid down, the Courts of Massachusetts, New York and Michigan, have decided that a notice of non-payment must also inform the parties THAT PAYMENT HAD BEEN DULY DEMANDED.

The following is the ordinary form of notice adopted in Massachusetts.

City of.....184
A bill drawn by.....
for.....dollars, dated.....184
payable.....after date.....
in favor.....
and endorsed by.....
due this day, is protested for non-payment, by direction of the holder, payment having been duly demanded.

The holder requires of you payment thereof.

—————Notary Public.

In Maryland, usage is less strict and the ordinary form of notice is as follows:

BALTIMORE,.....1849.

Please take notice that.....promissory note
dated.....
payable.....after date.....
to.....
for \$.....
due and by you endorsed, is delivered to me by the Cashier of the.....Bank for
protest, and the same not being paid, IS PROTESTED, and will be returned to the said
Cashier, and that you are held liable for the payment thereof.

—————Notary Public.

FORM OF NOTICE USED IN PHILADELPHIA.

Payment of draft on
 in favor of
 and by endorsed for \$
 dated delivered to me for protest by the
 Bank of Philadelphia
 the holder, being this day due, DEMANDED AND REFUSED, it has been by me duly protested
 accordingly, and you will be looked to for payment, of which you hereby have notice.
 _____ Notary Public.

To.....

It is not for us to express an opinion upon these topics, one way or the other. It is enough for us to urge the attention of banking institutions and of holders of negotiable paper, to the discrepancy in the views of our highest courts and to the particular cases having reference to the *requisites* of a notarial notice of protest. Our banking subscribers will no doubt refer the matter to their legal counsel and take such measures as are deemed safe, for their own protection. The amounts at risk in monied institutions are too large, and the subject too important for them to pass over hastily. If the decisions of New York and Massachusetts are sustained, nearly every bank in other States runs great hazards daily by the omission of a few words, so strenuously urged by the courts of those two States to be necessary in a notice of protest.

The decisions in Massachusetts are fully reported in our second volume pp. 160—168, and a late decision in Michigan to the same effect, in the same volume p. 159. We now proceed to furnish the late case in New York, reported for the *New York Legal Observer*.—*Editor B. M.*

A notice to the endorser of a promissory note must be sufficient on its face to charge him as the endorser, and cannot be aided or helped out by extrinsic facts.

Such notice must, in such language as the holder may choose to adopt, inform the endorser of the fact that the note has been duly presented for payment, and that the maker has refused or neglected to pay it.

Error to the Recorder's Court of the City of Buffalo, to review a judgment of that court affirming a judgment of a Justices' Court.

The action before the justice was for the recovery of the money due on a promissory note made by Andrew Cole, payable to the order of Benjamin Dole and endorsed by him. Dole being served with process, appeared before the justice and plead the general issue. On the trial before the justice the plaintiff produced the note, proved the making and endorsing thereof, a demand of payment of the maker in due time, his refusal to pay, and that on the same day of the demand he caused a written notice to be served on Dole, the endorser, in the words following :

BUFFALO, Sept. 8th, 1847.

"Dear Sir:—A note of \$22 50, made by Andrew Cole and payable to your order, and endorsed by you, is due this day, and has not been paid. You will therefore take notice that I am the owner and holder of said note, and look to you for the payment of the same.

Yours, &c.

C. R. GOLD."

And thereupon the plaintiff rested his case. The defendant, Dole, moved for a non-suit, on the ground that the notice was not sufficient

to charge him as endorser; that is, it was defective in not stating that payment of the note had been demanded of the maker.

The justice refused the non-suit, and gave judgment for the plaintiff against Dole for the amount of the note, interest and costs. The judgment was taken to the Recorder's Court, by certiorari, and there affirmed. The judgment of the Recorder's Court is now brought here by writ of error. The only question made on the argument in this court, or presented by the case, relates to the sufficiency of the notice to the plaintiff in error, to charge him as endorser of the note made by Cole.

March term, 1849.—MULLETT, J., now delivered the opinion of the court:—The conditional nature of the endorsee's contract is not denied in this case, nor is it denied that to make the endorser liable, the holder of the note must prove on the trial, that the payment of the note was properly demanded of the maker, and refused or neglected by him; or, in other words, that the note was dishonored by the maker, and that the requisite notice was given to the endorser. The demand and non-payment were sufficiently proved before the justice, and the only question for our consideration relates to the sufficiency of the notice to the endorser. The notice was a written notice subscribed by Gold, the holder of the note, addressed to the endorser, dated and served the day the note became due, and stated that the note, describing it, was *due that day and had not been paid*, and that the subscriber was the owner and holder of the note, and looked to the endorser for the payment of the same. This presents the question whether it was necessary that the notice should inform the endorser that payment of the note had been demanded of the maker. In this State, the sufficiency of the notice, when there is no dispute about the facts, is a question of law to be determined by the court. *Vanhoesen v. Alstyne*, 3 Wend. 75; *The Bank of Utica v. Bender*, 21 Wend. 643; *Remer v. Downer*, 23 Wend. 620; *Ransom v. Mack*, 2 Hill, 587; *Spencer v. Bank of Salina*, 3 Hill, 520.

These decisions are in accordance with the English doctrine on the subject, as it was asserted by Buller, Justice, in the case of *Tindale v. Brown*, decided in 1786, (1 T. R. 169,) and generally maintained by the King's Bench ever since. For the more recent English decisions on this subject, see the chancellor's references in the case of *Remer v. Downer*, above cited. The same principle is adopted in several of the States. In Massachusetts, in the case of *Gilbert v. Dennis*, 3 Met. 495; *Pinkham v. Macy*, 9 Met. R. 374. In Pennsylvania, in the case of *Beanzar v. Wightman*, 7 Watts & Sergt. 261. In Michigan, in the case of *Platt v. Drake*, 1 Doug. Mich. Rep. 296, and by the Supreme Court of the United States, in the cases of *The Bank of Columbia v. Lawrence*, 1 Peters' Rep. 578, Thompson, J., 582; *Rhett v. Poe*, 2 Howard's U. S. Rep. 457, Daniels, J., 480 to 481; *Harris v. Robinson*, 4 How. U. S. Rep. 336, Woodbury, J., 344 to 345.

This being the settled law, the question of the sufficiency of the notice cannot be avoided by the court, under any pretence of submitting it to a jury to say, whether the party could understand what was meant, or whether he was misled by it or not. It is true, there may be many

facts connected with the question of proper diligence in giving notice, such as the residence of the parties, the course of communication between them, &c., which must be submitted to a jury, but the notice, however and whenever sent, must speak for itself. In a case like the one under consideration, there are no extrinsic facts for the jury to find: the notice was properly sent, and shows upon its face what information it gave the endorser, and the court must decide whether it is sufficient or not. The necessity of giving notice to the endorser, grows out of the legal construction of the obligation which he assumes by endorsing the note. Mr. Justice Story, in his *Treatise on Promissory Notes*, sec. 135, says: "The endorsement of a note, in contemplation of law, amounts to a contract on the part of the endorser, with and in favor of the endorsee, and every subsequent holder to whom the note is transferred. *First.* That the instrument itself and the antecedent signatures thereon are genuine. *Second.* That he, the endorser, has a good title to the instrument. *Third.* That he is competent to bind himself by the endorsement as endorser. *Fourth.* That the maker is competent to bind himself to the payment, and will, upon due presentment of the note, pay it at maturity. *Fifth.* That, if, when duly presented, it is not paid by the maker, he, the endorser, will, upon the due and reasonable notice given to him of the dishonor, pay the same to the endorsee or holder. The terms of this contract impose upon the endorsee or holder an obligation to make an attempt to obtain payment from the maker, and to give notice of such attempt and its failure to the endorser, and the performance of this obligation is a condition precedent to the right of the holder to resort to the endorser for the payment of the note. Until the performance of this obligation on the part of the holder, the endorser's liability is contingent—upon the performance, it becomes absolute. One part of this condition precedent to be performed by the holder is in giving of the notice to the endorser. What must this notice contain? The requisites of the notice, that is, what information it must give to the endorser, must be prescribed by law, though the law requires no particular form of words in which that information must be conveyed. *Story on Bills of Exchange*, § 390; *Story on Promissory Notes*, § 348.

In his *Commentaries on the Law of Promissory Notes*, sec. 348, Mr. Justice Story says: "It is indispensable that the notice should either expressly or by just and natural implication, contain in substance the following requisites:

"1st. A true description of the note, so as to ascertain its identity.

"2d. An assertion that it has been duly presented to the maker at its maturity, and dishonored.

"3d. That the holder or other person giving the notice, looks to the person to whom the notice is given for payment and indemnity."

The second requisite is the only one in question in this case. The counsel for the defendant in error, insists that it is not necessary in the notice to the endorser, to inform him that payment of the note had been demanded of the maker, and relies principally upon the case of *Mills v. The Bank of the United States*, 11 Wheat. Rep. 431, to sustain that proposition. It is true, that some of the language of the learned judge,

who delivered the opinion of the court in the case of *Mills v. The Bank of the United States*, disconnected from the subject matter of the case, would seem to favor the assumption of the defendant in error, but applied to the case then under consideration, the opinion merely decides that a notice to an endorser of a note, describing it as payable at a particular bank, on a certain day, and endorsed by him, had been *protested for non-payment*, was not fatally defective by reason of its not stating that payment was demanded at the bank when the note became due. See Ch. J. Shaw's review of the opinion in the case of *Mills v. The Bank of the United States*, 3 Met. Rep. 495.

But whatever may be considered as decided in the case of *Mills v. The Bank of the United States*, the opinion of the court was delivered by Mr. Justice Story, in February, 1826, and before the particular requisites of a notice to an endorser had been a subject of much judicial discussion. About this time the particular point now under consideration, became a subject of extensive litigation in the English courts, which occupied their attention for several years. In 1825, it was decided by the King's Bench, in *Hartly v. Case*, Abbott, C. J., delivering the opinion, that a notice from the holder of a bill of exchange to the endorser, in the following form, "I am desired to apply to you for the payment of the sum of £150, due to myself on a draft drawn by Mr. S. on Mr. Case, which I hope you will, on receipt, discharge, to prevent the necessity of law proceedings, which otherwise will immediately take place," was insufficient to charge the endorser, because it did not apprize the party of the fact of dishonor. The C. J. says, that no particular form of words is necessary in such a notice, but the *language used* must be such as to convey notice to the party what the bill is, and that payment of it has been refused by the acceptor, 4 Barn. & Cres. 339; S. C. Dowling & Ryland's, Rep. 505; 10 Eng. Com. Law Rep. 360. About the same time the great case of *Solarte v. Palmer*, originated in the Common Pleas. Lord Tenterden, at nisi-prius, instructed the jury that a letter from the attorney of the holders, addressed to the endorsers of a bill of exchange, in the following words, "Gentlemen—A bill for £683, drawn by Mr. Joseph Keats upon Messrs. Daniel Jones & Co., and bearing your endorsement, has been put into our hands by the holders, (naming them,) with directions to take legal measures for the recovery thereof, unless immediately paid to yours," &c., was insufficient to charge the endorser, to which direction the plaintiff excepted. The bill of exceptions stated that the C. J. did then and there declare and deliver his opinion to the jury, that the letter was not a sufficient notice of the dishonor and non-payment of the bill of exchange to entitle the plaintiffs to maintain their action against the defendants, and that the jury thereupon gave a verdict for the defendants. The court, upon the bill of exceptions, having overruled the decision of the Chief Justice, and given judgment for the plaintiff, this judgment was taken into the Court of Exchequer Chamber by writ of error; and in A. D. 1231, was reversed by the unanimous concurrence of all the members of the court. The leading opinion on the reversal was delivered by Tindal, C. J., who sustained the nisi-prius decision of Lord Tenterden, and, in his opinion, says—"The notice should at

least inform the party to whom it is addressed, either in express terms or by necessary implication, that the bill has been dishonored. In this notice we think no such information is conveyed in terms, or is to be necessarily implied from its contents. It is perfectly consistent with this notice, that the bill has never been presented at all." 7 Bingham, 350; 20 Eng. Com. Law Rep. 226.

This case was appealed to the House of Lords, and decided there in 1834, upon which the judgment of the Court of Exchequer Chamber was affirmed. Hark, J., delivering the leading opinion, says—"The letter of the plaintiff's attorneys did not amount to a notice of the dishonor of the bill, as such notice ought in express terms, or by necessary implication, to convey full information that the bill had been dishonored." Lord Brougham, C., concurred in the opinion, on the authority of *Hartley v. Case*, the unanimous decision of the Exchequer Chamber, and the 5th edition of Bayly on Bills, and remarked, "that the case was too clear for an appeal." The decision of the House of Lords was concurred in by all the judges present, to wit: Williams J., Bolland, B., Alderson, B., Patteson, J., Taunton, J., Littledale, J., Vaughan, J., and Gaselee, J. 1 Bing. N. C. 194; 27 Eng. Com. Law Rep. 351.

The next case in point of time is that of *Boulton v. Welch*, decided in the Common Pleas, in 1837. Park, J., at nisi-prius, had decided that a notice from the holder to the endorser of a promissory note, describing the note by its amount, the maker's name, its date and the time of its payment, and stating that it was endorsed by him, and that "it became due yesterday, and was returned to him (the holder) unpaid," and requesting payment forthwith, was not sufficient. A verdict, however, was taken for the plaintiff, with leave to the defendant to move for a non-suit. On the hearing of the rule nisi for a non-suit, Tindal, C. J., said—"It did not appear from the letter, (notice,) by necessary inference, that the note had been dishonored. The rule requires that either expressly or by necessary inference, the notice should disclose that the bill or note had been dishonored; here the notice only states that the note had become due and had been returned unpaid. I think, therefore, that the notice is insufficient, and that this rule must be made absolute." Park, Bosanquet and Coltman, Justices, expressly concurred on the authority of *Hartley v. Case* and *Solarte v. Palmer*, 3 Bing. N. C. 683; 32 Eng. Com. Law Rep. 283. In the case of *Phillips v. Gould*, Patteson, J., at the sittings in London, in 1838, ruled that notice from the holder to the endorser of a bill of exchange, stating that a bill of exchange (describing it) lies at my office due and unpaid, was not a good notice of the dishonor of the bill, and referred to the case of *Solarte v. Palmer*, as decided by the House of Lords, 8 Carrington & Payne, 335; 34 Eng. Com. Law Rep. 425.

In the case of *Strange v. Price*, decided in the Common Pleas, in 1839, that court, on the authority of *Hartly v. Case* and *Solarte v. Palmer*, decided that a notice in substance as follows: "Messrs. S. & Co., inform Mr. P. that Mr. B's acceptance, £57 5s. 5d., is not paid. As endorser Mr. P. is called upon to pay the money, which will be expected immediately," was insufficient. Denman, C. J., Littledale,

Patteson, and Coleridge, Justices, concurring. 10 Ad. & Ellis, 195; 37 Eng. Com. Law Rep. 71.

In the case of *Messenger v. Southey*, decided in the Common Pleas, in 1840, the question of the requisites of a notice to an endorser of a bill of exchange again came before the court for consideration. The notice was in this form: "Sir; This is to inform you that the bill I took you, £15 2s. 6d., is not took up, and 4s. 6d., expenses, and the money I must have immediately. My son will be in London on Friday morning,"—was within the previous decisions insufficient. Tindal, J., delivering the opinion of the court. Manning & Granger's Rep. 7639; Eng. Com. Law Rep. 360.

The last English case to which I am able to refer, is that of *Furse v. Sharwood*, decided in the King's Bench, in 1841, in which, after a review of all the previous cases, it was determined in substance that the notice of the dishonor of a bill, by whatever party given, is insufficient if it merely state that the bill has not been paid when due. 2 Ad. & Ellis Rep. N. S. 338; 42 Eng. Com. Law Rep. 726. Thus, after a kind of judicial obstinacy on the part of some of the judges of the Common Pleas, for about sixteen years, it is finally settled by all the courts, with the express concurrence of the ablest judges of one of the most commercial nations on earth, that when there is no dispute about the facts, the sufficiency of notice to an endorser of a bill or note is a question of law, and that the notice must, by its language, directly or by reasonable implication, inform the endorser that the paper has been dishonored, or the court will declare it insufficient. The same principle was adopted by the Supreme Judicial Court of Massachusetts, in 1842, in the case of *Gilbert v. Dennis*, 3 Met. Rep. 495, and adhered to by the same court in 1845, in the case of *Pinkham v. Macy*, 9 Met. Rep. 174. In this last case, Shaw, C. J., re-asserts the rule that the "notice must be such as to inform the endorser, either in terms or by reasonable implication, that the note is dishonored; that is, that it has been presented for payment and payment refused, or other acts done which are deemed equivalent."—[See *Bankers' Magazine*, vol. ii. p. 160–168.]

It appears by the digests that the same rule is adopted in several of the other States, but I have not time to refer to the decisions.

In 1845, after these repeated and almost annual adjudications of the English and some of the highest American courts, for twenty years, the same learned jurist, who delivered the opinion in the case of *Mills v. The Bank of the United States*, in his Commentaries on Promissory Notes, not only states the "indispensable requisites" of the notice to an endorser, as above quoted from sec. 348, but in sec. 350, as to the statement in the notice, that the note has been duly presented and dishonored, says—"This statement is essential to establish the claim or right of the holder, or other party giving notice, for otherwise he will not be entitled to any payment from the endorser. It will be sufficient, indeed, if the notice sent, necessarily, or even fairly, implies by its terms that there has been a due presentment and dishonor at the maturity of the note, but mere notice of the fact that the note has not been paid, affords no proof whatever that it has been presented in due season, or even that it has been presented at all." And in sec. 354, the same

learned author, after remarking that the rule adopted in the American courts upon the subject, is far more liberal than that generally maintained in the English courts, says—"If, however, there be no statement of the dishonor of the note, nor any thing from which it can fairly be implied, that due presentment has been made, the notice would seem to be fatally defective." This rule requires only that the endorser should have notice of the dishonor of the note. Whatever will show the dishonor is sufficient, where a note is made payable at a bank, or other particular place, it is the business of the maker to have funds there at the time to take it up, and if he neglect to do so he dishonors his note, and it is sufficient to inform the endorser of that fact. No personal demand of the maker is necessary. But the maker of a negotiable promissory note, payable at large, which may be transferred *ad infinitum*, without his knowledge, does not dishonor his note until upon due presentment and demand, he refuses or neglects to pay it. In such case, the holder must make a personal demand, or what is equivalent to a personal demand of the maker, before he can claim as against the endorser, that the note is dishonored. *Taylor v. Snyder*, 3 Denio, 145; *Gilmore v. Speis*, 1 Barb. S. C. Rep. 168. I confess I am unable to perceive upon what ground this rule can be called illiberal. It prescribes no particular form of notice, which business men must go to a law book to learn, and which must be adhered to even at the expense of substance. It simply requires the holder, in such language as he may choose to adopt, to inform the endorser of the fact that the maker, on being called upon, has neglected to pay the note. That the contingency upon which the endorser's promise to pay the note depended, has happened, and that his liability has become absolute, or in other words, to do what he agreed to do, as the condition of having the endorser's security. This is a condition of the contract important to the endorser, whose rights are as worthy of protection as those of the holder, and I do not see upon what principle the courts can deprive him of its benefits. It is no answer to say that the holder cannot recover in an action against the endorser, without proving the dishonor of the paper by the party primarily liable. The endorser is not bound by his contract to incur the trouble, expense and business discredit of a law-suit to find out his liability. He contracted for a cheaper, fairer and more business-like mode of information, and he has a right to it, and by the rules of fair dealing he has a right to rely on it. And I have no doubt that if an endorser has been induced to pay the paper endorsed by him, by a false notice of its dishonor, he may recover back the money from the party who has thus fraudulently obtained it.

It was suggested on the argument, that the rule contended for is too inflexible and unvarying for practical business purposes; that the activity of commercial pursuits could not safely be cramped by fixed rules on this subject. If it is necessary that this subject should be regulated by law, it is highly proper that that law, however liberal and expanded it may be, should be fixed and invariable. That this subject should be governed by law, is a conclusion not only of reason but of experience. Commercial business dreads nothing so much as uncertainty; it can adapt itself to almost any fixed system, but cannot endure change and

mutability in a system by which it is to be governed. Uncertainty destroys business confidence and discourages enterprise. What man would deal in commercial paper, which in some form or other must in all commercial countries be to a great extent the medium of exchange and business, if the liability of the parties to it were from time to time and again and again, to be left to the verdict of a jury, who, with the purest motives and highest intelligence, have, from their organization, no power to produce uniformity of decision. The necessity of fixed rules on the subject of notice to endorsers was strongly advocated by Lord Mansfield, and the evils of judicial hesitancy to declare such questions to be questions of law and not of fact, noticed by Buller, J., in the case of *Tindall v. Brown*, above referred to. In alluding to the course of English decisions on this subject at that time, the last mentioned honest and learned judge remarked that the numerous cases on this subject reflect great discredit on the courts of Westminster. They do infinite mischief in the mercantile world, and this evil can only be remedied by doing what the court wished to do in the case of *Metcalf v. Hale*, by considering the reasonableness of time a question of law and not of fact. This evil, which would be as great now as it was then, has been remedied by the adoption of the rule proposed, and the measure has received the approbation of the business experience and the judicial wisdom of three generations, and I have no doubt that it ought to be sustained, for its conformity to the contract between the parties, for its own intrinsic reasonableness, and for its fitness to promote the safety and prosperity of commercial transactions. After having examined this question more with reference to the importance of the principle involved in it, than the amount in controversy between the parties, I have come to the conclusion that the sufficiency of the notice under consideration was a question of law, that the notice was clearly defective, that the Justice and the Recorder's Court erred in sustaining it, and that for this reason the judgment of the Recorder's Court, and that of the Justice, must be reversed.

HOYT, *Presiding Judge*, and Justices SILL and MARVIN, concurred.
New York Legal Observer August 1849.

NOTE.—This decision will put holders of negotiable paper on the enquiry as to the legal requisites of a notarial notice. The law is manifestly not well understood by our bankers and notaries, even in the city of *New York*,—as will appear by the following form of notice used in June 1849.

This is, we understand, the notarial form hitherto and at present used in the city of *New York*, and which, under the decisions now reported, is INFORMAL AND INSUFFICIENT.—It is not so precise as the Philadelphia form, p 193. [Editor B. M.]

§..... *New York*.....184
 *Please to take notice that a promissory note made*
by..... *for*..... §.....
dated.....
endorsed by you, is protested for non-payment, and that the holders look to you for pay-
ment thereof.

————— *Notary Public.*

THE STATE OF BANKING IN IRELAND.

From the London Bankers' Magazine, July 1849.

We have not referred very lately to the state of banking in Ireland, although the calamitous events of which that country has been the scene, during the past two years, have afforded ample materials for interesting discussion. The effects of the famine, the destitution, and the attempted insurrection, have made themselves evident in a variety of ways; but we doubt if any illustration could be stronger than that derived from the state of banking business in that country at the present time. The decline in the volume of circulation—the decrease of discounts and banking accommodation—and, we fear, the increase of unpaid bills in the hands of bankers, give evidence of a period of distress such as even Ireland has rarely seen. It appears, however, as if a new era were fortunately commencing. All the reports yet received of the condition of the crops—more especially of the potato crop—are of a very satisfactory character; and should the anticipations of coming plenty be realized, we may once more hope to see that country raised from its present condition to one of comparative prosperity.

Ireland, unlike Scotland and England, has not long possessed the advantages of a good banking system. Before 1825, when the Provincial Bank of Ireland was established, the provinces were almost entirely without banks. The Bank of Ireland had no branches until the proposed formation of new banks led the directors to endeavor to occupy the more advantageous districts; and before that time the whole country, excepting Dublin—and even this exception need hardly be made—was the prey of unprincipled usurers and needy speculators, who, under the pretence of being bankers, were merely the utterers of promissory notes, which they had no capital to meet when required. Hence the frequent and numerous failures of these banks, and the loss of confidence of the public, who, being so constantly victimized, at last endeavored to avoid the use of banks or bank notes, by practising hoarding and barter—practices which prevail to this day in many parts of Ireland to a greater extent than can readily be imagined.

It is necessary, before coming to a conclusion on any statistical data which may present themselves from an examination of the Circulation Returns of the Irish Banks, to bear these facts in mind. The public were surprised last year to learn, from the official reports of the Savings' Bank Commissioners, that during the period of most extreme distress in Ireland, occasioned by the failure of the potato crop, the deposits in these savings' banks had steadily increased. The rise or fall in the total amount of savings' banks deposits had previously been looked to as a barometer of the condition of the working classes. It was supposed that when the deposits increased workmen were generally well employed and saving money; and that when they were without work, and living upon their reserved earnings, an opposite effect might naturally and certainly be looked for. Such, however, was not the case in the instance referred to; and although the apparent anomaly

has been in some measure explained by the statement that the mass of depositors in Ireland were *not* the working classes, but those who ought not to have become depositors in these banks, yet the fact itself shows how easily we might be misled, judging merely from the *prima facie* view of statistical statements from the sister country.

The obvious conclusions to be drawn from an examination of the Irish Circulation Returns, which we have published monthly since the passing of the Acts by which they were required, are not likely, however, to be very erroneous. We will first quote the figures themselves, and afterwards comment on the peculiarities they disclose.

By the Act of 8 and 9 Vict. c. 37, passed in July, 1845, the circulation of the several Irish Banks was fixed at the undermentioned amounts. The terms were, that the banks should be allowed to issue notes to the extent of the several "fixed issues" then determined, (being the average circulation of each bank for the year ending 1st May, 1845,) without being obliged to hold any amount of specie beyond what they might themselves consider necessary or convenient; but it was enacted that for any additional notes issued after the 6th December, 1845, the banks must hold a corresponding sum in gold. For the purpose of comparison we annex (1) the amounts of the fixed issues; (2) the amount of notes in circulation, as given in our last month's number, viz: to the 21st April, 1849; (3) the total of gold and silver held by the several banks at the time the issues were "fixed;" and (4) the total of gold and silver held by the several banks at 21st April, 1849. By comparing these several amounts, the effect of the recent distress in Ireland on the circulation, and on the stock of specie, will be apparent:—

	Fixed Issue.	Circulation, April 21, 1849.	Specie held, Jan. 3, 1846.	Specie held, April 21, 1849.
Bank of Ireland,	£3,738,428	£2,604,150	£1,247,955	£807,577
Provincial Bank,	927,667	657,837	502,576	352,105
Belfast Bank,	281,611	203,593	173,090	104,173
Northern Bank,	243,440	171,697	114,644	92,974
Ulster Bank,	311,079	195,464	100,868	47,581
National Bank,	761,757	492,824	307,661	251,412
Carrick-on-Suir Nat. Bank, . .	24,084	8,673	7,953	3,014
Clonmel National Bank, . . .	66,428	37,578	29,602	15,783
TOTALS (Irish Banks)	£6,354,494	£4,376,821	£2,489,254	£1,674,919

Thus showing a decrease in the circulation of the notes of the several banks of £1,977,673, and a decrease in the amounts of specie held of £814,335, between the dates specified.

There are peculiarities attending the note circulation of Ireland, in consequence of the issue of notes for sums under £5, which may render it interesting to see whether the decrease on the whole amount has taken place chiefly amongst the small notes, or amongst those for £5 and upwards. The comparison is as follows:—

	At 3d Jan. 1846.	At 21st April 1849.	Decrease.
Notes of £5 and upwards,	£3,039,854	£2,306,124	£733,730
Ditto under £5,	4,364,509	2,070,695	2,293,814

Thus showing that, while the "notes of £5 and upwards" have decreased £733,730 only, the amount of "small notes" has decreased no

less than £2,293,814, or more than three times the former sum. It should perhaps be stated, that by Sir Robert Peel's measure, notes for fractional sums of 25s., 35s., &c., were not allowed to be re-issued after they were paid into the several banks, and that no doubt the greater portion of them have by this time been "retired;" but as it was expected that one pound notes would generally be taken in place of these "fractional notes," the same result as that shown by the above figures would probably have appeared under the circumstances which have occurred, although the "fractional notes" had not been called in.

In order to show that this great change in the volume of the circulation has been chiefly confined to Ireland, we annex a statement of the circulation of the English and Scotch banks, at the same dates as those above quoted for the Irish banks.

	At 3d Jan. 1846.	At 21st April, 1849.	Decrease.
Bank of England,	£20,071,330	£18,599,569	£1,481,761
Private Banks,	4,481,246	3,686,800	794,446
Joint Stock Banks,	3,162,340	2,798,318	364,022
Scotch Banks,	3,336,409	2,907,915	428,494
	<u>£31,051,325</u>	<u>£27,982,602</u>	<u>£3,068,723</u>

Thus showing that while the circulation of the whole of the banks in Great Britain has decreased about *one-tenth* of the total amount in circulation at the 3d January, 1846, the circulation of the Irish banks has diminished nearly *one-third*, as compared with the same period.

Mr. Murray, the chief officer in the Provincial Bank of Ireland, gave the following explanation respecting the note currency of that country, in his evidence before the Parliamentary Committee on Banks of Issue, in 1841; and it will be found to be worthy of attention, taken in connection with the facts shown by the above returns. He said:—

"The chief trade of Ireland, being a trade in provisions, those provisions, whether corn, cattle or flour, come to market immediately after the harvest; the produce comes to market in *very small quantities*; the farmers are exceedingly numerous, and each of them occupies but a small quantity of land. The circulation, therefore, immediately after the harvest, extends itself rapidly, and continues to extend, according to circumstances arising out of the season, down to the middle of January, and sometimes till February, when it reaches its maximum. From about the 1st of October on to about the 1st of February the circulation is increasing, and from the 1st of February down to the 1st of August it is usually diminishing, when it reaches its minimum, and it expands again after harvest."

Without attempting to discuss the important questions that may be raised on a consideration of the facts indicated by the figures quoted above, we may briefly point to some of the conclusions which appear to us to be fairly drawn from the circumstances.

As regards the indications of distress and suffering shown by the rapid decline in the volume of the circulation, the facts have come before us so painfully by other illustrations, that we need not dwell upon the subject. It is quite clear that if the banks have had their issues reduced a third, their discounts must have diminished in a corresponding

degree; and we may assume that the deposits have been diminished, although the depositors in banks in Ireland, being generally of a class of persons independent of many of the contingencies of trade and commerce, may not have been so much affected in their circumstances as those less fortunately situated. Leaving the facts as regards the condition of the country, as *suggestions* for our readers after consideration, we may fairly inquire how far the experience of the last three years of banking in Ireland corresponds with the views held by those who passed the Bank Acts of 1844 and 1845, and whether it does not afford an additional proof of the unsoundness of the "Currency theory," and the impolicy of attempting to make a domestic currency conform to the fluctuations in the foreign exchanges.

According to the advocates of this theory, the circulation should expand when the exchanges are favorable, and contract when they are unfavorable, whatever may be the state of the country or the peculiarities of a local circulation. But it is very evident that in the case of Ireland this has not been the result; and in the words of the witnesses examined before the late Committee on Commercial Distress, "the Act has been imperative," so far as Ireland is concerned. In fact, the banking business of that country is now conducted on what has been termed "banking principles," as distinguished from the currency principles of Mr. Jones Loyd and Sir Robert Peel. The circulation has decreased—not because the exchanges have been unfavorable, but because bankers have not thought it desirable to lend their money to insolvent traders; and the circulation will improve when the circumstances of the country improve, and not because the exchange with New York is higher now than it was a month or two since.

The Irish bankers show very clearly that they know their business much better than the legislature which attempted to teach them. They have regulated their advances by the wants and capabilities of their customers,—not by the pleasant theory which makes the foreign exchanges the test of what a banker may or may not advance to his customer. In short, they have proved that the home currency of a country must be regulated by local circumstances, and cannot be governed by any currency "principle" which does not recognize this fact. If, in obedience to the principle of the law of 1845, the banks had begun to issue their notes by way of discount *liberally*, as soon as the influx of bullion set in some months ago, what would have been the result? A few struggling men might, for a time, have been preserved from bankruptcy; but the dishonored bills of the banks would have increased to an alarming extent. The exercise of a wise discretion has prevented this result; but it appears to us to be a course of conduct utterly opposed to the *principle* of the Irish Bank Act. Our readers have the means of determining whether this conclusion is correct or not; and whether the experience of Irish banking, during the past three years, does not effectually negative the principle on which Sir Robert Peel founded his celebrated scheme, which aggravated the panic in 1847, and would have operated in the same way in Ireland and Scotland, but that the bankers there fortunately had the power to disobey its requirements, and act according to the directions of experience and common sense.

BANKING IN SOUTH AMERICA.

Communicated to the London Bankers' Magazine.

Suggestions for Establishing a Bank in the N. Provinces of Brazil.

I beg to call the attention of the important and wealthy classes of this land, who are addressed through the medium of your publication, to a field for extensive banking operations, which is totally unprovided for. The country here alluded to is the northern part of Brazil. This empire, it is well known, is rich in all the products of a tropical climate. It is advancing in the estimation of nations. Its once dormant energies are awakening to the sounds of civilization. Already an anti-slavery paper has been started, and before long it is hoped this blot upon the possessors of that land, will be wiped away by the glorious cry of freedom. Industry and the arts make great changes in a nation, and of this statement Brazil is an example. The cultivation of coffee, sugar, and cotton, has very much increased of late years, which shows that the inhabitants know their own interests. The establishment of steam-boats along the coast has tended much to cement the bond of friendship and sympathy which exists between the northern and southern parts of the empire. But yet, with all these improvements, Brazil, in its northern provinces, has not attempted to provide itself with banking institutions. With the exception of the Treasury, (which issues notes and is the Government bank) a public joint-stock company, "O Banco do Commercio," (or Commercial Bank) one opened two years since in Bahia, there does not exist a single banking establishment in any other part of the empire. Along the coast we meet with the important seaports of Bahia, (containing about 200,000 inhabitants) Pernambuco, (about 10,000) Rio Grande, Marahan, Maçêio, and Para. These towns are destitute, with the exception of the first, of any banking institutions; and even in Rio de Janeiro so little confidence is reposed in the banks there established, that the English and other merchants prefer keeping their cash in their coffers, to trusting it to that establishment. The issue in the city of Rio de Janeiro, and in the provinces adjoining, is chiefly of notes of the Treasury. Another kind of issue is prevalent in Rio de Janeiro, *i. e.*, when bills or pr. notes issued by the bank fall due, another pr. note at several months date for the amount of the bills, is issued; interest is allowed upon it for the time it has to run, and added to the principal, and the bill passes current for the total amount; and when this obligation is presented for payment, it is discharged in a similar manner. Government notes are frequently exchanged for these bills. These notes are usually preferred to gold or silver coin; but though this circumstance takes place in the provinces near Rio, in the northern parts of the empire copper is so plentiful, and gold and silver so scarce, that these notes are more cheerfully received.

In establishing a bank at Rio, there would be great difficulty, as the Treasury and the "Banco do Commercio" have too much interest with the Government to allow a competitor to appear in the field. But in the towns above mentioned, I am assured by a gentleman who has just

returned from Rio, no great difficulty would exist in the formation of a bank. A memorial would have to be presented to the Brazilian Government, praying for permission to take this step; and my opinion is, that they would rather encourage such an undertaking, as the Brazilians are too lax in their principles to carry on an establishment of that kind with success or prudence. In the towns above mentioned are many English firms, who, it is probable, would give such an enterprise encouragement.

The Brazilian law relating to commerce and banking, is somewhat loose and indefinite; but the high character of the English merchants generally, ensures to them safety and freedom in business operations. Until lately it was not customary in Rio, for a shopkeeper to give a receipt for goods which he had bought from English merchants; but the law generally favored and believed the entries in books of the latter more than any statement of the former.

The towns I have mentioned would afford a wide and remunerative field for foreign capital and enterprise. Were a company formed, with a head-office in London and branches at the various towns I have mentioned, it would no doubt prove a paying concern, in the course of years. The rate of interest, 8 per cent. per annum, would be a fair remuneration for money advanced to parties on good security. Some Jews in Rio, though limited in number, carry on a good trade as bill discounters.

The author of a "Voyage up the Amazon and a Residence at Para," states that a circulating medium is very much wanted in that part of the empire. Copper coin is so plentiful, that it is almost a drug in most of the provinces, whilst in Rio de Janeiro it is always at a discount. On this account government notes are readily received; and the ministers sometimes issue through different hands an immense amount of paper, which finding its way into the provinces, continues to circulate there until it at last finds a lower discount, by which manœuvre, they realize a considerable profit. Here, then, is the field for capitalists. There are difficulties, it is true, in the way; but these must be met. Such an undertaking would promote industry and commerce, encourage the honest and persevering, and improve, in a great degree, the well-being and comfort of the inhabitants of Brazil. The bank established at Bahia is allowed to issue notes, with which they have frequently over-supplied the town, and by these means has displaced an equal amount of government paper. This bank, however, is obliged to give government paper for its notes, when the latter are presented for payment. Its directors are Portuguese or Brazilians: one or two of them may be respectable; but the others do not scruple to avail of their interest to obtain advances and other favors for their relations. From this and the preceding reasons, this bank has been once or twice nearly insolvent; it is principally one of issue. Banks of discount are much wanted in Bahia, and as the circulating medium is already plentiful there, the further issue of notes would not tend to the welfare of the country. In the northern parts of Brazil a paper currency is much wanted.

These statements are not those of a mere theorist; but of persons qualified, by their long residence in Brazil, to give an opinion on the subject.

DIVIDENDS ON ENGLISH BANKRUPT ESTATES.

A list of the principal failures in London, 1847-8, their line of business, amount of liabilities and assets, and dividends paid, up to June, 1849.

NAMES.	BUSINESS.	LIABILITIES.	ASSETS.
† Alexander & Co. L. Dividend paid, 2s. 8d. per £.—further expected.	Corn Trade,	£573,188	£125,000
Barclay, Brothers & Co. Dividend paid, 2s. 6d. per £.—further expected.	Mauritius Trade,	389,504	395,491
† Bensusan & Co. No dividend paid—estimated realization, 4d. per £.	Mogador Trade,	57,961	2,316
Booker, Sons & Co. Dividend paid, 2s. 6d. per £.	Corn Trade,	40,000	*
Boyd's & Thomas, Dividend paid, 2s. per £.—and further anticipated.	East India Trade,	38,684	29,554
Braine, G. T. Dividend paid 15s. per £.—and 5s. per £. anticipated.	East India Trade,	226,412	411,349
Bruce, Buxton & Co. Dividend 1s. per £.—and further expected.	Bill Brokers,	347,000	61,000
Castellain, Sons & Co. Dividend paid, 10s. per £.—and a small addition expected.	General Merchants,	65,651	33,603
Cockerell, Larpent & Co. No dividend yet paid—value of assets very uncertain.	East India Trade,	619,393	809,254
Cotesworth, Powell & Pryor, Arrangements for 20s. per £.—and business resumed.	Brazil & Spanish Am.	350,000	*
Coventry & Sheppard, Dividend paid, 5s. 6d. per £.	Corn Trade,	200,000	*
Cruickshank, Melville & Co. No dividend—value of assets very uncertain.	E. and W. India T'de,	182,984	152,179
Douglass & Son, C. Dividend paid, 5s. per £.	Corn Trade,	250,000	*
Fraser, W. F. Dividend paid, 4s. per £.—further anticipated.	East India Trade,	33,665	40,307
Fry, Griffiths & Co. Dividend paid, 4s. per £.	Colonial Brokers,	90,979	19,231
Giles, Son & Co. Dividend paid, 12s. per £.	Corn Trade,	152,824	90,911
Gower & Nephews, A. A. Dividend paid, 1s. 6d. per £.—further anticipated.	Spanish and Mauritius,	450,824	112,331
Harman & Co. Dividend paid 3s. per £.—closely estimated to pay 3s. 3d.	Russia Trade,	541,439	110,194
Hastie & Hutchinson, Composition, 15s. per £.	Corn Trade,	50,451	38,796
† Johnson, Cole & Co. No dividend yet—expected to realize 4d. per £.	East India Trade,	122,666	71,844
King, Melvil & Co. Dividend paid, 8s. per £.	Corn Trade,	200,000	*
Kingston & Co. J. No dividend yet paid.	West India Trade,	25,245	44,382

NAMES.	BUSINESS.	LIABILITIES.	ASSETS.
† Lackersteen, A. A.	East India Trade,	185,529	100,355
Dividend paid 6d. per £.—further small dividends expected.			
† Lackersteen & Crake.	East India Trade,	133,091	26,257
Dividend paid, 10½d. per £.—small dividend further expected.			
Leaf, Barnett, Scotson & Co.	Warehousemen,	85,575	89,079
Composition 16s. per £.			
Lyall, Brothers & Co.	East India Trade,	340,387	151,556
Dividend paid 1s. per £.—further anticipated.			
Morley, J. & W.	Warehousemen,	119,731	89,217
Composition, 11s. per £.			
Nevins & Allen,	Corn Trade,	69,907	8,126
Dividend paid, 1s. 10½d. per £.			
Perkins, Schlusser & Mullens,	East India and Baltic,	127,327	136,048
Dividend, 8s. per £.—and further dividend expected.			
Phillips & Co. S.	East India Trade,	101,474	100,075
Dividend paid, 1s. per £.—and further expected.			
Phillips & Co. L.	East India Trade,	18,368	64,840
Dividend paid, 5s. per £.—and further expected.			
Reid, Irving & Co.	W. I. and Mauritius,	660,432	846,756
Dividend paid, 1s. 6d. per £.—and further expected.			
Reay & Reay,	Wine Trade,	47,788	16,459
Dividend paid 4s. per £.—and further anticipated.			
Rickards, Little & Co.	East India Trade,	144,626	50,430
Dividend paid, 1s. per £.—remainder very uncertain.			
Robinson & Co. W. R.	Corn Trade,	94,362	100,390
Dividend paid, 20s. per £.			
† Rougemont, Brothers & Co.	General Merchants,	109,450	77,900
Dividend, 8s. 3d. per £.—and further expected.			
Ryder, Wienholt & Co.	East India Trade,	34,587	23,670
Dividend paid, 2s. 8d. per £.			
Sanderson & Co.	Bill Brokers,	168,000	447,000
Dividend paid, 20s. per £.—and business resumed.			
Sargant, Gordon & Co.	Colonial Brokers,	65,254	10,652
Dividend 2s. 6d. per £.—and further expected.			
Scott, Bell & Co.	East India Trade,	99,629	143,248
Dividend paid, 20s. per £.—and business resumed.			
Thomas, Son & Lefevre	Russia Trade,	401,760	441,972
Dividend, 20s. per £.—and business resumed.			
Thurburn & Co.	East India Trade,	109,139	139,604
Dividend paid, 2s. per £.—and further expected.			
Trueman & Cook,	Colonial Brokers,	379,104	381,835
Dividend paid, 12s. per £.—and further expected.			
Usborne & Son, T.	Corn Trade,	59,457	33,527
Composition accepted of 11s. per £.			
Woodley, W. & J.	Corn Trade,	99,509	90,845
Dividend paid, 17s. 7d. per £.			

* Assets not mentioned.

† Estates administered in Bankruptcy.

The preceding table of failures, liabilities and assets is compiled from the second edition of "The Commercial Crisis of 1847 and 1848, by D. Morier Evans." Published in London by Letts & Co., 1849.

EUROPEAN BANKERS.

LIST OF BANKS AND BANKERS IN LONDON.

From the London Bankers' Almanac, 1849.

- Agra and United Service Bank, Old Jewry, (F. R. Hampton, Agent.)
 Bank of Australasia, (William Milliken, Secretary,) 2, Moorgate Street.
 Bank of British North America, (G. De B. Attwood, Secretary,) 7, St. Helen's Place, Bishopsgate Within.
 Bank of Ceylon, (Hugh Mackay, Secretary,) 32, New Broad Street.
 Bank of England, Threadneedle Street.
 Bank of North-western India, (J. Watson, Director,) King's Arms Yard, Coleman Street.
 Barclay, Bevan, Tritton, and Co., 54, Lombard Street.
 Barnard, Dimsdale, Barnard & Dimsdale, 50, Cornhill.
 Barnett, Hoares & Co., 62, Lombard Street.
 Biggerstaff, Wm. & John, 8, West Smithfield.
 Bosanquet & Franks, 73, Lombard Street.
 Bouverie, Norman and Murdoch, 11, Haymarket.
 British and Australian Bank, 21, Coleman Street.
 British and Colonial Bank and Loan Company, 50, Moorgate Street.
 Brown, Janson & Co., 32, Abchurch Lane.
 Bult, James, Son & Co., 85 and 86, Cheapside.
 Call, Sir W. P. Bart., Marten & Co., 25, Old Bond Street.
 Child & Co., Temple Bar.
 Clearing House, Post Office Court, Lombard Street.
 Cocks & Biddulph, 43, Charing Cross.
 Colonial Bank, (Chas. A. Calvert, Secretary,) 13, Bishopsgate Within.
 Commercial Bank of London, Lothbury, (A. R. Cutbill, Manager,) and 6, Henrietta Street, Covent Garden.
 Courts & Co., 59, Strand.
 Cunliffe, Roger, 24, Bucklersbury.
 Cunliffe, Brookes, Cunliffe & Co. 24, Lombard Street.
 Curries & Co. 29, Cornhill.
 Davis, Robert & Co. 187, Shoreditch.
 De Lisle, Janvrin, & De Lisle, 16, Devonshire Square, Bishopsgate.
 Denison, Heywood, Kennards & Co. 4, Lombard Street.
 Dixon, Brooks & Dixon, 25, Chancery Lane.
 Drewett & Fowler, 4, Princes Street, Bank.
 Drummonds, 49, Charing Cross.
 Feltham, John & Co. 42, Lombard St.
 Fullers & Co. 65, Moorgate Street.
 Glyn, Hallifax, Mills & Co. 67, Lombard Street.
 Goslings & Sharpe, 19, Fleet Street.
 Hanburys, Taylor & Lloyds, 60, Lombard Street.
 Hankeys & Co. 7, Fenchurch Street.
 Herries, Farquhar, Davidson, Chapman & Co. 16, St. James' Street.
 Hill, Charles & Sons, 17, West Smithfield.
 Hoares, 37, Fleet Street.
 Hopkinson, Charles & Co. 3, Regent Street, Waterloo Place.
 Ionian Bank, (William Kettlewell, Secretary,) 6, Great Winchester Street.
 Johnston, Hugh & John & Co. 15, Great Bush Lane.
 Jones, Lloyd & Co. 43, Lothbury.
 Jones & Son, 41, West Smithfield.
 Kinloch, G. F., & Sons, 1, New Broad Street.
 London & County Joint Stock Banking Co. (Henry Luard, General Manager,) 71, Lombard Street; Branch, 41, West Smithfield.
 London Joint Stock Bank, (Geo. Pollard, General Manager,) 5, Princes Street, Bank Western Branch, 69, Pall Mall.
 London and Westminster Bank, Lothbury, (J. W. Gilbert, General Manager;) Branches, 1, St. James's Square, (Oliver Vile, Manager;) 213, High Holborn, (William Ewings, Manager;) 3, Wellington Street, Borough, (Edward Kingsford, Manager;) 37, High Street, Whitechapel, (William Dent Asperne, Manager;) and 4, Stratford Place, Oxford Street, (Geo. M. Mitchell, Manager.)
 Lubbock, Sir John Wm., Bart., Forster, & Co. 11, Mansion House Street.
 Masterman, Peters, Mildred, Masterman & Co. 35, Nicholas Lane, Lombard Street.
 Martin, Stones & Martins, 68, Lombard Street.

- National Bank of Ireland, (S. N. King, Secretary,) 18, Old Broad Street.
 National Provincial Bank of England, (Daniel Robertson, General Manager), 112, Bishopsgate Within.
 Oriental Bank, W. W. Cargill, Chief Manager Walbrook.
 Pickstock, John, Luce & Co. 89, Clement's Lane.
 Pocklington & Lacy, 60, West Smithfield.
 Praed, Fane, Praed & Johnston, 189, Fleet Street.
 Prescott, Grote, Ames & Cave, 62, Threadneedle Street.
 Price, Marryat & Co., 8, King William Street, City.
 Provincial Bank of Ireland, (Thomas Hewat, Secretary,) 42, Old Broad Street.
 Puget, Bainbridges & Co. 12, St. Paul's Church Yard.
 Ransom & Co. 1, Pall Mall East.
 Roberts, Curtis & Co. 15, Lombard St.
 Rogers, Olding & Co. 29, Clement's Lane.
 Royal Bank of Australia, (Thomas Huggins, Secretary,) 2, Moorgate Street City.
 Sapte, Banbury, Muspratt & Co. 77, Lombard Street.
 Scott, Sir Samuel, Bart., & Co. 1, Cavendish Square.
 Smith, Payne & Smiths, 1, Lombard Street.
 Smithfield Agency & Banking Company, 59, West Smithfield.
 South Australian Banking Company, (Edmund J. Wheeler, Manager,) 54, Old Broad Street.
 Spooner, Attwoods & Co., 27, Gracechurch Street.
 Stallard, Wm. Henry, 76, West Smithfield.
 Stevenson, Salt & Sons, 20, Lombard Street.
 Stone, Martins & Sons, 68, Lombard Street.
 Strahan, Paul, Paul & Bates, 217, Strand.
 Stride & Sons, 6, Copthall Court.
 Tisdall, Thomas George, 15, West Smithfield.
 Twinings, 215, Strand.
 Union Bank of Australia, 88, Old Broad Street.
 Union Bank of London, (William W. Scrimgeour, General Manager;) Principal Office, 2, Princes Street, Mansion House; Charing Cross Branch, 4, Pall Mall East, (Alex. Wight, Manager;) Regent Street Branch, Argyll Place, (Henry T. Clack, Manager.)
 Williams, Deacon, Labouchere, Thornton & Co. 20, Birchin Lane.
 Willis, Percival & Co. 76, Lombard Street.
 Young & Co., 6, Wellington St. Borough.

LIST OF FOREIGN BANKERS.

- Alexandria*, Briggs & Co.
Aleppo, Wm. and Rt. Black & Co.
Amsterdam, Hope & Co.
Antwerp, Nottebohn, Brothers.
Athens, Frederick Strong.
Baden-Baden, F. S. Meyer.
Barcelona, Gerona, Brothers.
Bayonne, Lanne, Brothers.
Beirout, Lancaster, Watson & Co.
Berlin, Shickler, Brothers.
Bilboa, Fras. Gaminde.
Bombay, Oriental Bank.
Bonn, Jonas Cahn.
Bordeaux, Barton and Guestier.
Boulogne-sur-Mer, Achille Adam.
Bruges, Felix du Janin.
Brussels, Simon Salter.
Cadiz, Lonergan, Brothers.
Cairo, Briggs & Co.
Calais, Ph. Devot & Co.
Calcutta, Oriental Bank.
Cape of Good Hope, Cape Town, Cape of Good Hope Bank.
Cape of Good Hope, Graham's Town, Eastern Province Bank.
Ceylon, Oriental Bank.
Coburg, Schraidt & Co.
Cologne, J. D. Herstatt.
 " A. Schaffhausen.
Constantinople, Charles S. Hanson & Co.
 " Whittall & Watson.
Copenhagen, Frolich & Co.
 " G. Ryan.
Corfu, J. Courage.
 " F. Gysi.
Corunna, J. Fran. Barrie.
Damascus, G. H. Gibb & Co.
Dantzic, Gibsone & Co.
Dieppe, Osmont Dufour & Co.
 " Quenouille, Sen.
Dresden, H. G. Bassenge & Co.
 " M. Kaskel.
Dunkirk, Ch. Carlier.
Florence, Maquay and Pakenham.
 " Em. Fenzi & Co.
 " Plowden and French.

- Frankfort-sur-Maine, Gogel, Koch & Co.
 " M. A. De Rothschild & Son.
 " Marcus Konigswarter.
 Geneva, Lombard, Odier & Co.
 Genoa, Gibbs & Co.
 Ghent, The Bank of Flanders.
 Gibraltar, Archbold, Johnston & Powers.
 Gottingen, H. F. Klettwig & Reibstein.
 Halifax, (N. S.,) Charman & Co.
 Hamburg, S. Heine.
 Hanover, L. & A. H. Cohen.
 " Adolphe Meyer.
 Havre, Dubois & Co.
 Hague, Scheurleer & Son.
 Hong Kong, Oriental Bank.
 Jerusalem, W. T. Young.
 Leghorn, Thomas Harrison.
 Leipsig, Frege & Co.
 " M. Kaskel.
 Liege, Charles Dubois.
 " M. J. Vercour & Co.
 Lisbon, Lucas, Gonne & Gribble.
 " H. G. Scholtz.
 Lucerne, F. Knoerr & Son.
 Lyons, Widow Guerin & Son.
 Madeira, G. & R. Blackburn & Co.
 " Murdoch, Shortridge & Co.
 Madras, Bank of Madras; Binny & Co.
 Madrid, Henry O'Shea & Co.
 Malta, James Bell & Co.
 " R. Duckworth & Co.
 Marseilles, J. D. Richardson & Co.
 " Salavy, Son & Co.
 Mauritius (Port Louis,) Blyth, Brothers
 & Co.
 Mayence, Mappes, Brothers.
 Milan, J. M. Poggi.
 " Thomas & Co.
 Moscow, J. L. Burckhardt.
 " A. Marc & Co.
 Munich, A. E. D'Eichthal.
 Nantes, P. Ciret & Co.
 Naples, De Rothschild & Sons.
 Neufchatel, Antoine Fornachon.
 Nice, Avigdor, Sen. & Son.
 " E. Carlone & Co.
 Nuremberg, Leonard Kalb.
 Odessa, E. Maho & Co.
 Oporto, Burmester & Co.
 " Cockburns, Greig & Dunlop.
 Orleans, Daquet, Sen. & Co.
 Ostend, F. A. Belleruche.
 Palermo, George Wood & Co.
 Paris, Callaghan & Son.
 " A. Gouin & Co.
 " De Rothschild, Brothers.
 Pisa, Maquay & Pakenham.
 " Ferd. Peverada.
 Prague, C. A. Feidler & Son.
 Presbourg, Arnstein and Eskeles, of
 Vienna.
 Rheims, Ruinart & Son.
 Riga, Cumming, Fenton & Co.
 Rio de Janeiro, Freeland, Ker, Collings
 and Co.
 Rome, Torlonia & Co.
 Rotterdam, Ferrier & Co.
 Rouen, B. Le Normand.
 Seville, Cahill, White & Co.
 St. Malo, Lemoine.
 St. Omer, A. Caffieri.
 St. Petersburg, Wilson & Co.
 Stockholm, D. Erskine.
 Strasbourg, Ratisbonne, Brothers.
 Toulon, M. Traubad, Brothers.
 " Crassous, Cadet & Son.
 Toulouse, J. Cassaing & Co.
 Trieste, J. Collioud, Lang, Freeland and
 Co.
 Turin, Nigra, Brothers.
 Utrecht, Vlaer and Kol.
 Valencia, White, Llano & Vague.
 Venice, Tatam & Mudie, British Con-
 sulate.
 Vienna, Arnstein & Eskeles.
 Warsaw, S. A. Fraenkel.
 Wiesbaden, Marcus Berle.
 Zurich, Gaspard Schultress & Co.

List of British Colonial Banks having Offices in London.

	Established.	Capital paid.	Dividend.	London Office.
Agra and United Service Bank,	1833	£677,000	12	15, Old Jewry.
Bank of Australasia,	1835	900,000	8	Bank of England.
Bank of British North America, .	1836	1,000,000	5	St. Helen's Place.
Bank of Ceylon,	1840	125,000	7	
Oriental Bank,	1842	901,000	8	7 Walbrook, London.
Colonial Bank,		500,000	4	Head Office, "
Ionian Bank,	1839	150,000	6	" "
North W. Bank of India,		400,000		Branch Office, "
Royal Bank of Australia,	1840	130,000	5	Union B., London.
South Australian Banking Co., . .	1841	180,125	4	Currie & Co.
Union Bank of Australia,	1837	820,000	6	Glyn & Co.

COUNTRY BANKS IN NEW YORK.

A list of the Banks in the State of New York, (the cities of New York, Albany and Brooklyn excepted,) with the names and residences of their respective Agents, August 2, 1849. Published pursuant to chap. 202, section 3, laws of 1840.

Those marked with a * redeem at par in New York.

<i>Name of the Bank.</i>	<i>Location and P. O.</i>	<i>Agent.</i>	<i>Residence.</i>
Agricultural Bank,	Herkimer, . . .	Albany City Bank,	Albany.
Amenia Bank,	Leedsville, . . .	Washburn & Co., .	"
American Bank,	Mayville, . . .	Washburn & Co., .	"
Ballston Spa Bank,	Ballston Spa, . .	Albany City Bank,	"
Bank of Albion,	Albion,	Albany City Bank,	"
Bank of Attica,	Buffalo,	N. York State Bank,	"
Bank of Auburn,	Auburn,	N. York State Bank,	"
Bank of Bainbridge,	Bainbridge, . . .	Washburn & Co., .	"
Bank of Cayuga Lake,	Ithaca,	Washburn & Co., .	"
Bank of Central New York,	Utica,	Albany Exch'ge Bk.	"
Bank of Chenango,	Norwich,	N. York State Bk.	"
Bank of Corning,	Corning,	Mec. and Far. Bank,	"
Bank of Dansville,	Dansville,	N. York State Bk.	"
Bank of the Empire State,	Fairport,	Washburn & Co. .	"
Bank of Genesee,	Batavia,	N. York State Bk.	"
Bank of Geneva,	Geneva,	Henry Dwight, Jr.	N. York.
Bank of Ithaca,	Ithaca,	Am. Exchange Bk.	"
*Bank of Kinderhook,	Kinderhook, . . .	Am. Exchange Bk.	"
Bank of Lake Erie,	Buffalo,	N. York State Bank,	Albany.
Bank of Lansingburgh,	Lansingburgh, . .	Pepoon & Hoffman,	N. York.
Bank of Lowville,	Lowville,	Albany Ex. Bank,	Albany.
Bank of Monroe,	Rochester,	N. York State Bk.	"
*Bank of Newburgh,	Newburgh,	Mer. Exchange Bk.	N. York.
Bank of New Rochelle,	Pound Ridge, . . .	Oliver White, . . .	"
Bank of Orange County,	Goshen,	S. Van Duzer, . . .	"
Bank of Orleans,	Albion,	Mec. and Far. Bk.	Albany.
Bank of Oswego,	Oswego,	Albany Ex. Bank,	"
Bank of Pawling,	Pawling,		
*Bank of Poughkeepsie,	Poughkeepsie, . .	Mer. Exchange Bk.	N. York.
Bank of Rome,	Rome,	N. York State Bk.	Albany.
*Bank of Rondout,	Rondout,	North River Bank,	N. York.
Bank of Salina,	Salina,	Com. Bk. of Albany,	Albany.
Bank of Saratoga Springs,	Saratoga Springs,	N. York State Bk.	"
Bank of Silver Creek,	Silver Creek, . . .	Albany City Bank,	"
Bank of Syracuse,	Syracuse,	N. York State Bk.	"
*Bank of Troy,	Troy,	Bk. of State of N. Y.	N. York.
Bank of Utica,	Utica,	Albany City Bank,	Albany.
Branch Bank of Utica,	Canandaigua, . . .	Albany City Bank,	"
Bank of Vernon,	Vernon Village, . .	N. York State Bk.	"
Bank of Watertown,	Watertown,	Albany Ex. Bank,	"
Bank of Waterville,	Waterville,	N. York State Bk.,	"
Bank of Whitestown,	Whitestown,	Com. Bk. of Albany,	"
Bank of Westfield,	Westfield,	Washburn & Co., .	"
Bank of Whitehall,	Whitehall,	N. York State Bk.	"
Black River Bank,	Watertown,	N. York State Bk.	"
Broome County Bank,	Binghampton, . . .	Mec. and Far. Bk.	"
Camden Bank,	Camden,	Albany City Bank,	"
*Catskill Bank,	Catskill,	Am. Exchange Bk.	N. York.

<i>Name of the Bank.</i>	<i>Location and P. O.</i>	<i>Agent.</i>	<i>Residence.</i>
Cayuga County Bank,	Auburn,	N. York State Bk.	Albany.
Central Bank,	Cherry Valley, . .	Mec. and Far. Bk.	"
Champlain Bank,	Ellenburgh, . . .	George Jones, . .	"
Chautauque County Bank, . .	Jamestown, . . .	N. York State Bk.	"
Chemung Canal Bank,	Elmira,	N. York State Bk.	"
Canal Bank of Lockport, . . .	Lockport,	N. York State Bk.	"
Chester Bank,	Chester,	S. Van Duzer & Son,	N. York.
Commercial Bk. of Allegany Co.,	Friendship,	Washburn & Co. .	Albany.
Commercial Bank of Lockport,	Lockport,	Washburn & Co. .	"
Commercial Bank of Rochester,	Rochester,	N. York State Bk.	"
Commercial Bank of Troy, . . .	Troy,	Amer. Ex. Bank, .	N. York
Commercial Bank,	Whitehall,		
Cortland County Bank,	Cincinnatus, . . .	Washburn & Co. .	Albany.
Cuyler's Bank,	Palmyra,	Albany City Bank,	"
Delaware Bank,	Delhi,	Amer. Ex. Bank, .	N. York.
Drovers Bk. of Cattaraugus Co.,	Olean,	Washburn & Co. .	Albany.
*Dutchess County Bank,	Armenia,		
Emex County Bank,	Keeseville,	N. York State Bk.	"
Exchange Bank of Buffalo, . .	Buffalo,	Albany City Bank,	"
Exchange Bank of Genesee, . .	Alexander,	Albany City Bank,	"
Exchange Bank of Lockport, . .	Lockport,	N. York State Bk.	"
Farmers Bank of Amsterdam, . .	Amsterdam,	Albany City Bank,	"
*Farmers Bank of Hudson, . . .	Hudson,	Mechanics Bank,	N. York.
Farmers Bank of Mina,	Mina,	Washburn & Co. .	Albany.
*Farmers Bank,	Troy,	Merchants Bank, .	N. York.
*Farmers and Drovers Bank, . . .	Somers,	Mer. Exchange Bk.	"
*Farmers and Manufac'ers Bk. . .	Poughkeepsie, . .	Phenix Bank, . . .	"
Farmers and Mechanics Bank, . .	Batavia,	N. York State Bk.	Albany.
Farmers and Mechanics Bank, . .	Ogdensburgh, . . .	Albany Ex. Bank,	"
Farmers and Mechanics Bank, . .	Rochester,	Washburn & Co. .	"
Fort Plain Bank,	Fort Plain,	N. York State Bk.	"
Fort Stanswix Bank,	Rome,	N. York State Bk.	"
Franklin Bk. of Chautauque Co., .	French Creek, . . .	Washburn & Co. .	"
Franklin County Bank,	Malone,	Groesbeck Brothers,	"
Genesee County Bank,	Le Roy,	Albany City Bank,	"
Hartford Bank,	Hartford,	Washburn & Co. .	"
Henry Keep's Bank,	Watertown,	Gilbert, Cobb & John,	N. York.
Herkimer County Bank,	Little Falls,	Albany City Bank,	Albany.
*Highland Bank,	Newburgh,	Phenix Bank, . . .	N. York.
*Hudson River Bank,	Hudson,	Leather Man. Bank,	"
Hungerford's Bank,	Adams,	Amer. Ex. Bank, .	"
Jefferson County Bank,	Watertown,	Albany City Bank,	Albany.
James Bank,	Jamesville,	Groesbeck Brothers,	"
*Kingston Bank,	Kingston,	Bk. of State of N. Y.	N. York.
Kirkland Bank,	Clinton,	Albany City Bank,	Albany.
Knickerbocker Bank,	Genoa,	Washburn & Co. .	"
Lewis County Bank,	Martinsburgh, . . .	Mec. and Far. Bk.	"
Livingston County Bank,	Genesee,	N. York State Bank,	"
Lockport Bank and Trust Co., . .	Lockport,	Mec. and Far. Bk.	"
Luther Wright's Bank,	Oswego,	N. York State Bank,	"
McIntyre Bank,	Adirondac,	N. York State Bank,	"
Madison County Bank,	Cazenovia,	N. York State Bank,	"
Merchants Bk. of Canandaigua, . .	Canandaigua,	Washburn & Co. .	"
Merchants Bk. of Chautauque Co. .	Union Ellery,	Washburn & Co. .	"
Merchants Bank of Erie County, . .	Buffalo,	Washburn & Co. .	"
*Merchants Bk. in Poughkeepsie, .	Poughkeepsie, . . .	Phenix Bank, . . .	N. York.
Merchants and Farmers Bank, . . .	Ithaca,	Albany Ex. Bank,	Albany.

Country Banks in New York.

<i>Name of the Bank.</i>	<i>Location and P. O.</i>	<i>Agent.</i>	<i>Residence.</i>
Merchants and Farmers Bank,	Carmel,	Kelly & Weeks, .	N. York.
Merchants and Mechanics Bk.,	Troy,	Bk. of State of N. Y.	"
Middletown Bank,	S. Middletown,	S. Van Duzer, . . .	"
Mohawk Bank,	Schenectady,	Mec. and Far. Bk.	Albany.
Mohawk Valley Bank,	Mohawk,	Amer. Ex. Bank, . .	N. York.
Montgomery County Bank, . .	Johnstown, . . .	Albany City Bank,	Albany.
New York Security Bank, . . .	West Day, P. O.,	Washburn & Co. . .	"
New York Stock Bank,	Durham,	Washburn & Co. . .	"
Northern Bank of New York, . .	Madrid,	Washburn & Co. . .	"
Northern Exchange Bank, . . .	Brasher Falls, . .	Washburn & Co. . .	"
Northern Canal Bank,	North Granville,	Wilson Defendorf,	N. York.
Ogdensburgh Bank,	Ogdensburgh, . .	Albany City Bank,	Albany.
Oliver Lee & Co.'s Bank,	Buffalo,	Albany City Bank,	"
Oneida Bank,	Utica,	Albany City Bank,	"
Onondaga County Bank,	Syracuse,	N. York State Bank,	"
Ontario Bank,	Canandaigua, . .	Albany City Bank,	"
Ontario Branch Bank,	Utica,	Albany City Bank,	"
Otsego County Bank,	Cooperstown, . .	Mec. and Far. Bk.	"
Palmyra Bank,	Palmyra,	Albany City Bank,	"
Patchin Bank,	Buffalo,	N. York State Bank,	"
Pine Plains Bank,	Pine Plains, . . .	Pepon & Hoffman,	N. York.
*Powell Bank,	Newburgh,	Amer. Ex. Bank, . .	"
Pratt Bank,	Buffalo,	Washburn & Co. . .	Albany.
*Prattsville Bank,	Prattsville, . . .	Amer. Ex. Bank, . .	N. York.
Putnam County Bank,	Farmers Mills, . .	Washburn & Co. . .	Albany.
Putnam Valley Bank,	Putnam Valley,	Washburn & Co. . .	"
Rochester Bank,	Rochester,	Mec. and Far. Bank,	"
Rochester City Bank,	Rochester,	Albany City Bank,	"
Sacket's Harbor Bank,	Sacket's Harbor,	N. York State Bank,	"
Saratoga County Bank,	Waterford,	Pepon & Hoffman,	N. York.
Schenectady Bank,	Schenectady, . . .	Com. Bk. of Albany,	Albany.
Seneca County Bank,	Waterloo,	Mec. and Far. Bank,	"
State Bank at Saugerties,	Saugerties,	Washburn & Co. . .	"
Steuben County Bank,	Bath,	N. York State Bk.	"
Suffolk County Bank,	Sag Harbor,	John Thompson, . .	N. York.
*Tanners Bank,	Catskill,	Amer. Ex. Bank, . .	"
Tompkins County Bank,	Ithaca,	Albany City Bank,	Albany.
Troy City Bank,	Troy,	Union Bank,	N. York.
*Ulster County Bank,	Kingston,	Mer. Exchange Bk.	"
Unadilla Bank,	Unadilla,	Washburn & Co. . .	Albany.
Utica City Bank,	Utica,	N. York State Bank,	"
Village Bank,	Randolph,	Palmer & Co. . . .	N. York.
Walter Joy's Bank,	Buffalo,	Mec. and Far. Bank,	Albany.
Washington County Bank,	Greenwich P. O.	N. York State Bank,	"
Warren County Bank,	Johnsburgh,	Washburn & Co. . .	"
*Westchester County Bank, . . .	Peekskill,	Mer. Exchange Bk.	N. York.
White Plains' Bank,	Shrub Oak P. O.,	Thomas Adams, . . .	"
White's Bank of Buffalo,	Buffalo,	N. York State Bank,	Albany.
Wooster Sherman's Bank,	Watertown,	Amer. Ex. Bank, . .	N. York.
Yates County Bank,	Penn Yan,	Mec. and Far. Bank,	Albany.

WASHINGTON HUNT, *Comptroller.*

The following new Banks will commence operations about the 1st of September. The Dutchess County Bank at Amenia; The Commercial Bank at Whitehall, Washington County; The Bank of Pawling at Pawling.

ON GOOD BANKING SECURITIES.

From the London Economist.

In order successfully to decide the question, "what constitutes a good banking security?" it is necessary that we should first consider the character of the funds which bankers have to employ, and the condition on which they hold them. The actual capital possessed by bankers generally, forms but a very small portion of the funds which they have at their disposal, the employment of which, for the time being, constitutes the main source of their profits. The real business of bankers is to borrow from one class of customers and to lend to others—to offer to the public a place of safe deposite from day to day for their money, with a certainty of receiving it at any moment it is required, and at the same time rendering such a portion of the whole aggregate of these deposits available to the community as temporary advances and loans, as is consistent with the obligations to repay them on demand. The actual capital, therefore, possessed by banks is rather necessary, as a source of security to the public, and of confidence in their stability, than as a fund on which its transactions and profits are dependent. Hence it is not unusual to find that the actual capital on which the credit of the bank rests, is invested in real property, or such securities as are not available at a short notice. For example: the capital of private bankers, which forms the basis of the confidence reposed in them, frequently consists in landed estates, while the whole capital of the Bank of England is invested in a loan to the Government and a very unremarkable class of Government securities. It is not our object here to discuss the prudence of such a disposal of the paid-up capital of banks—we speak only to the fact; but we think there will be found very few now who would not prefer, as a principle in bank management, that at least a large portion of the paid-up capital should be held in securities easily available at periods of pressure, in order that their power of extending aid in quarters which they think it right to do so may be greater.

But what we really now wish to deal with is that which may be more strictly called the purely banking resources of such establishments. In cases of banks of issue, these consist, first, of their circulation of notes; and secondly, of their deposits; and in the case of non-issuing banks, of deposits only. In all cases bank notes are payable on demand; and, in a majority of cases, deposits are so also. In some cases deposits are taken, re-payable only after certain intervals of notice; but these form exceptions to general banking operations, and may require some observations peculiar to them.

Practically, therefore, the strict resources of banks, as such, are all payable on demand. This condition alone indicates not only the necessity of retaining at all times such a balance entirely disengaged as experience shows to be needful, in order to meet the daily requirements of customers, but it also points to the necessity of not investing any portion of such funds in permanent securities, which are difficult or

uncertain of realization, or for which long and tedious processes are required. Loans or advances for short periods—a portion of which are daily falling due—constitute by far the most convenient mode of employing banking funds; because in such cases, in the usual course of business, the banker has always the option, according to circumstances, either to extend his advances (if required) beyond the amount daily falling due, or of restricting them below that amount, and so gradually increasing his means to meet other demands, arising either from the payment of his notes or a drain on his deposits. By such loans for short periods the banker has, in fact, the option, less or more, every day, of increasing or diminishing his advances; and the whole of his banking resources, which should represent the whole of his liabilities, are thus in the constant course of coming round to him, to be again dealt with as new circumstances may dictate.

Thus, therefore, the very best description of banking securities is the highest order of bills of exchange, the payment of which on fixed specified days is almost a matter of certainty, and the ultimate security of which even in the rare cases of irregularity in payment when they fall due, is rendered even more certain by the number and character of the indorsers. For these reasons, this class of bills can generally be discounted at a rate of interest much below that which the public funds at the time would give. Such securities are of additional value to bankers, because they are usually easily convertible into money, either by re-discounting or as securities for loans from the bank. And thus a security which has nothing but personal credit to recommend it, becomes the most desirable investment for banking funds.

On the other hand, loans on real property, or mortgages on land, are now, by common consent, admitted to be entirely inadmissible as banking securities—first, because such securities infer an investment for a lengthened period; and secondly, because repayment cannot be enforced without long and protracted proceedings, which, considering the nature of the banker's liabilities, may be fatal to him. In this respect, then, the investments of bankers differ from those of capitalists. What would be to the one the most desirable security, would be to the other inadmissible. While personal credits form the best bases of banking securities, because such investments should always be confined to short periods, they form the very worst bases for the security of capitalists, who contemplate investments for long periods, for the sake of the interest derived therefrom. So, also, while real property is inadmissible as a banking security, it is the best which a capitalist can adopt. And thus, while bankers are willing to advance money for short periods, at a lower rate, in discounting first-class bills of exchange, capitalists will accept a first mortgage upon unquestionable landed property as a permanent investment, on more favorable terms to the borrower than on any other security.

As it is therefore the duty of a banker to confine his advances almost exclusively to short periods, there is scarcely any other security which can be considered strictly legitimate for him to become the actual owner of, but bills of exchange. All other securities are of long dates, or in themselves of a permanent nature. Exchequer bills are the least ob-

jectionable in point of date; but even these are payable only at twelve months from their issue. As for consols, they are a permanent investment, with no fixed period of payment. In these respects, therefore, both exchequer bills and consols would be very objectionable banking securities. But they possess another quality which in part removes the objection. From the great ease and facility with which they are transferred from hand to hand, and the perfect confidence which exists in the regular payment of the interest, they are always saleable in the market; and, therefore, so far as they present a perfect facility for easy and immediate realization, they constitute *in this respect* a good banking security. With these may be classed all descriptions of bonds or debentures of incorporate bodies and public companies whose credit is beyond dispute. What consols are to the Government, India bonds are to the East India Company, city bonds to the Corporation of London, and railway bonds to the different companies who issue them, with this exception, that the three latter are issued for comparatively short and definite periods, while the payment of the first is indefinitely removed. In other respects, the merit of these securities depends entirely upon the perfect certainty of the regular payment of the interest; and on this conviction very much depends the facility of disposing of them in the market at any time.

But though these securities may in one respect be considered suitable as investments for bankers, there is another consideration which, in our opinion, renders them all alike objectionable as such. The purchase and sale of such securities is altogether a matter of speculation as to price. And, as a general rule, if bankers were to resort extensively to such investments, they would buy dear, because they would all be buying when money was abundant and the price of securities high; and they would sell cheap, because they would all be sellers when money became scarce and the price of securities low. We, therefore, cannot regard it as strictly correct banking practice to employ banking funds in the purchase and sale of this class of securities. They form the objects of speculation in reference more to the variations in price of the *principal*, than for the sake of the interest they yield.

But there is one form in which these securities are made to constitute, next to the first-class bills of exchange, the very best banking securities, and to which bankers who conduct their business on strict principles generally adhere. While it would be objectionable, for the reasons we have mentioned, for bankers to buy and sell such securities as objects of speculation, it is perfectly unobjectionable to take them as securities for advances made for fixed moderate periods; retaining such a margin as will secure them against any probable loss. Such loans and advances for short periods, guaranteed by securities with a fair margin, which are easily saleable, failing the due repayment, must be classed among the best and safest modes of employing banking funds. In practice, it is found that such loans or advances are repaid, if required, with such perfect punctuality, that they can be relied upon with as much certainty as the highest class of commercial bills.

Much discussion has taken place, as to whether railway bonds and debentures are proper banking securities. As objects of investment

they are open to all the unobjections we have stated. But as collateral securities for short loans or advances, *with a suitable margin*, they appear as objectionable as consols, exchequer bills or India bonds. We should consider it bad practice in a banker to advance money to a railway company on bonds or debentures for one, two, or more years; although they may be a saleable security, or to buy them in the market with a view to re-sell them when necessary; but we consider it strictly correct practice for a banker to advance money for *two, three or four* months, on the security of such instruments with a sufficient margin.

In like manner, warrants representing produce in public warehouses of a character which is always easily saleable, are frequently taken as securities for advances; but in these cases the advance is more properly made upon a note or bill at a short date, the warrants being taken rather in the form of collateral security. But irrespective of the personal credit of the persons to whom such advances are made, warrants of produce are a much less desirable collateral security than public stock, bonds, or debentures, because it is much more difficult to ascertain their precise value, owing to the great variety of qualities of the same article, and because the value is much more subject to fluctuation, and of which bankers are less likely to be cognizant. Such advances always imply great confidence in the persons to whom they are made; and are not unfrequently the result of a joint arrangement between a merchant and a broker, in whom the banker has confidence, irrespective of the warrants. It has become a very common practice of late to make no advances on any securities whatever, without a note or bill for the amount accompanying the securities. This practice has proved useful in more clearly marking the obligation of repayment on a given day.

However well defined these general principles may be, and however needful it is to avoid all securities which involve a lengthened and uncertain investment, and which are not convertible; yet much must be left to the discretion of bankers, who must, in some degree, be governed by the general state of the money market, the nature and extent of their own liabilities, and the character of the persons with whom they have to deal, in determining the precise terms on which they are willing to make advances. But if there be one principle which should never be departed from, it is, that all advances, of whatever kind, should be repayable on a fixed and not very distant day.

POPULATION AND WEALTH OF GREAT BRITAIN.

On the relative progress of the Population and the Industrial Wealth of Great Britain; with Statistical Tables of the consumption of Tea, Sugar, Coffee, Tobacco, Cotton, Wool, Silk, Hemp and Flax; the increase of Tonnage, Railways, Postage, &c.

The census, which is taken once in ten years in this country, affords the means of determining the rate of increase in the population; which increase, unless there be some exceptional disturbing cause, is found to follow a pretty uniform rate. Such enumerations, viewed in them-

selves, are curious and often interesting, but their value is not fully felt until they are brought into juxta-position with the productive powers of the country in respect to material wealth. The question may be put in this form—Do the results of industry, the necessaries and conveniences of life, increase in a greater or less ratio than the population? The speculations as to whether the distribution of this acquired wealth is the best possible? whether this or that commercial theory is most conducive to national contentment?—these inquiries stand out by themselves as a distinct branch of political science, and will not engage our attention here. The object of the present article is to collect and arrange a few facts, without reference to any theories.

According to calculations made very carefully by the late Mr. Rickman, founded partly on the censuses of 1801, 1811, 1821, 1831, and partly from examination of the parish registers, the population of England and Wales was about as follows at various by-gone periods :

1570,	4,038,879	1670,	5,773,646
1600,	4,811,718	1700,	6,045,008
1630,	5,601,517	1750,	6,517,035

It was not till 1801 that a regular census was taken. There have been five such during the present century, each one exceeding in accuracy and completeness those which preceded it. The results for England and Wales were as follows :

1801,	8,872,980	1831,	13,897,187
1811,	10,150,615	1841,	15,911,725
1821,	11,967,875		

With respect to Scotland, no very precise estimate has been made for periods before the present century. The five censuses give the following results :

1801,	1,599,068	1831,	2,365,114
1811,	1,805,698	1841,	2,628,957
1821,	2,093,456		

Ireland was not brought within the census operations till 1821. The following is the result :

1821,	6,801,827
1831,	7,767,401
1841,	8,175,124

The registrar-general of births, marriages, and deaths, has calculated each year the probable increase of population, arising from the excess of births over deaths, and making allowance for emigration. Taking his estimate for 1846, we may give the following four entries, as presenting the total population of England, Wales, Scotland, Ireland, and the small islands, at four periods :

1821,	20,963,666	1841,	26,839,885
1831,	24,133,412	1846,	28,487,000

According to this estimate, the population at the end of 1848 must approach closely to 30,000,000. As an example of this mode of estimating not only the present but future populations, we give the regis-

tr-ar-general's estimate for the metropolis, founded on the census of 1841, and on the subsequent births, deaths, immigrations, and emigrations:

1841,	1,950,526	1848,	2,172,286
1844,	2,042,690	1850,	2,240,259
1846,	2,106,640		

Confining our attention to the rate of increase in the population of the country generally, it is found that, taking one decennial period with another, and one part of the kingdom with another, this rate is about 14 per cent. in 10 years; or to every 100 persons in a given year there are, 10 years afterwards, about 114. In the interval, 1821-1831, the rate of increase was unusually large; but we have made it take part in a general average for half a century.

The inquiry next arises, how does this ratio of 14 per cent. in 10 years correspond with the rate of increase in the production and consumption of commodities?

As there are no recognized means of determining the quantities of commodities produced or consumed, unless they come under the operation of the excise or customs, we cannot tell exactly what are the quantities of bread, meat, butter, cheese, &c., consumed. It is known, however, that the butcher's meat consumed in Scotland has vastly increased during the present century; Ireland probably maintains about its former average per head; while it is probable that the consumption per head in England has increased rather than diminished. Mr. McCulloch estimates that every individual in the metropolis, taking one with another, eats about 122 lbs. of butcher's meat annually, besides bacon, ham, and poultry. His estimates for some other towns are—105 lbs. in Manchester, Brussels 89 lbs., and Paris 86 lbs. The meat eaten in England comes from three sources—home-reared, imported from Ireland, and imported from the Continent. Foreign cattle and sheep were not allowed to be imported for food till 1842, so that we cannot compare this item with earlier periods. Irish cattle imported into Great Britain increased from 32,000 in 1801, to 180,000 in 1844, and 193,000 in 1846-'7. The difficulty of instituting comparisons, in respect to corn and bread, is as great as with meat; but it is beyond all question that the *quality* of the bread eaten in this country has vastly improved since the last century, and that the working classes of England eat better bread than the similar classes in almost every other country. The foreign corn consumed in England averaged about three-quarters of a peck per annum for each individual, from 1801 to 1835; since then it has increased. With respect to butter, the imports of foreign butter more than doubled between 1831 and 1846; and we have no reasons for thinking that less butter is made in England than before. The consumption of butter in the metropolis is estimated at about 16 lbs. per year per head. So far as we are able to compare the habits of the population at different periods, it seems probable that bacon and cheese are not eaten more largely, per head, than at the beginning of the century.

But when we come to those articles of daily consumption, which are procured mainly or wholly from abroad, and which pay duty on

importation,—such as tea, coffee, cocoa, sugar, tobacco, tallow, &c., or which pay an excise duty at home, such as spirits, malt, hops, soap, &c.—we find that the quantities consumed increase much more rapidly than the increase of population, thereby yielding a larger portion to each average individual. The quantity of some of these commodities entered for home consumption in several different years may be arranged as follows :

		1801.	1811.	1821.	1831.	1841.	1846.
Tea,	(millions of pounds)	23½	24½	23	30	36½	47
Sugar,	“	310	400	350	420	450	560
Coffee,	“	2	6½	7½	21½	29½	36½
Tobacco,	“	17	21½	15½	19½	22½	27
Cocoa,	“	—	—	—	2	2	3
Tallow and Palm Oil,	“	—	—	—	123	149	179

The sugar consumed in this country is now twenty times as large in quantity as in the year 1700; the coffee consumed is more than fifty times as much as in 1801; the cocoa is almost wholly a modern beverage; and it is evident, at a glance, that, taking the above articles in a group, the consumption has increased more rapidly than the population. In respect to tallow, for making soap and candles, it is proper to include palm-oil in that item, on account of the largely increased use of this substance in candle making. Though called an oil, it is in our climate congealed to a solid.

Then, taking some other articles which bear upon the daily food of the mass of the people, we find that the British and Irish spirits, which paid duty in 1821, was 9,750,000 gallons; in 1831, 22,000,000; in 1841, 20,500,000; and in 1846, 24,000,000 gallons; that the malt which paid excise duty in 1801, was 19,750,000 bushels; 29,750,000 in 1811; 29,500,000 in 1821; 39,500,000 in 1831; 36,250,000 in 1841; and 42,000,000 in 1846; that the salt, which is now so abundantly used amongst us, is also more largely exported than at any former period; that since the establishment of railways, fish and poultry have been more abundant, and more reasonable, in our busy towns than before; that since the alterations in the tariffs, foreign fruits and vegetables, which were before expensive, have become greatly cheapened, without (so far as is known) any diminution of home-grown produce. With regard to wine and beer, the heaviness of the customs duty on the one, and of the excise duty on the other (or its chief ingredient, malt), have prevented the consumption of those articles from increasing in a ratio equal to that of many other commodities,—that of ardent spirits, unfortunately, has increased instead. It is a striking proof of the effect of high duties, that the quantity of foreign wine consumed in England was *less* in 1846 than in 1801, notwithstanding the increase of population, the quantities being 6,750,000 against 7,000,000 gallons.

The glass manufacture had been so pressed down until lately, by heavy duties, that the recent sudden increase in the quantity made is hardly a fair test of the demand for it. We will, however, take three excisable articles of large consumption—soap, bricks and paper. The soap charged with excise duty was—in 1801, 55,500,000 lbs.; in 1811,

80,000,000 lbs.; in 1821, 97,000,000 lbs.; in 1851, 127,500,000 lbs.; in 1841, 170,500,000 lbs.; and in 1846, 186,000,000 lbs. The bricks charged with duty have risen from about 1,000 millions in 1831, to more than 2,000 millions in 1846. The paper which paid duty in 1831 was 61,000,000 lbs.; in 1841, 76,500,000 lbs.; and in 1846, 127,500,000 lbs.

If the object here were to come to detailed accuracy, it would be necessary to distinguish how much excisable produce is exported before we could know how much is retained for home consumption; but sufficient is known to warrant us in stating that, in respect to nearly all the commodities hitherto named, the increase of home consumption has shot far ahead of the increase of population.

If we next glance at those foreign commodities which give employment and wages to British workmen—such as cotton, wool, silk, flax, hemp, hides, &c.—we shall find results not less interesting than those relating more particularly to food. The following were the quantities of these commodities imported for home consumption in the years indicated; and as these, the raw materials of manufactures, are imported for the purpose of being wrought up into finished goods, rather than for re-exportation in the raw state, they illustrate the vast increase in these departments of British industry, even after making all requisite allowance for such re-exports.

	1801.	1811.	1821.	1831.	1841.	1846.
Cotton, (millions of pounds)	56	92	137	273	437	428
Wool, "	—	—	10	30	53	65
Silk, "	1	1½	2½	4½	5	5½
Flax, "	—	—	55	104	161	128
Hemp, "	—	—	—	56½	73	99
Hides, "	—	—	—	26	51	60

The year 1846 happened to be one of extraordinary depression in respect to cotton and flax; for in the previous year, 1845, the imports of cotton were no less than 722,000,000 lbs., and those of flax, 159,000,000 lbs. Silk, wool, hemp, and hides, in like manner, were more largely imported in 1845 than in 1846. As 1845 was, however, a year of overstrained speculation, and as, on the other hand, 1847 was a year of much commercial disaster, it will be better for our object to take the more sober year, 1846, as a type of recent progress.

In respect to the *official* value of imports and exports, it indicates a value or price put upon commodities long ago, when prices were very different from what they are now. It is therefore useful only as indicating the relative *quantities* imported or exported year after year. But the *declared* or *real* value gives the actual market prices year after year, so as to indicate the money value of the goods. With this explanation, we will now compare the official and declared values of British and Irish produce and manufactures exported in certain years:

	Official Value.	Declared Value.
1801,	£24,600,000	£39,750,000
1811,	21,750,000	30,750,000
1821,	40,250,000	35,750,000
1831,	60,000,000	36,500,000
1841,	101,750,000	51,250,000
1846,	132,250,000	57,750,000

The declared or real value exceeded the official down to 1819, thereby indicating high prices; but from 1819 to 1846 the official has exceeded the declared value, and this excess becomes more apparent every year, as prices get lower. This difference is strikingly shown by the fact that, while the money value of the above kinds of exports, in 1846, was not quite twice as much as in 1811, the quantity exported, as indicated by the official value, was more than six times as great. Either estimate can be taken, according to the point which it is wished to illustrate. The relatively large exports of 1801, as compared with those of 1811, must be viewed in connection with the fact, that peace was declared in the former year, while in the latter year we were at war, both politically and commercially, with Napoleon.

The following exhibits the *official* value of the imports into the United Kingdom, and the gross amount of customs duties on them in certain years:

	Imports.	Customs Duties.
1811,	£25,500,000	£ ————
1821,	29,750,000	23,500,000
1831,	43,250,000	22,000,000
1841,	62,750,000	23,750,000
1846,	76,000,000	22,500,000

On account of the gradual reduction of duties the receipt of customs has remained nearly stationary, while the quantity of the imports has trebled in 35 years.

The enterprise of our ship-owners and ship-builders has not been less noteworthy than that of the manufacturers. The merchant ships actually belonging to the British empire at four periods were:

	Ships.	Tons.	Crews.
1821,	25,036	2,560,203	169,179
1831,	24,242	2,581,964	158,422
1841,	30,052	3,512,480	210,193
1846,	32,499	3,817,112	229,276

Although the ships increased only 28 per cent. from 1821 to 1846, the tonnage increased 50 per cent. The progress of steam navigation has been most extraordinary. In the year 1814 there was one steam vessel belonging to the United Kingdom; by 1821, the number had increased to 59; by 1826, to 230; by 1831, to 324; by 1836, to 561; by 1842, to 831; and by 1846, to 963. Moreover, the steam vessels have become, on an average, larger year by year. The average gave 106 tons per vessel in 1826, and 136 tons in 1846.

The following refers—not to the vessels and crews *belonging* to the British empire—but to those (whether British or foreign) which entered British ports in actual trade:

	Ships.	Tons.	Crews.
1821,	14,066	1,895,530	123,523
1831,	20,873	3,241,927	178,782
1841,	28,052	4,652,376	252,330
1846,	33,821	6,101,015	322,751

From this we learn that the ships employed in conducting commerce between foreign countries and British ports increased to more than

double in 25 years, the crews to nearly treble, and the tonnage to more than treble. The *coasting* trade between different ports of the United Kingdom is not included in the above. It employs an amount of shipping tonnage, which has increased from 9,000,000 to 13,000,000 tons in about 12 years.

These various elements relate to home-grown and foreign-grown food, to the materials of clothing, to the raw materials for manufactures, to our aggregate commerce with other countries, to the ships and the men which find profitable employment in that commerce,—all of which belong, more or less closely, to the *production* of wealth, and nearly all of which have increased more rapidly than our population; in some instances to an enormous extent. But we shall find, also, that in the consumption or spending of the wealth thus created, many things are observable which mark a singularly rapid advance towards a command of useful and socially advantageous arrangements.

Take the case of Fire Insurance. The value of the property insured against fire in the United Kingdom was, in 1831, rather over £526,000,000; by 1841, it had increased to £682,000,000, being an increase of nearly 30 per cent. in 10 years. It would be difficult, perhaps impossible, to estimate rightly the amount of contingent or deferred wealth (if we may so express it) provided by the invaluable system of Life Insurance; but it must be enormous, and the social benefit beyond all calculation. Another kind of provident accumulative agency, however, is more readily to be stated in figures; viz. that of Savings' Banks. This system began in 1817. From a very humble origin it spread to an extent which has exceeded all anticipations. By the year 1831, there were 429,503 depositors, whose deposits amounted to £23,719,495; by 1841, there were 841,204 depositors, whose deposits reached the sum of £24,474,689; and by 1846, there were 1,108,546 depositors, whose deposits amounted to £33,694,642, or about £30 from each depositor. The sum would be greatly increased, were it not for the facility afforded in Scotland by the Joint Stock Banks. Such banks take in deposits, and allow interest, on very small sums lodged with them; so that the Savings' Bank system is not largely adopted in Scotland. It is supposed that the amount deposited in Scotch banks is not far short of £30,000,000, and that about one-half of the depositors are persons in the same ranks of life as those who deposit in Savings Banks elsewhere.

The annual value of property, as assessed to the property tax in 1815, was about £52,000,000; in 1842 it was returned at £82,250,000, and tithes at about £1,670,000. The annual profits of trade in England and Wales were assessed in 1815 at about £35,000,000; in 1844, they were estimated at £60,000,000. The amount of capital upon which legacy duty had been paid in Great Britain between 1797 and 1831 was £742,000,000; this sum had increased to £1,163,000,000 by the year 1841; so that in 10 years (1832—1841) legacy duty was paid upon an additional amount of capital, considerably more than one-half of the aggregate amount upon which the duty had been paid in the 34 preceding years; or, put in another form, the property bequeathed by legacy averaged £22,000,000 per annum from 1791 to

1831, and £42,250,000 per annum from 1832 to 1841. The produce of the stamp duties on probates of wills and letters of administration, in the United Kingdom, was £919,000 in 1831; £1,015,000 in 1841; and £1,055,000 in 1846. These are points which in various ways test the amount of property possessed or accumulated in the country.

If we look at the capital invested within a given number of years, in the shape of *shares*, and which in almost every case represents spare or accumulated capital, we arrive at some astonishing results. We may leave untouched the mining speculations of 1825, and the joint stock bubbles of 1836; for those were remarkable rather for the extravagant prices given for the scrip or deposits on shares, than for the money actually sunk in permanent works. In respect to the 2,700 miles of canal now at work in the United Kingdom, they belong rather to the past generation than to the present; nearly 2,000 miles having been projected and laid out before the commencement of the present century; the 40 years from 1770 to 1810 were the busy years for canals. In respect to turnpike roads, too, the advance was more notable in the last generation than it has been within the last twenty years, owing to the spread of railways. The turnpike roads and paved streets of England and Wales amount to about 20,000 miles, and the cross-roads to nearly 100,000 miles; these together, though increasing yearly do not increase in a large ratio. But when we come to railways, we find ample reason for the comparative stagnation of roads and canals. The first passenger railway (the Liverpool and Manchester) was opened for traffic in 1830; it was so successful that more than one hundred Acts were obtained for new lines between that year and 1840, and more than five hundred in the next six years, 1841—1846. About 1,100 miles were finished and in operation in 1841; about 2,650 miles in 1846; and there will probably be about 4,400 miles open at the end of 1848. The capital expended on these works, which was laid out cautiously twenty years ago, increased at an astonishing rate. The completed railways had cost £70,000,000 by November, 1845; and by the commencement of 1848, the expenditure had increased to £170,000,000, of which £130,000,000 had been raised by shares, and £40,000,000 by loans.

For the total mileage sanctioned, the total capital involved, and the consequences (in some respects disastrous) resulting from the unparalleled activity in one kind of enterprise, we refer to a later part of this volume; but the reader cannot lose sight of the fact that the mere *possibility* of investing such astounding sums in railways, shows in a striking degree the accumulated power and wealth of the country. And it is also plain that the power of transit from place to place must have increased enormously. Time has a money value in trade; and although it would be impossible to estimate it correctly, it is clear that the increased money value of services generally must have been increased by the saving of time by railways. All sorts of commodities change hands more quickly than they did before the railway system commenced; shopkeepers need not have such a large stock as dead weight; and men get over a task in a few days which used to occupy nearly as many weeks. It has become a matter to laugh at, when we

hear of the Edinburgh and Glasgow coach, which took a week to go and return; of the Edinburgh and London coach which took a fortnight on the road; of the Oxford coach two days on the road, "sleeping" at High Wycombe; of Roderick Random's "long waggon," which was a fortnight from York to London; and even when we come to the dashing mails at ten miles an hour—the finest specimens of stage-coach travelling, perhaps, in any country—we can hardly realize the idea of such having been quick travelling. From London to Exeter in four and a half hours, to Edinburgh in twelve hours, to Dublin in thirteen hours: these have spoiled us for past doings. How many persons used to travel by road we have but imperfect means of guessing; but we know that in the half year ending June 1848, there were more than twenty-six million railway travellers in the United Kingdom, or about a million a week. As the autumnal half-year is always more distinguished by travelling than the spring half-year, and as new lines are being opened every month, we may safely assume thirty-two or thirty-three millions for the second half of 1848. This will give (say) fifty-eight millions, just about double of the population of the United Kingdom at the present time; and as it is found that each journey made by each traveller averages about fourteen miles in length, we come to this result—that if we suppose every man, woman and child in the three kingdoms to make two railway journeys in a year, each of fourteen miles in length, it would about equal the total amount of railway travelling at the present time. Twenty-eight miles a year for every individual, is indeed a remarkable average, to which the stage-coach days could present nothing like a parallel. It was at one time feared that horses and horse owners would suffer wofully from the increase of railways; but whoever has noticed the increase of omnibuses, cabs and similar vehicles, will see a full compensation for the "long stages" and post chaises of former days. Without going into details, it is evident to any one who has paid the slightest attention to these matters, that the amount of capital invested in bridges, docks, markets, lighting and paving and improving towns, and other objects tending to the comfort and convenience of the people, has increased much more rapidly than the population; but the value of the improvements can hardly be tested unless the two distant periods be taken for comparison.

The alteration in the mode of conducting the Post-office, at the time of the adoption of the Penny Postage, led to an immense increase of correspondence throughout the country; and even that increase has gone on yearly. The letters delivered in one week in 1839, in the United Kingdom, were about one and a half millions; by the year 1848, the number in the corresponding week had risen to six and a half millions. The use of the Post-office in respect to money orders is still more remarkable. The money sent through the post in three months of 1839 was £90,000; in three months of 1848 it had attained the extraordinary amount of £3,500,000.

We may sum up these details, then, by repeating what has been before said, that in nearly all the tangible evidences of a nation's wealth enumerated in this paper, the rate of increase has been greater than that in the population within the same number of years. The fact is a use-

ful one to bear in mind, provided we do not draw hasty inferences from it—inferences which may require other data to justify them. As the object has been to present a few *relative* quantities, minute accuracy has not been aimed at; and moreover, the annual public accounts, as presented in the various Parliamentary Papers, are in some cases made up to December 31st, in others to January 5th, and in others to April 5th; so that it is not always easy to compare them together. The reader will, therefore, consider the quantities here given as round numbers, approaching to correctness sufficiently near for the purposes of a rough comparison.

THE INTELLECTUAL OCCUPATIONS OF BUSINESS MEN.

BY AN ENGLISH BANKER.

From the London Bankers' Magazine, July 1849.

On the Compatibility of Intellectual Improvement with the successful prosecution of business.

[MR. G. M. BELL, who is well known to many of our readers as the author of various useful works on Banking, recently delivered an address to the members of the Mechanics Institutes at Northallerton and Darlington, pointing out, in a forcible manner, the advantages of combining intellectual improvement with the prosecution of business. As we have been favored with a perusal of this address, we avail ourselves of permission to lay some extracts from it, before our readers. It is a well arranged and interesting dissertation, and deserves the approbation with which it was received by those who heard it delivered.—ED. B. M.]

It is not unusual to meet with men, otherwise considered intelligent, who are ready to maintain that the cultivation of the mind for any purposes beyond the mere business or occupation which an individual may pursue, is a waste of time and of money; that, in point of fact, to be a good man of business, or a successful tradesman, it is enough to know the principles and routine of the business that is followed. Nay, they go farther than this, and assert, that the pursuit of literary and scientific knowledge is detrimental to those qualities which are necessary to the successful prosecution of the business of life. As these opinions are by no means confined to a few individuals, but are more generally prevalent than might at first be imagined, it may be worth the trouble to examine upon what they are founded, and how far they are supported by history and daily experience.

It may be confidently asserted that no literary or scientific man, no man who has enjoyed what is generally understood by a liberal education, will hazard the remark, or for one moment give place to the opinion, that the cultivation of the mind is inconsistent with or injurious to the successful prosecution of business. There is no calling in life which does not require the exercise of some degree of intelli-

gence. The very humblest and most ordinary occupation in which men can engage, cannot be followed without some portion of mental exercise. And if we take any one single occupation, and suppose several persons to be engaged in carrying it on, which of these I may take the liberty to ask, would be most likely to gain your patronage? Assuredly, the man who displayed the greatest shrewdness, the greatest skill in his work. In the exercise of mere animal labor, how often is the man of the strongest sinew, and the most powerful bodily faculties, completely outwitted and beaten at his own work, by the man of small bodily strength, but of superior ingenuity and intelligence? We witness cases of this kind daily. We know that an intelligent workman is at all times to be preferred, and is preferred, before the man who has nothing to recommend him but his brawny arm and unwieldy person. Let us gradually rise in the scale of employment, and it will be found to be the invariable practice, that employers will search out and prefer men of some knowledge, ingenuity, and ability, to others who know merely the routine of their duties, and nothing more. Why is this? Simply because intelligent men are found to be more useful, and to give more satisfaction to their employers, than men who are devoid of all knowledge.

Among the instances, and they are innumerable, of persons who have raised themselves from obscurity to distinction, by persevering in the acquisition of knowledge, and remembering that they had minds to cultivate as well as bodies to cherish, and that it is only by the cultivation of those natural abilities which our bountiful Creator has given to every man, that even worldly distinction can be obtained—among innumerable instances of this kind, I may be allowed to mention a very few. I shall select these from among the legal profession, which is generally supposed to be in a great measure inimical to general literature, although such is not the fact; and I mention these instances to the eternal honor of the parties themselves, as showing to what greatness an humble man may arrive, even in that proverbially dry field of learning.

You have all heard of the celebrated brothers Lords Eldon and Stowell. They are familiar instances of the truth of the remarks I have already made. They were the sons of a poor barge-maker and small coal-dealer in Newcastle-upon-Tyne. Lord Stowell borrowed £40 to go the circuit; and both supported themselves for a time by their talents as private tutors. The one rose to be Lord Chancellor, and the other to be one of the Judges of the land.

Lord Tenterden was the son of a barber at Canterbury. He received an eleemosynary education, but obtained the means to go to college. While there, he enjoyed from a company in the city of London an exhibition of £3 per annum, until he took his degree. Some years since, in dining with that company, he alluded to the circumstance, and expressed his gratitude.

Lord Gifford, previous to his being called to the bar, was articled to a solicitor near Exeter. His rise was owing chiefly to the interest of the Marchioness of Conyngham, to whom he was distantly related. Lord Langdale, the Master of the Rolls, was not very long since a

medical practitioner, and married a daughter of Lord Orford, whose family he had attended. Sir John Williams, one of the Judges of the Queen's Bench, was son of a horse-dealer in Yorkshire.

Mr. Serjeant Talfourd is the son of a brewer at Reading; received the rudiments of his education at the Protestant Dissenters' Grammar School, at Mill-hill, near Hendon. He completed his studies with Dr. Valpy of Reading, and formerly wrote for the public press.

Sir Frederick Pollock, now Chief Baron of the Exchequer, and his brother Mr. David Pollock, are the sons of a saddler near Charing-cross. The mother of Mr. Baron Gurney kept a small book shop in a court in the city. His brother is the short-hand writer to the House of Lords and Commons. Lord Campbell, the author of the "Lives of the Chancellors," is the son of a parish clergyman in Scotland, and was formerly reporter to a daily paper, when such work was much worse paid for than it is at present. Mr. Serjeant Spankie, was one of his colleagues. Mr. Stevens, a Master in Chancery, was a reporter; and it is a fact very well known, that almost all the Judges sent out to the colonies were newspaper reporters. Many of our most able judges have risen from the very lowest ranks in society, by dint of their own exertions, persevering application to their studies, and to the acquisition of knowledge. In a recent address to the electors of the West Riding, at Leeds, Mr. Beckett Dennison, alluding to the importance of education, and of the acquisition of knowledge by all classes of the community, mentioned—much to his honor—the case of his own relation Judge Dennison, who left Leeds a very poor boy, and afterwards rose to be one of the Judges of the land.

There is no station in life in which a man may be placed, where he may not, by proper application, qualify himself for some position still higher. A remarkable instance of this has just occurred at Edinburgh. Among the numerous candidates for the office of librarian to the Advocates' Library, vacant by the resignation of Dr. Irving, was Mr. Samuel Halkett. This gentleman has acquired an extensive knowledge of philology, and cannot only read all, and speak most of the living languages of Europe, but has a profound acquaintance with the Eastern tongues, including Hebrew and Arabic; while his translations of scientific papers, in Swedish, Norwegian, and Danish, have been much appreciated. The most singular circumstance connected with the history of Mr. Halkett is, his application to a business, during the whole period of his life, that might be considered uncongenial to his literary pursuits, being of the firm of Harrison and Halkett, woollen-drapers, North Bridge. This gentleman might well be called an accomplished woollen-draper. It is gratifying to be able to add, that the vacancy in the office of librarian to the Advocates' Library has been filled up by the appointment of Mr. Halkett, who has thus obtained to some extent the end of his ambition, and the reward of his industry.

The profession to which I have myself the honor to belong (banking), boasts of many names eminent in general literature; not merely writers upon that most entangled and indigestible of all subjects, the currency—men who rack their brains in vain attempts to solve that mysterious question, "What is a pound?" I say they are not mere

writers upon the currency, but men eminent in general literature and science. Among the London bankers are the names of *Grote*, author of a valuable history of Greece; the venerable *Samuel Rogers*, author of the "Pleasures of Memory;" *Bosanquet*, author of different works, and a Fellow of the Royal Society; *Gilbart*, author of "Lectures on Ancient Commerce," and a Fellow of the Royal Society; *Samuel Jones Loyd*, a man of acknowledged learning, and also an author; *John Horsley Palmer*, *Mr. Norman*, *Mr. Salomons*, and several others, directors of the Bank of England. In the provinces there are many names of considerable note, among whom may be mentioned the late *Mr. Leatham*, of Wakefield; *Bernard Barton*; *Wright*, of Nottingham; *Bailey*, of Sheffield; *Coulthart*, of Ashton. The number of banking authors has been considered a striking feature in the intellectual character of the age.

I think there can be no difference of opinion upon the point that, other things being equal, the chances of success in any trade or business are infinitely in favor of an intelligent man over an ignorant and illiterate one; and I may add, that we have the authority of Addison for the observation that men of learning who take to business, discharge it generally with greater honesty than men of the world. And I may as well give you the reason why he thinks so:—"Because," says he, "a man that has spent his youth in reading, has been used to find virtue extolled, and vice stigmatised. A man that has passed his time in the world, has often seen vice triumphant and virtue discountenanced. Extortion, rapine, and injustice, which are branded with infamy in books, often give a man a figure in the world; while several qualities which are celebrated in authors, as generosity, ingenuity, and good nature, impoverish and ruin him. This cannot but have a proportionate effect upon men whose tempers and principles are equally good and vicious."

You will observe that I have said nothing regarding the abstract pleasures which arise to an individual from the cultivation of his mind, from the increase of his knowledge of men and of manners, of nations, and of people; their laws, governments, customs; the various arts and sciences which are prosecuted in different parts of the world; the laws of matter and of motion; the principles of light, heat, and electricity; of attraction and gravitation; of the order of the universe, of which the earth upon which we dwell is only one small planet—one infinitesimal part, amidst the thousands of other worlds which revolve above and around us, obedient to the will of that Great First Cause, that Infinite Wisdom, whose power, goodness, and glory are displayed throughout the whole. I have said nothing of the pleasures and delights which may arise to the soul of man in the pursuit of such knowledge, nor of the moral obligation under which he lies to acquire knowledge, for these have scarcely come within the scope of my subject. I may, however, be allowed to remark, that by employing his leisure in reading and reflection, he creates for himself a paradise of intellectual enjoyment, to which he can at all times resort without fear of interruption from others, and which will often prove a solace to his spirit under all the afflictions and the evils of life.

STATE FINANCES.

Annual Receipts and Disbursements, and Statement of the Public Debt of Georgia, in the year 1849.

RECEIPTS INTO THE TREASURY TO DEC. 1, 1848.

Balance in Treasury, 1847,	\$362,257 50
General tax, 1843,	439,407 32
Fees on grants of land reverted to the State,	15,196 32
Dividends on Bank Stock owned by the State,	22,727 00
Miscellaneous,	4,154 35
	<hr/>
	\$843,742 49

PAYMENTS.

Civil Establishment,	\$126,715 44	
Interest on Public Debt,	185,246 33	
Military Fund,	1,109 56	
School Fund,	17,973 41	
Contingent Fund,	7,519 18	
Penitentiary,	6,377 26	
Lunatic and Deaf and Dumb Asylums,	14,891 11	
Miscellaneous,	22,566 19	392,396 53
		<hr/>
		\$461,343 96

SURPLUS INVESTED AS FOLLOWS.

Bank Stocks, (School Fund,)	\$272,300 00
Treasurer Western and Atlantic Rail road,	4,784 75
Sundry Items,	12,638 75
Cash on Deposit in Bank of the State of Georgia, Savannah,	63,946 10
Do. do. do. Augusta,	32,830 62
Specie and Specie paying Bank Notes in Treasury,	73,478 74
Coupons paid the present quarter,	1,365 00
	<hr/>
	\$461,343 96

THE DEBT OF THE STATE OF GEORGIA.—ISSUED AND AUTHORIZED.

Amount.	Int't.	Where and when payable.	Where.	For what purpose issued.
\$203,750 00	6	Milledgeville, 1870	Milledgeville.	W. and A. R. R.
243,000 00	6	" " 1871	" "	" "
337,500 00	6	" " 1872	" "	" "
78,000 00	6	" " 1873	" "	" "
86,000 00	6	" " 1874	" "	" "
302,500 00	6	" " 1874	"	In exch'ge for ster'g bonds.
£15,000 is				
72,000 00	5	London, 1868		W. and A. R. R.
183,500 00	7	Aug. or Savan. 1878	Savannah,	To take up other bonds.
1,506,250 00	in hands of the public.			
10,000 00	6	Augusta, 1853	Savannah	} Complete Western and Atlantic Rail road to the Tennessee river.
65,000 00	6	Savannah, 1863	"	
200,000 00	6	New York, 1863	"	
100,000 00	6	Savannah, 1868	"	
22,222 22	6	" " 1873	"	Claim of P. Tresevant.
\$1,903,472 22	Total issued and authorized.			
189,690 56	This amount will be required to make good the claims against the Central Bank, the property of the State, and in liquidation.			
\$ 2,093,162 78	Total liability in every shape.			

By reference to the above table, it will be seen that the debt is a very small one, when we look upon the wealth, resources and enterprise of the people of this great State. A glance at the financial report shows how correct and economically her finances have been managed, and we think we hazard little by saying that no State in the Union has stronger claims upon the public faith than Georgia.

Most of the debt given in full in the above table, was contracted to build the *Western and Atlantic Rail Road*, commencing at Atlanta, (the terminus of the Georgia Rail Road from Augusta, and the Macon Western Rail Road from Macon) and running through the southwestern part of the State to its intersection with the Tennessee river, at Chattanooga—distance 139 miles.

The items of \$375,000, authorized by the last session of the General Assembly, was for the purpose of extending this road from Dalton to Chattanooga—more than two-thirds of the amount is still in the hands of the Engineer of the road. The road was finished to Dalton, 116 miles, and opened in 1847; and its earnings have been steadily expended to aid in pushing the work through to completion. It is the sole property of the State, and will have cost not far from \$2,300,000. And its revenue, after it is opened through its entire length, together with the increasing resources of the State, must leave annually a large surplus in the treasury, which will undoubtedly be employed as a sinking fund for the purchase and extinguishment of her debt long before its maturity.

The Treasurer of the State is now prepared to take up the £15,000 sterling five per cent. bonds, due in 1868.—*N. Y. Cour. & Eng.*

BANK STATISTICS.

ANNUAL REPORT OF THE BANK OF CHARLESTON.

At the annual meeting of the stockholders of the Bank of Charleston, South Carolina, held at the Hall of their Banking-house, pursuant to public notice, and in conformity with the terms of the charter, on Tuesday, the 3d of July, 1849:—**CHARLES ALSTON**, Esquire, was called to the Chair, and **A. MOISE, Jr.** appointed Secretary.

The meeting being organized, **HENRY W. CONNER**, Esq. President of the Institution, submitted the following Report:

BANK OF CHARLESTON, S. C., *July 3d, 1849.*

GENTLEMEN:

The President and Directors of the Bank of Charleston, S. C., have the pleasure to submit to the stockholders their usual annual statements, shewing the condition of the bank, and the result of its business for the past year.

These statements consist of the Profit and Loss Account, and Contingent Fund Account—state of the bank on the 30th June, 1849—Monthly Statement of liabilities and resources, and report of the Com-

mittee on the Suspended Debt—all of which will be found annexed, numbered and arranged in their proper order.

The profits realized for the year, after deducting current charges and expenses, it will be seen from the Profit and Loss Account, (marked No. 1) amounts to \$267,910 52

From this amount, two semi-annual dividends of 3 per cent each, with an extra dividend of 2 per cent for the last six months have been declared, and amounting to 252,864 00

Leaving a surplus of \$ 15,046 52

which has been carried to the credit of the Contingent Fund Account.

It is proper to remark here, however, that the dividends on State and United States stock, and interest on bonds, accruing for the last six months, but not receivable until after 1st of July, does not appear in the present accounts. This amount will be \$22,456 22.

The bank also holds an amount of foreign exchange, the profits on which will appear only as realized from its sales. If sold at the rates now current in New York for sterling and francs, the profits would be \$43,676 15, but the amount will of course be varied according to the prices at which exchange may be sold at the time.

Both of these amounts will appear in the earnings of the next six months, and go into the dividends of January next.

The losses of the bank in the meantime promise to be small. The whole amount in suspense and jeopardy of the transactions of the past year, is \$7,363 71, of which the one-half, or in the worst view of the case, two-thirds may be lost. There has, however, been now charged to the Account of "Losses chargeable to the Contingent Fund Account," the sum \$27,656 62, but it grew out of transactions of previous date—\$23,372 22, being for a debt of Reid, Irving & Co., of London, noticed in our last report.

Its position particularly in reference to its *immediate* liabilities and resources, will appear from the following abstract :

Notes in Circulation, . . .	\$1,594,549	Gold and Silver Coin, . . .	\$436,224
Individual Deposits, . . .	413,930	Notes of other Banks, . . .	69,847
Due to City Banks, . . .	3,526	Due by distant Banks, . . .	230,051
Due to distant Banks, . . .	479,707	Due by City Banks, . . .	10,898
Due to Agencies, . . .	170,425	Due by Agencies, . . .	399,343
		Sterling Exchange, . . .	1,433,557
		French Exchange, . . .	219,817
		Domeestic Exchange, . . .	1,062,769
	\$2,662,437		\$3,862,506

while, for its general and contingent liabilities and resources, we refer to the statement itself.

The Suspended Debt, as was anticipated in our last report, has been reduced within the past year to a comparatively small compass. The amount to the debit of that account proper, at the present time, is \$77,656 14; its condition, however, is fully set forth by the committee's report.

The cash assets of the bank have been examined several times during the year, by committees of the directors—the last of which was on the 30th June, and all found right.

Our proprietary consists at present of 967 shareholders, and the stock appears to be distributed as follows:

Held by individuals in their own right,	\$1,679,150	
Held by Widows, Orphans, Trustees, Guardians,	1,241,850	
Held by Insurance and Trust Companies, and Banks, a part no doubt on pledge,	239,800	\$3,160,800

The foregoing report, with its accompanying statements, it is hoped, will be found sufficiently explanatory of their own purposes.

Should any further information, however, be required now or hereafter, it will readily be afforded.

H. W. CONNER, *President.*

Proceedings of the Adjourned Meeting of the Stockholders of the Bank of Charleston, South Carolina, 6th July, 1849.

In compliance with the resolution of the stockholders of the Bank of Charleston, S. C., passed at their annual meeting on the 3d inst., the adjourned meeting took place in their Hall on the 6th inst.—Charles Alston, Esq., in the Chair, and A. Moise, Jr., acting Secretary.

The meeting being organized, it was addressed by Col. John Phillips, who submitted the following resolution, which was unanimously adopted:

Resolved, That in the opinion of the stockholders of the Bank of Charleston, South Carolina, the report and accompanying statements, exhibit a condition of soundness, strength and prosperity in the institution, in the highest degree satisfactory; entitling the president and directors to the thanks and continued confidence of the stockholders, for their able, faithful and eminently successful administration.

Col. Phillips then submitted the following preamble and resolutions:

Whereas, the Bank of Charleston, South Carolina, has now on hand realized surplus profits amounting to \$250,767 77, which have not been divided to the stockholders, but which are reserved to meet contingencies and losses that may hereafter occur; and has also on hand in domestic sterling and French exchange, amounting to \$2,715,643 out of the sales of which a profit could now be realized of \$43,676 15 or more, and also dividends and interest, now due, amounting to \$22,456 22, which funds are in effect, also a reserve for contingencies and losses, and which several sums amount to \$323,233 99, or over 10 per cent. on the capital of the bank. And whereas, the stockholders when they invested in the stock, did so with the expectation and desire to have the profits of their capital paid over to them as dividends, an expectation that should not be disappointed, except from necessity.

And whereas, during the first fourteen years of the existence of the institution, no such reserve was made, and no such necessity for one was exhibited, but all losses that were made, were made good from the

current profits of the year, and dividends still paid ranging as high as ten, and never below six per cent.: And whereas, the future prospects for a safe and profitable business, are as good as any period the bank has experienced, and the board which manages it, are at least as skilful, able, faithful and capable, as any that has preceded it, and, therefore, no such necessity is apparent for withholding the profits, to make good, losses, that there is no past reason to expect will be incurred: And whereas, sound policy warns us against accumulating a larger capital, especially in this way, and at this time.

Be it therefore Resolved, That in the opinion of the stockholders, three per cent., in addition to the profits to be made on the exchange now on hand, will be an ample reserve fund to meet all contingencies and losses: and that all the profits on hand, beyond these ought to be divided among the stockholders.

Resolved, That the president and directors be, and they are hereby requested, to declare and distribute a dividend according to the foregoing views.

The resolutions were seconded by Col. Elmore, who addressed the meeting in their support.

After a full and free discussion of the preamble and resolutions, the question was taken upon their adoption, and decided in the negative.

The meeting then adjourned.

CHARLES ALSTON, *Chairman*.

A. MOISE, JR., *Secretary*.

BANK OF CHARLESTON.

Comparative Statements of the Bank of Charleston, 1846, 1847, 1848, 1849.

RESOURCES.	June, 1846.	June, 1847.	June, 1848.	June, 1849.
Bills Discounted,	\$1,741,543	\$1,207,564	\$1,603,326	\$1,252,440
Domestic Bills of Exchange, . . .	1,046,300	922,164	498,475	1,062,770
Sterling Exchange,	531,102	1,024,425	2,034,800	2,356,856
French Exchange,	319,728	319,872	56,107	316,348
Bonds and Mortgages,	460,400	421,365	392,354	251,078
Suspended Debt,	156,617	86,177	187,500	104,337
Due by Distant Banks,	340,229	239,502	363,997	230,062
Due City Banks,	4,038	30,580	14,204	10,900
Due by Agencies,	205,322	250,462	197,224	399,848
Foreign Premiums,	51,878	79,054	52,180	94,968
Bonus for Charter,	53,125	47,500	41,875	36,250
Real and Personal Estate,	90,961	69,896	64,616	63,808
Expense Account,	15,602	16,790	17,462	17,336
Louisville and C. R. R. Bonds, . . .	270,560	378,753	505,863	505,868
South Carolina Bonds,	45,511	45,511	24,972	24,780
United States 6 per cents., . . . . .	.....	430,000	50,000	50,000
Losses chargeable to Contingent, . .	201,585	249,856	300,620	327,507
Notes of other Banks,	55,305	44,112	101,853	71,046
Gold and Silver,	397,331	423,803	389,739	436,225
Miscellaneous,	52,614	.....	3,110	.....
Total Resources,	\$6,039,950	\$6,237,338	\$6,880,287	\$7,612,912

Bank Statistics.

LIABILITIES.	June, 1846.	June, 1847.	June, 1848.	June, 1849.
Capital Stock,	\$3,160,800	\$3,160,800	\$3,160,800	\$3,160,800
Circulation,	1,061,114	1,332,228	753,510	1,594,850
Individual Deposits,	536,852	471,258	336,318	413,930
Sterling Bills Sold, . . . . .	.....	.....	1,504,288	.....
Due Distant Banks,	391,230	624,458	321,547	479,708
Due City Banks,	14,833	4,440	1,724	3,526
Due to Agencies,	432,030	193,245	115,495	1,190,756
Due Government Officers	2,368	2,427	.....	2,370
Dividends Unpaid,	9,047	8,517	8,279	10,007
Discount, Premium and Interest,	165,066	180,525	298,565	187,870
Contingent Fund,	266,610	309,490	379,461	569,095
Total Liabilities,	\$6,039,950	\$6,237,338	\$6,880,237	\$7,612,912
Aggregate Items of Surplus Profits, 1 July, 1849,				\$756,963 25
From which deduct the following Items				
Losses chargeable to Contingent Fund,			\$327,507 25	
Dividend, No. 27, five per cent.,			158,040 00	
Expenses for half year, ending 30 June,			17,835 83	
Semi-Annual appropriation for the liquidation of the				
Bonus for Charter,			2,812 50	\$506,195 58
Actual Surplus, 30 June, 1849, nearly 8 per cent. of Capital,				\$250,767 97

Bank of the State of Missouri and Five Branches.

LOCATION.	Capital.	Deposits.	Circulation.	Bank Balances.
St. Louis,	\$608,170	\$1,581,800	\$1,289,000	\$164,900
Branch at Fayette,	120,058	30,400	240,000	4,100
" Jackson,	120,059	15,800	200,000	....
" Lexington,	120,059	64,000	240,000	....
" Palmyra,	120,059	62,000	210,000	....
" Springfield,	120,059	30,000	157,000	....
	Loans.	Specie.	Real Estate.	Suspended Debt.
St. Louis,	\$1,726,000	\$1,727,000	\$50,000	\$77,000
Branch at Fayette,	279,000	97,000	23,400	3,200
" Jackson,	197,000	112,000	5,100	18,500
" Lexington,	290,000	59,000	13,700	12,400
" Palmyra,	160,000	100,000	14,400	18,800
" Springfield,	181,000	100,000	9,700	16,900
RESOURCES.	Dec. 1845.	Dec. 1847.	Dec. 1848.	June 30, 1849.
Bills Discounted,	\$1,433,038	\$1,775,886	\$1,816,180	\$1,877,263
Exchanges Matured,	544,675	136,245	474,380	457,408
Exchanges Maturing,	733,894	511,163	590,095	496,392
Suspended Debt,	170,046	164,218	155,458	147,210
Due by State of Missouri,	76,544	110,572	123,538	132,056
Real Estate,	136,016	122,574	125,850	116,440
Bank Balances,	47,900	20,520	53,905	107,895
Expense Account,	14,445	15,451	15,426	17,506
Certificates Bank of Illinois,	183,946	181,786	191,533	191,533
Do. State Bank Do.	24,367	24,367	.....	.....
Bank Notes,	185,736	47,040	36,560	47,300
Gold and Silver Coin,	1,453,614	2,314,716	2,427,686	2,226,915
Total Resources,	\$5,004,521	\$5,424,543	\$6,010,613	\$5,817,918

Dividend January 1, 1849, 6½ per cent.—(¼ payable to the State.)

LIABILITIES.	Dec. 1845.	Dec. 1847.	Dec. 1848.	June 30, 1849.
Capital owned by the State, . . .	\$954,205	\$954,205	\$954,205	\$954,205
Capital owned by Individuals, . . .	246,377	250,511	253,962	254,258
Circulation,	2,195,840	2,404,160	2,569,950	2,336,440
Individual Deposits,	1,296,423	1,364,650	1,735,410	1,785,913
Bank Balances,	37,868	138,073	170,695	169,790
Contingent Fund,	79,978	98,850	122,960	135,041
Interest and Exchange,	176,612	196,870	186,208	182,270
Surplus Account,	17,223	17,223	17,223	.....
Total Liabilities,	\$5,004,521	\$5,424,543	\$6,010,613	\$5,817,918

KENTUCKY.

Bank of Louisville and Two Branches.

LIABILITIES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	2 July, 1849.
Capital Stock,	\$1,092,100	\$1,092,000	\$1,090,000	\$1,090,000
Circulation,	1,024,227	939,822	1,126,323	983,389
Individual Deposits,	213,783	161,390	230,893	199,460
Bank Balances,	109,517	57,092	132,933	222,362
Dividends Unpaid,	34,401	2,600	3,568	2,776
Profit and Loss,	77,231	126,829	159,166	162,934
Total Liabilities,	\$2,541,258	\$2,369,723	\$2,731,893	\$2,650,921
RESOURCES.	Jan. 1846.	Jan. 1847.	Jan. 1848.	2 July, 1849.
Notes Discounted,	\$866,433	\$736,700	\$649,060	\$608,831
Bills of Exchange,	811,570	717,987	1,136,262	893,521
Louisville City Bonds,	80,000	75,000	75,000	75,000
Bank Balances,	146,772	132,830	154,410	295,678
Suspended Debt and Costs,	91,408	88,443	47,962	46,060
Real Estate,	111,492	97,271	89,271	99,641
Specie on hand,	361,094	445,944	510,341	527,394
Bank Notes,	82,499	75,650	70,692	104,876
Total Resources,	\$2,541,258	\$2,369,723	\$2,731,898	\$2,650,921
2 July, 1849.	<i>Capital.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Specie.</i>
Bank of Kentucky and 7 Branches,	\$3,700,000	\$2,453,000	\$791,000	\$1,241,000
Northern Bank and 4 "	2,250,000	2,432,000	756,000	918,000
Bank of Louisville and 2 "	1,080,000	983,000	200,000	527,000
	\$7,030,000	\$5,868,000	\$1,747,000	\$2,686,000

This is a larger amount of specie than is held by all the banks of Boston, the point of concentration and redemption for the thirty millions of circulation of the New England banks at large.

BANKS OF NEW YORK.

Condition of the Banks of the City and State of New York in 1847-48-49.

LIABILITIES.	June, 1847.	December, 1848.	30 June, 1849.
Capital,	\$43,279,891	\$44,330,553	\$44,929,505
Undivided Profits,	6,043,532	6,635,449	7,097,660
Circulation,	26,237,256	23,206,290	21,912,616
Individual Deposits,	35,096,813	29,205,333	35,605,000
Bank Balances,	17,034,010	13,311,087	20,994,078
Due Treasurer of the State,	1,009,945	2,087,305	2,723,665
Due Canal Fund,	1,603,119	1,005,655	1,112,298
Special Deposits,	966,840	518,550	640,296
Miscellaneous,	977,865	991,729	1,611,368
Total Liabilities,	\$132,349,276	\$121,281,950	\$136,626,506

RESOURCES.	November, 1847.	December, 1849.	30 June, 1849.
Loans and Discounts,	\$90,887,862	\$77,245,828	\$86,206,027
Bonds and Mortgages,	2,712,840	2,654,558	2,663,625
Stocks,	13,474,543	12,476,758	12,801,000
Real Estate,	3,464,618	3,475,038	3,514,487
Bank Balances,	10,725,755	9,351,376	12,022,436
Bank Fund,	140,392	.....	.....
Loss and Expense Account,	491,519	632,103	511,615
Over Drafts,	117,090	166,107	164,343
Specie,	9,107,920	6,817,814	10,571,517
Cash Items,	8,703,577	5,955,472	6,479,829
Notes of Solvent Banks,	2,420,375	2,460,264	2,679,250
Notes of Suspended Banks,	2,780	46,582	12,077
Total Resources,	\$132,249,276	\$121,281,950	\$136,626,506

Dividends of the New York City Banks, 1844-1849.

NAME OF BANK.	Capital.	1844.	1845.	1846.	1847.	1848.	1849.
Bank of America,	\$2,000,200	6	6	6½	7	7	7
Bank of Commerce,	3,449,480	6	6	6	6½	7	8
Tradesmens Bank,	400,000	10	10	10	15	10	10
Seventh Ward Bank,	500,000	5	6	7	7	7½	8
Merchants Exchange Bank,	750,000	7	7	7½	8	8	12
North River Bank,	655,000	7	7	7	8	8	8
Phenix Bank,	1,200,000	6	6	6	6	6	7
Chemical Bank,	300,000	.	.	.	.	.	16
N. Y. Dry Dock Bank,	200,000	.	.	.	.	.	..
Leather Manufacturers,	600,000	7	7	7	7	7	8
Manhattan Co.,	2,050,000	.	.	6	.	6	7
Butchers and Drivers,	500,000	7½	7½	9	10	10	10
National Bank,	750,000	6	6½	7	7½	8	4 April
American Exchange,	1,155,400	5½	6	6	7	7½	4 May
Bank of New York,	1,000,000	8	7	8	10	10	5 May
B. of the State of N. York	2,000,000	5	6	6	6	6½	3½ May
Bowery Bank,	300,000	.	.	new	.	8	4 May
Mechanics Bank,	1,440,000	7	7½	8	8	8	4 May
City Bank,	720,000	7	7½	8	8	8	4 May
Union Bank,	1,000,000	8	8	8	10	10	5 May
Mechanics and Traders,	200,000	7	7	8	9½	10	5 May
Fulton Bank,	600,000	10	10	10	10	10	5 May
Greenwich Bank,	200,000	..	..	..	..	..	May
Merchants Bank,	1,490,000	7	8	8	8	8	4 June
Mechanics B. Association,	632,000	7	7	8	3½	7	3½ "

Capital, June, 1849, . . . \$24,092,080

Banks of the City of New York.

RESOURCES.	December, 1849.	30 June, 1849.
Loans and Discounts,	\$42,071,525	\$49,855,100
Real Estate,	2,056,272	2,108,674
Bonds and Mortgages,	127,194	153,407
Stocks,	4,380,797	4,083,034
Specie,	5,850,424	9,586,305
Cash Items,	5,294,395	5,842,360
Bank Notes,	660,824	619,760
Bank Balances,	2,970,920	6,496,424
Miscellaneous,	342,450	237,236
Total Resources,	\$63,754,801	\$79,082,300

LIABILITIES.	December, 1943.	30 June, 1949.
Capital,	24,149,910	24,657,890
Profits Undivided,	3,261,060	3,544,156
Circulation,	5,783,398	5,537,503
Public Deposits,	226,798	972,968
Individual Deposits,	21,442,148	27,227,124
Special Deposits,	89,124	60,426
Bank Balances,	8,470,271	16,336,554
Miscellaneous,	382,092	746,670
Total Liabilities,	\$63,754,801	\$79,082,300

Dividends of the Albany Banks, 1846—1849.

NAME OF BANK.	Capital.	1846.	1847.	1848.	1849, half year.
Bank of Albany,	240,000	8	8	8	4
Albany City Bank,	500,000	8	8	8	4
Albany Exchange Bank,	311,100	7	6½	3½	3½
Commercial Bank,	300,000	4	8	8	4
Mechanics and Farmers Bank,	442,000	10	10	10	5
New York State Bank,	369,600	10	10	10	5

Officers of the Albany Banks, August, 1849.

NAME OF BANK.	Incorporated.	President.	Cashier.
Bank of Albany,	1792	Jacob H. Ten Eyck,	Edward E. Kendrick.
New York State Bank,	1803	Erastus Corning,	Watts Sherman.
Mechanics and Farmers Bank,	1811	Samuel Pruynt,	Noah Lee.
Commercial Bank,	1925	John Townsend,	James Taylor.
Albany City Bank,	1834	Thomas W. Olcott,	Thomas Olcott.
Albany Exchange Bank,	1838	Rufus H. King,	J. B. Plumb.

For further particulars of the Albany Banks, see page 167, August No.

RHODE ISLAND.

Comparative view of the Banks of Rhode Island in 1845, 1846, 1848, 1849.

LIABILITIES.	October, 1845.	May, 1846.	May, 1848.	May, 1849.
Capital,	\$10,324,127	\$10,548,690	\$11,095,202	\$11,240,307
Circulation,	2,670,306	2,907,491	2,693,495	2,543,444
Deposits,	1,495,510	1,348,862	1,373,826	1,441,668
Bank Balances,	623,562	757,058	620,323	489,898
Net Profits,	473,366	510,144	632,819	659,461
Dividends Unpaid,	23,970	26,006	26,506	24,894
Total Liabilities,	\$15,615,841	\$16,098,251	\$16,447,170	\$16,406,672
RESOURCES.	October, 1845.	May, 1846.	May, 1848.	May, 1849.
Loans,	\$13,714,256	\$14,122,973	\$14,601,940	\$14,684,678
Specie on hand,	283,380	280,470	320,581	262,908
Notes of other Banks,	395,425	460,764	532,936	451,364
Bank Balances,	671,879	694,040	564,160	539,452
Bank Stocks,	79,757	48,486	57,961	79,311
Other Stocks,	192,764	202,048	221,716	145,490
Real Estate,	252,491	259,704	231,762	232,413
Furniture, &c.	25,890	29,777	16,124	12,856
Total Resources,	\$15,615,841	\$16,098,251	\$16,447,170	\$16,406,672

The increase of Bank Capital since April, 1848, has been as follows:

American Bank, Providence, . . .	\$19,000	Globe, Smithfield,	\$5,700
Blackstone, C. B. "	12,450	Village Bank, "	10,000
Commercial Bank, "	29,750	People's N. Providence, . . .	1,150
Eagle Bank, "	50	N. E. Pacific, "	4,700
Manufacturers, "	18,000	North Prov. "	5,050
B. North America, "	1,800	Phenix, Westerly,	500
Pawtucket Bank, "	3,975	Kent Bank, Coventry,	100
Weybosset Bank, "	1,050	Hamilton, Scituate,	31,680
Fall River Union Bank,	150		
		Total,	\$145,106

The Hamilton Bank, North Scituate, has since failed, and its paper selling at 37 cents per dollar.

Condition of the Several Banks of Rhode Island, April 16, 1849.

Where Located.	Names of the Banks.	Capital Stock actually paid.	Bills in cir- culation.	Total am't due from Bank.	Specie in Bk. dis.	Last p. c.
Providence,	American,	\$ 544,400	\$61,525	\$661,516	\$7,777	7
"	Arcade,	500,000	64,938	654,504	13,700	7
"	Blackstone Canal,	450,000	82,804	630,478	1,471	6
"	City Bank,	200,000	47,050	270,109	1,857	4
"	Commercial,	360,000	44,716	503,268	2,560	7
"	Eagle,	401,000	42,596	491,833	3,703	6
"	Exchange,	500,000	67,000	654,402	8,787	7
"	Globe,	410,600	62,840	539,992	1,061	6
"	High Street,	120,000	46,892	193,357	3,486	7
"	Manufacturers,	471,300	77,862	615,944	13,899	7
"	Mechan. and Manuf.,	186,150	25,624	266,936	1,335	6
"	Mechanics,	500,000	65,356	621,225	5,724	7
"	Merchants,	500,000	25,210	940,039	20,072	7
"	National,	120,000	118,966	316,471	4,209	10
"	North America,	425,000	71,582	563,520	6,064	7
"	Pawtuxct,	126,137	57,126	202,996	2,906	7
"	Phenix,	200,000	54,996	319,322	2,037	7
"	Providence,	500,000	140,000	896,694	17,300	8
"	Roger Williams,	499,950	72,024	723,607	21,567	7
"	Traders,	200,000	53,229	297,496	2,309	8
"	Union,	500,000	43,649	645,671	8,250	6
"	Weybosset,	344,300	54,483	465,227	5,010	7
"	Smithfield Lime Rock,	100,100	24,290	137,843	991	4
Newport,	Merchants,	100,000	21,649	142,354	4,033	6
"	N. E. Commercial,	75,000	26,163	125,262	2,725	6
"	Newport,	120,000	28,295	163,746	4,307	6
"	Newport Exchange,	60,000	15,976	106,727	4,446	6
"	Rhode Island Union,	165,000	27,847	219,908	3,618	6
"	Rhode Island,	100,000	19,541	151,144	2,491	4
"	Traders,	60,000	22,862	94,803	1,413	6
Smithfield,	Smithfield Exchange,	45,000	44,301	97,317	2,154	6
"	Globe,	69,775	27,590	106,279	2,623	6
"	Smithfield Union,	60,000	24,297	92,447	1,845	7
"	Village,	60,000	32,610	99,237	3,106	8
Bristol,	Bristol,	150,000	22,644	178,649	1,790	5
"	Commercial,	75,000	14,158	94,963	794	8
"	Eagle,	50,000	34,744	101,076	795	8
"	Freemens,	65,000	19,597	96,610	1,225	6
Warwick,	Centreville,	50,000	20,120	73,357	5,449	7
"	Warwick,	25,000	8,040	37,065	1,552	6
Cumberland,	Cumberland,	75,000	45,621	133,165	3,205	7

Bank Statistics.

241

Where Located.	Names of the Banks.	Capital Stock actually paid.	Bills in cir- culation.	Total Na- mities.	Specie Lost in Bk. dis. p. c.
Cumberland,	Woonsocket Falls,	\$100,000	\$37,753	\$155,801	\$5,073 7
Warren,	Warren,	125,000	23,635	196,572	2,635 7
"	Hope,	125,000	22,501	168,970	1,891 6½
S. Kingstown,	Landholders,	100,000	28,792	141,212	1,243 8
"	Wakefield,	50,000	28,106	84,979	2,483 6
N. Kingstown,	Narragansett,	50,000	31,883	101,213	3,226 8
"	North Kingstown,	75,000	33,396	127,221	2,744 6
N. Providence,	N. E. Pacific,	111,300	36,557	170,750	2,464 7
"	North Providence,	91,350	24,950	130,615	3,497 7
"	Peoples,	51,150	37,908	105,207	2,572 7
Westerly,	Phenix,	100,000	36,565	146,464	3,207 6
"	Washington,	150,000	47,592	230,959	3,264 7
Scituate,	Citizens Union,	40,000	18,406	65,108	2,824 6
Cranston,	Cranston,	25,000	11,536	47,343	2,871 6
Exeter,	Exeter,	21,330	16,314	40,553	2,321 6
Tiverton,	Fall River Union,	199,775	88,785	335,080	4,344 7
Glocester,	Franklin,	38,000	30,573	74,758	3,292 8
Coventry,	Kent,	40,000	22,168	68,422	2,655 8
Foster,	Mount Vernon,	60,000	43,129	109,546	2,083 6½
E. Greenwich,	R. I. Central,	81,960	23,323	114,527	2,457 6
Burrillville,	Pascoag,				
Scituate,	Hamilton,	31,680	24,858	56,753	1,558
Sixty-three Banks,		\$11,240,307	2,543,444	16,408,672	262,908

Dividends of the Philadelphia Banks.

NAME OF BANK.	Capital.	Year 1847.	Year 1848.	Year 1849.	Year 1849.	Year 1849.
Bank of Pennsylvania,	\$1,562,500	8	4	4	Jan 4	July 4
Bank of North America,	1,000,000	9	5	5	" 10	" 5
Philadelphia Bank,	1,150,000	8	7	5	May 7	
Commercial Bank,	1,000,000	8	4	4	" 4	
Girard Bank,	1,000,000	.	.	.	" .	
Mechanics Bank,	800,000	10	5	5	" 5	
Farmers and Mechanics Bank,	1,250,000	13½	6	6½	" 4	
B. of the Northern Liberties,	350,000	10	5	5	" 5	
Western Bank,	318,600	8	5	5	" 5	
Manufacturers & Mechanics,	300,000	8	4	3½	" 4	
Bank of Commerce,	250,000	3	3	3	" 3	
Southwark Bank,	250,000	10	5	5	" 5	
Kensington Bank,	250,000	10	5	5	" 5	
Bank of Penn Township,	225,000	12	5	5	" 5	
Capital,	\$9,706,100					

The returns of the several banks of Boston, New York and Philadelphia, during the Autumn of 1848, exhibit a small amount of specie and deposits at Boston when compared with the other cities, viz:

	Capital.	Circulation.	Deposits.	Coin.
Boston, . . . 1849, Sept.	\$18,980,000	\$4,950,000	\$6,430,000	\$1,885,000
New York, . . . 1849, Dec.	24,150,000	5,700,000	21,440,000	5,850,000
Philadelphia, . . . 1849, Nov.	9,706,000	3,530,000	8,764,000	*4,500,000

* Specie and Treasury notes included.

Dividends of the Baltimore Banks.

NAME OF BANK.	Capital.	1847.	1848.	1849.	1849
*Merchants Bank,	\$1,500,000	6	6	3	3
Union Bank,	916,350	6	7	3	3
Farmers and Planters Bank,	600,625	7	7	3½	4
*Chesapeake Bank,	340,577	6	6	3	3½
Western Bank,	308,280	6	6	3	3
*Franklin Bank,	301,560	.	6	3	3
*Farmers and Merchants Bank,	393,560	6½	6½	3	April
Marine Bank,	310,000	7	7	3½	April
Commercial and Farmers,	512,560	8	8	4	May
*Bank of Baltimore,	1,200,000	7	7	3	June
Mechanics Bank,	590,844	6½	7	3½	June

Aggregate Capital, \$6,974,646

* These Banks pay the taxes levied by the State and City, amounting this year to 1.18-100 per cent. The others pay the State tax only, ¼ of one per cent., the City tax being levied upon the individual stockholders, say 93 cents per \$100.

Increase of Bank Capital in the United States.

The following table of bank capital has been compiled from official tables: the last column from documents in possession of the editor B. M., and the statements for 1814 and 1817 are derived from the reports of the Treasury Department.

STATES.	Year 1814.	Year 1817.	Year 1849.
Maine,	\$1,380,000	\$1,720,000	\$2,920,000
New Hampshire,	838,250	997,550	1,890,000
Massachusetts,	11,350,000	11,300,000	33,285,000
Rhode Island,	2,317,320	2,317,320	11,095,577
Connecticut,	3,655,750	4,021,262	8,726,331
New York,	17,185,352	16,991,704	44,330,553
New Jersey,	2,121,932	2,076,465	3,600,700
Pennsylvania,	14,963,333	15,732,615	17,712,870
Delaware,	996,990	974,500	1,490,000
Ohio,	1,435,819	2,003,969	6,654,407
Indiana, . . . . .	.....	127,624	2,082,874
Maryland,	7,872,002	8,657,147	8,930,742
District of Columbia,	4,060,814	5,008,527	1,338,195
Virginia,	3,592,000	4,884,565	9,714,970
North Carolina,	1,576,600	2,796,600	3,525,000
South Carolina,	3,730,900	3,919,973	11,431,183
Georgia,	623,580	1,502,600	4,949,975
Louisiana,	1,432,300	1,432,300	17,663,300
Mississippi,	100,000	200,000	.....
Tennessee,	212,962	995,500	8,066,800
Kentucky,	932,600	2,823,100	7,030,000
Missouri, . . . . .	.....	193,125	1,208,167
Alabama, . . . . .	.....	.....	1,500,000
Michigan, . . . . .	.....	.....	660,600
Vermont, . . . . .	.....	.....	1,626,190
Wisconsin, . . . . .	.....	.....	225,000
Texas, . . . . .	.....	.....	300,000
Iowa, . . . . .	.....	.....	100,000
Total,	\$80,378,504	\$90,676,446	\$212,048,434
Bank of United States, . . . . .	.....	35,000,000	.....

Bank Capital of Cities.

The following list comprises all the cities possessing a million of dollars or more, in bank capital.

LOCATION.	No. Banks.	Capital.	LOCATION.	No. Banks.	Capital.
New York,	25	\$24,149,910	Salem, Mass.	7	\$1,750,000
Boston,	27	† 19,380,000	New Haven,	4	1,679,775
New Orleans,	6	17,663,300	Cincinnati,	6	1,680,026
Philadelphia,	14	9,956,100	Lexington, Ky.	2	1,530,000
Charleston,	7	* 9,153,583	Mobile,	1	1,500,000
Providence,	22	7,972,612	Troy, N. Y.	5	1,475,000
Baltimore,	11	6,974,646	Newark,	3	1,408,650
Nashville, Tenn.	3	* 6,180,004	New Bedford,	4	1,300,000
Hartford, Conn.	5	† 3,733,200	Utica,	5	1,285,200
Louisville, Ky.	3	2,960,000	Petersburg,	3	1,170,000
Pittsburg, Pa.	4	2,619,015	Rochester,	5	1,160,000
Augusta, Ga.	6	2,624,900	Washington, D. C.	3	1,029,380
Albany, N. Y.	6	2,162,700	Wilmington, N. C.	3	1,000,000
Richmond, Va.	3	2,115,370	Portland,	5	1,025,000
Savannah, Ga.	4	1,890,790			

* Less, capital allotted to branch banks in the interior, and not fixed.

† One additional new bank in each about to commence operations.

BANK ITEMS.

THE ALBANY BANKS.—After our last sheet was printed, we discovered that the compositor had inadvertently transposed several of the lines in the list of the Albany Bank officers, on p. 239. We therefore re-insert it now in a corrected form.

Officers of the Albany Banks, August, 1849.

NAME OF BANK.	Incorporated.	President.	Cashier.
Bank of Albany,	1792	Jacob H. Ten Eyck,	Edward E. Kendrick.
New York State Bank,	1803	Rufus H. King,	J. B. Plumb.
Mechanics and Farmers Bank,	1811	Thomas W. Olcott,	Thomas Olcott.
Commercial Bank,	1825	John Townsend,	James Taylor.
Albany City Bank,	1834	Eraustus Corning,	Watts Sherman.
Albany Exchange Bank,	1838	Samuel Pruyn,	Noah Lee.

For further particulars of the Albany Banks, see page 157, August No.

CANAL BANK OF ALBANY.—The receivers of this institution have given notice that a further and final dividend of 40 per cent. will be paid upon the circulation of the Canal Bank; this, added to 60 per cent. previously declared, will pay the circulation in full.

BANK DIVIDENDS.—Besides the usual dividends of the New York City Banks, the following dividends have been declared payable in New York in July.

	per cent.		per cent.
Bank of Kentucky,	4	Clinton Bank of Columbus,	5
Northern Bank,	4½	Bank of Mobile,	2½
La Fayette Bank of Cincinnati,	4	Union Bank of Tenn. (per share,)	2

THE WESTERN BANK, MASSACHUSETTS.—The Western Bank, at Springfield, Mass., chartered at the last session of the legislature, will commence operations in September, 1849. The directors have selected as their Cashier, Charles P. Bissell, Esq. at present Cashier of the Iron Bank, Connecticut.

UNION BANK OF HAVERHILL.—This newly incorporated institution has been organized by the appointments of George Cogswell, Esq. as President, and James Noyes, Esq. Cashier. The bank will commence operations in November next.

COUNTRY NOTES REDEEMED AT PAR IN NEW YORK.

<i>New York.</i>	<i>Name of Bank.</i>	<i>Denominat'n.</i>	<i>Where Redeemed.</i>
Albany,	Albany City Bank,	100's	Bank of the State N. Y.
"	Albany Exchange Bank,	all	Mer. Exchange Bank.
"	Bank of Albany,	50's and up.	Bank of New York.
"	Commercial Bank,	all	Bank of Commerce.
"	Mech. and Farmers Bank,	100's	Merchants Bank.
Catskill,	Catskill Bank,	all	American Exch. Bank.
"	Tanners Bank,	all	"
Hudson,	Farmers Bank,	all	Mechanics Bank.
"	Hudson River Bank,	all	Leather Manuf. Bank.
Kinderhook,	Bank of Kinderhook,	all	American Exch. Bank.
Kingston,	Kingston Bank,	all	Bank of the State N. Y.
"	Ulster County Bank,	all	Merchants Exch. Bank.
Newburg,	Highland Bank,	all	Phenix Bank.
"	Powell Bank,	all	American Exch. Bank.
"	Bank of Newburg,	all	Merchants Exch. Bank.
Poughkeepsie,	Bank of Poughkeepsie,	all	"
"	Dutchess County Bank,	all	Phenix Bank.
"	Merchants Bank,	all	"
"	Farmers and Manuf. Bank,	all	"
Peekskill,	Westchester Co. Bank,	all	Merchants Exch. Bank.
Prattsville,	Prattsville Bank,	all	American Exch. Bank.
Rondout,	Bank of Rondout,	all	North River Bank.
Somers,	Farmers and Drovers Bank,	all	Merchants Exch. Bank.
Troy,	Bank of Troy,	50 and up.	Merchants Bank.
"	Farmers Bank,	all	"
<i>New Jersey.</i>			
Belvidere,	Belvidere Bank,	10's and up.	Merchants Exch. Bank.
Elizabethtown,	State Bank,	5's and up.	Merchants Bank.
Middletown Pt.,	Farmers and Mer. Bank,	5's	Fulton Bank.
Morristown,	Morris County Bank,	10's	" North River Bank.
"	State Bank at Morris,	10's	" North River Bank.
Newark,	Mechanics Bank,	5's	" Mechanics Bank.
"	Newark Bank. and In. Co.	5's	" Merchants Bank.
"	State Bank at Newark,	5's	" Manhattan Bank.
New Brunswick,	State Bank,	5's	" Phenix Bank.
Newton,	Sussex Bank,	10's	" Merchants Exch. Bank.
Orange,	Orange Bank,	5's	" American Exch. Bank.
Perth Amboy,	Commercial Bank,	10's	" Mechanics Bank.
Rahway,	Farmers and Mech. Bank,	10's	" Merchants Bank.
Somerville,	Somerset County Bank,	5's	" American Exch. Bank.
Trenton,	Trenton Banking Co.	5's	" Manhattan Co.
"	Mech. and Manuf. Bank,	5's	" Phenix Bank.
<i>Pennsylvania.</i>			
Easton,	Easton Bank,	all	Union Bank.

COUNTRY NOTES REDEEMED AT PAR IN PHILADELPHIA.

<i>Location.</i>	<i>Name of Bank.</i>	<i>Location.</i>	<i>Name of Bank.</i>
Bristol,	Farmers Bk. of Bucks Co.	Lebanon,	Lebanon Bank.
Chester,	Bank of Delaware County.	Norristown,	Bk. of Montgomery Co.
Columbia,	Columbia Bk & Bridge Co.	Northumberland,	Bk. of Northumberland.
Doylestown,	Doylestown Bank.	Pottsville,	Miners Bank.
Easton,	Easton Bank.	Reading,	Farmers Bk of Reading.
Germantown,	Bank of Germantown.	Schuylkill Ha'n,	Farmers Bk of S Haven.
Lancaster,	Lancaster Bank.	Westchester,	Bank of Chester Co.
"	Lancaster County Bank.	Wilkesbarre,	Wyoming Bank.
"	Farmers Bank.		

NEW BANKS IN PENNSYLVANIA.—From present indications the next Legislature will be as vigorously besieged for new and old banks as was the last. Already we have notices of intended applications for new banks, as follows :

Farmers and Mechanics Bank,	Easton,	\$300,000
Anthracite Discount and Deposit Bank,	Tamaqua,	500,000
Mechanics Bank,	Pittsburg,	200,000
Bank of Pottstown,	Pottstown,	200,000
City Bank,	Philadelphia,	500,000
Central Bank of Pennsylvania,	Harrisburg,	500,000
Bank of Spring Garden,	Philadelphia,	300,000
Farmers Savings Institution,	Uniontown,	50,000
Canal Bank of Erie,	Erie,	100,000

Also, new banks at Uniontown, Wellsboro, Mauch Chunk, Allentown, Wilkesbarre.

RENEWALS OF CHARTERS.

Schuylkill Bank,	Philadelphia,	\$1,000,000
Exchange Bank,	Pittsburg,	1,000,000
Miners Bank of Pottsville,	Pottsville,	400,000
Southwark Bank,	Philadelphia,	400,000
Farmers Bank,	Lancaster,	350,000
Lancaster County Bank,	Lancaster,	300,000
Harrisburg Bank,	Harrisburg,	300,000
Dauphin Deposit Bank,	"	200,000
West Branch Bank,	Williamsport,	100,000
Lebanon Bank,	Lebanon County,	75,000
Farmers Deposit Bank,	Pittsburg,	62,500

THE BROADWAY BANK.—This new institution, organized under the general banking law of New York, commenced operations on Thursday, August 9th, at the corner of Anthony street and Broadway. President, Francis A. Palmer, Esq. Cashier, J. L. Everitt, Esq.

BANK COMMISSIONERS OF MASSACHUSETTS.—Under an act passed at the last session of the legislature, Governor Briggs has appointed the following gentlemen as a Board of Bank Commissioners of Massachusetts, viz: Charles H. Warren of Charlestown, George S. Boutwell of Groton, and Joseph S. Cabot of Salem.

LAIGHTON BANK.—The Laighton Bank, at Lynn, Mass., with a capital of \$100,000, commenced operations in August, 1849. The board have elected as President, F. S. Newhall, Esq., and as Cashier, E. W. Mudge, Esq.

STATE BANK OF INDIANA.—Joseph S. Jenckes, Esq. has been elected Cashier of the Terre Haute Branch of the State Bank of Indiana, in place of Nathaniel Preston, Esq. resigned.

FRANKLIN BANK, GARDINER.—The Franklin Bank, at Gardiner, Maine, has ceased doing business, and its affairs are in the hands of a committee of the directors to wind up the concern.

THE STATE BANK, CONNECTICUT.—The State Bank, incorporated at the last session of the Connecticut legislature, and located at Hartford, with a capital of \$400,000, has been recently organized. Solomon Porter, Esq., is elected President, and Thomas Belknap, Esq., Cashier. Under one of the provisions of its charter, it gives to the State a bonus of \$10,000, which is applied to the establishment of a Normal School.

BANKS OF NEW ORLEANS, 1st AUGUST, 1849.—Monthly Official Report.

	<i>Circulation.</i>	<i>Deposits.</i>	<i>Specie.</i>
Bank of Louisiana,	\$1,071,000	\$2,580,000	\$2,389,000
Canal and Banking Company,	1,285,000	564,000	987,000
City Bank,	652,000	622,000	651,000
Louisiana State Bank,	555,000	1,397,000	807,000
Mechanics and Traders Bank,	1,114,000	1,571,000	1,752,000

BANK OF THE STATE OF NEW YORK.—Cornelius W. Lawrence, Esq., late Collector of the Port, has been chosen President of the Bank of the State of New York, in place of Joseph Lawrence, Esq. declined.

FRANKLIN COUNTY BANK, MASSACHUSETTS.—A. G. Hammond, Esq., has been appointed Cashier of the Franklin County Bank at Greenfield. This institution was chartered at the late session of the Massachusetts Legislature, and will commence operations on the 1st September.

NEW COUNTRY BANKS IN NEW YORK.—The Commercial Bank at Whitehall, Washington County, New York, commenced operations on the 15th August, 1849, with a capital of \$100,000, and a circulation of the same amount secured by deposits with the Comptroller, of \$60,000 New York State stock, and \$40,000 United States stock. The President of the bank is A. H. Griswold, Esq., and the Cashier, C. M. Davidson, Esq. The circulation will be redeemed by the New York State Bank, Albany.

Our readers are referred to pp. 212-214, for a recent and perfect list of the country banks at present in operation in New York, including three new ones.

ONTARIO BRANCH BANK, UTICA.—At a special meeting of the board of directors of this institution, held at the Banking-house, on the 16th August, it was

Resolved, That the decease of Thomas Rockwell, Esq., cashier of this bank, excites our profound regret, and that the directors and other officers of the institution will wear the usual badge of mourning for thirty days, in manifestation of the regard which they entertained for him personally, and of the great respect with which they cherish the recollection of his many virtues, and his unflinching faithfulness during the thirty-four years of his official services in the bank.

At a meeting of the directors of the Ontario Bank at Canandaigua, on the 17th August, Jas. Stoughton Lynch, Esq. was appointed Cashier of the Ontario Branch Bank at Utica, in place of Thomas Rockwell, Esq. deceased.

MISCELLANEOUS.

GRACE ON SIGHT BILLS.—This question is coming before the several State courts. The Supreme Court of Alabama has recently decided that sight drafts and bills are entitled to three days grace. The decision asserts that if not paid or accepted on presentation, bills at sight must be formally protested for non-acceptance, and at the end of three days be protested for non-payment. This decision places the matter beyond further litigation in that State, although it is opposed to long established custom in that quarter.

The decision is also in accordance with cases before the Supreme Court of Massachusetts and we believe of New York.

Upon the subject of "grace on sight bills," and "notarial notices of protest," our banking friends will no doubt discover that the "courts never allow usage to take the place of an established principle of law, or to be pleaded as an excuse for its infraction."

Gold Tests.—Professor Tarrant communicated a few simple tests to detect an adulteration of this precious metal. They had heard that brass filings had been exported to California to mix with the gold-dust; this was much lighter than gold, and readily dissolved in nitric acid. The specific gravity of gold had been tried by four different tests. The following had been the result:—15, 15.7-10, 16½, 17, so that, as a mean, the specific gravity of gold was 16 times greater than water; while that of copper pyrites was 4.5; iron pyrites, 4.3; mica, 3. The blow-pipe was, likewise, a most useful and simple instrument; this can be used with a penny candle, and a half-penny worth of charcoal—so that, for 8d. or 10d. a primitive furnace to commence operations with can be purchased. Gold may be cut with a knife like lead, and bent and beat out in thin leaves. Iron pyrites cannot be cut, or even scratched, with a knife. Copper pyrites can, and both are brittle. Mica, foliated and elastic. The blow-pipe applied to gold, it retains its color; while copper and iron pyrites lose theirs, and the latter becomes magnetic. Gold is also not acted upon by nitric, muriatic, or sulphuric acid singly; brass filings will be readily acted upon by nitric acid; when the two former are combined, it is only then soluble. If any of the other three minerals were reduced to powder, either of these acids will readily act on them.—*Society of the Arts Journal.*

MISSISSIPPI BONDS.—In relation to the negotiation of the State bonds by the Union Bank, the following remarks have been made by the Hon. Jefferson Davis, senator from that State :

“The State of Mississippi has no other question with bondholders than that of debt or no debt. When the United States Bank of Pennsylvania purchased what are known as the Union Bank bonds, it was within the power of any stockholder to learn that they had been issued in disregard of the constitution of the State, whose faith they assumed to pledge. By the constitution and laws of Mississippi, any creditor of the State may bring suit against the State, and test his claim as against an individual; but conscious that they have no valid claim, they have not sought their remedy. Relying upon empty (because false) denunciation, they have made it a point of honor to show what can be shown by judicial investigation, i. e., that there being no debt, there has been no default. The crocodile tears which have been shed over ruined creditors are on a par with the baseless denunciations which have been heaped upon the State. Those bonds were purchased by a bank then tottering to its fall—purchased in violation of the charter of the bank, or fraudulently, by concealing the transaction under the name of an individual, as may best suit those concerned—purchased in violation of the terms of the law under which the bonds were issued, and in disregard of the constitution of Mississippi, of which the law was an infraction. To sustain the credit of that rickety bank, the bonds were hypothecated abroad for interest on loans which could not be met as they became due.”

To which the London Times replies, under date 13th July, 1849, as follows :

“In 1838, Mississippi issued bonds for \$5,000,000 to establish the Mississippi Union Bank. These bonds were dated June, 1838, bearing 5 per cent. interest from their date, and it was stipulated with the bank that they should not be sold under their par value. On the 18th of August following, the bank sold all these bonds to the United States Bank for \$5,000,000, payable in five equal instalments in November, January, March, May and July, but without interest. The money was punctually paid to the Mississippi Bank, and the Legislature of Mississippi, on the terms of the sale being communicated to them, resolved—“That the sale of the bonds was highly advantageous to the State and the bank, and in accordance with the injunctions of the charter, reflecting the highest credit on the commissioners, and bringing timely aid to an embarrassed community.”

The attempts at an apology for repudiation fall to the ground. There is no question that the bonds in dispute were issued in good faith, were negotiated by the Union Bank in good faith, and finally negotiated with parties in Europe by the United States Bank, in good faith. These operations were known publicly at the time, and the State had information thereof. If fraud was suspected by the State, notice of the illegality could have been given in due time to have prevented further negotiation of the bonds by the Bank of the United States, and the evil of repudiation might have been avoided.—*Ed. B. M.*

THE LONDON MONEY MARKET, July 21.—Barings' Circular says of American Securities:—American Stocks are firmly supported, and there are no considerable quantities for sale, but the demand is not active, and we have no material variation in our quotations to notice. U. S. 6 per cent bonds, 109 a 109½; Inscriptions, 108½; Alabama dollar, 59 a 61; Sterling, 63 a 65; Massachusetts, 104½; Maryland, 90, sellers. No New York fives or Ohio, for sale; Pennsylvanian, 81 a 82 ex div.; Indiana, 60 a 62, ex div. Some of the New York six per cent loan has been exchanged against United States six per cents, with 4 per cent. difference, and some considerable purchases have been made of Mississippi Sterling 5 per cent. bonds at 20 per cent. In other State securities nothing doing of interest.

AMERICAN SECURITIES IN LONDON, 3 AUGUST, 1849.—There has been a fair business in many of the State securities, but the stocks of the Federal Government are of heavy sale. We annex our general quotations:—United States 5 per cents., 92 a 93; ditto 6's, 1862, 104 a 105; do. do. 1867-8, 108½; do. bonds of \$1,000, 108½ a 109; Alabama bonds, dollar, 60; do. sterling, 64 a 65; Florida 27; Massachusetts sterling, 104½ a 105; Maryland sterling, old bonds, 88½ a 89½; do. guaranteed by the Baltimore and Ohio R. R. Co. 89½ a 90; Mississippi Planters' Bank bonds, 53 a 56; do. Union Bank fives, 20; Michigan, 30 a 35; New York State fives, 95 a 96; do. sixes, 105 a 106; do. city fives, 64; Ohio sixes, 1850, 99 a 100; do. 1860, 101 a 102; Pennsylvania fives, 80 a 81½; Kentucky sixes, 98 a 99, nominal; Virginia, 98, nominal; Upper Canada fives, 89; N. Y. Farmers' Loan and Trust Debentures, 65; United States Bank Debentures, Denison's, 88; do. Rothschild's, 45 per cent.—*Barings' Circular.*

MARYLAND PUBLIC DEBT.—During the suspension by the State of Maryland in the payment of its annual interest, large arrears of interest accrued. These arrears the State Treasurer was authorized to fund in a six per cent. stock; and by the following notice it appears that the State has a surplus from its resources of 1847-8 and 9, whereby a portion of the newly funded stock can be cancelled. The entire amount outstanding on the 1st January last, was about \$800,000.

Treasury of Maryland.—Notice is hereby given, that on the 1st of October next twenty-five per cent. of the principal of the stock of this State, which was created in pursuance of an act passed at December session, 1846, chapter 238, will be paid at the Loan Office, in Baltimore; after which day such portion of said stock will cease to bear interest.

ANNAPOLIS, August 1, 1849.

D. CLAUDE, *Treasurer.*

PROGRESS OF THE WEST.—In Niles' Register of August 5th, 1815, we find the following paragraph, credited to the *Brownsville Telegraph*:

"Arrived at this port (Brownsville, Pa.) on Monday last, the steamboat Enterprise, *Shriene*, of Bridgeport from New Orleans, in ballast, having discharged her cargo at Pittsburg. She is the first steamboat that ever made the voyage to the mouth of the Mississippi and back. She made the voyage from New Orleans to this port in 54 days, 20 days of which were employed in loading and unloading freight at different towns on the Mississippi and Ohio; so that she was only thirty-four days in active service, in making her voyage which our readers will remember must be made against powerful currents, and is upwards of 2200 miles in length."

The object in publishing this paragraph, was to direct to it the attention of Lord Sheffield who had declared that the western part of the United States could never become commercial. The calm voice of Time has disproved his lordship's assertion, and the ships of Marietta and Cincinnati sail around the world. The steamer which left Brownsville on that experimental voyage, has doubtless been snagged long ago, but has given place to fleets of magnificent vessels which make the voyage in one fourth the time then regarded as marvellous. The giant hands of men have reared works of incredible greatness, even to the damming up of the great rivers of the West, and sending back their waters to render navigation more feasible.

N. Y. Journal of Commerce.

IMPROVED BANK NOTE PAPER.—An important invention for producing water-marks on all kinds of paper, and particularly adapted for bank notes and paper requiring security from forgeries, has been patented by the inventors, Messrs. W. Brewer and T. Smith, of Malcolm Works, New Street, Clapham. The invention produces an unlimited series of any given design in water-mark with precise similarity, which cannot be produced by the method now employed, in which wires are used.

INDIVIDUAL INCOMES IN GREAT BRITAIN.—From recent returns made to the British government, it appears that there were earned by their clergymen, lawyers, physicians, bankers, merchants, manufacturers, surgeons, architects, civil engineers, &c. incomes on the following scale, for the year ending 5 April, 1848.

	Persons.			Persons.	
£ 50,000 a year and upwards,	22		£ 700 and under 800		2,124
10,000 and under £ 50,000	376		600 " 700		3,043
5,000 and under 10,000	788		500 " 600		5,532
4,000 " 5,000	400		400 " 500		7,324
3,000 " 4,000	703		300 " 400		15,043
2,000 " 3,000	1,483		200 " 300		29,909
1,000 " 2,000	5,234		150 " 200		38,825
900 " 1,000	875		Under £ 150		34,270
800 " 900	1,713				

This return includes the incomes of all professions, trades, and occupations: also "annual profits arising from any kind of property whatever."

By the census of 1841, it was ascertained that the following number of persons were engaged in the three learned professions: clerical, 23,406, legal, 17,340, medical, 20,585. The law taxes all incomes at the rate of seven pence for every twenty shillings—equivalent to nearly three per cent.

The London Times considers the above returns of incomes by individuals as exhibiting a gross system of concealment, with a view of defrauding the income tax.

BANK OF ENGLAND DIRECTORS FOR 1849-50.—The following is the House List of Governors and Directors of the Bank of England for the year from the 10th and 11th April 1849, viz:—*For Governors*—Henry James Prescott, Esq., Governor; Thomas Hankey, jun., Esq., Deputy-Governor. *For Directors*—Thomas Baring; Henry Wollaston Blake; Arthur Edward Campbell; William Cotton; Bonamy Dobree; Charles Pascoe Grenfell; John Benjamin Heath; John Gellibrand Hubbard; George Lyall, jun.; James Malcolmson; Thomas Masterman; Alexander Matheson; James Morris; Sheffield Neave; George Warde Norman; John Horsley Palmer; James Pattison; Sir John Henry Pelly, Bart.; Thomas Charles Smith; William Thompson, Alderman; Thomas Tooke, jun.; Thomas Matthias Weguelin; Francis Wilson; Henry Hulse Berens.

NEW YORK CITY LOAN.—The new five per cent loan of the city of New York, amounting to two hundred thousand dollars, redeemable in 1875, for which bids were asked, was taken in July at a premium ranging from $\frac{1}{4}$ to 2 per cent.

RAIL WAY INSURANCE.—An Insurance Company has commenced operations in London, entitled the "Railway Passengers Insurance Company," with a capital of £1,000,000. This company grants insurance tickets to persons desirous of securing the payment of a sum of money, in the event of loss of life or personal injury happening to them while travelling by railway. The terms are stated as follows:

First class passengers, £1000	for three months,	premium	10s.
"	for six	"	16s.
"	for twelve	"	20s.
Second class passengers, £500	for three	"	7s.
or six months	11s.,	twelve months	14s.

Insurance also effected for a single journey, at the following rates: First class passengers, £1000 for 3d. Second class passengers, £500 for 2d. Third class passengers, £200 for 1d. for the journey, irrespective of distance.

"These sums are payable in the event of an accident terminating fatally; and when it results in personal injury only, liberal and immediate compensation will be made, and in such case the company will send one of its own officers to the place of accident, provided with funds to make advances to the assured."

LIFE INSURANCE IN LONDON.—The London Indisputable Life Insurance Company, 31 Lombard street, is prohibited by their deed of constitution from disputing a policy upon any ground whatever. All questions as to age, health, habits and other matters deserving of inquiry prior to the contract being entered into, are held as finally settled when the assured receives his policy.

GUARANTEE SOCIETY OF LONDON.—This society was incorporated for providing security for the fidelity of persons in situations of trust where sureties are required, on the annual payment of a stipulated rate per cent.

The Guarantee Society has been established to obviate the defects of suretiship by private bondsmen, which is attended with various inconveniences and objections. Instances have constantly occurred in which persons of the highest respectability have been obliged to forego valuable appointments, from either the great difficulty of obtaining security, or a repugnance to place their relatives or friends and themselves under the obligations involved therein. The Guarantee Society undertakes, on the annual payment of a small sum, to make good, in cases of default by fraud or dishonesty, any losses which may be sustained, to an amount specifically agreed upon; and by such means obviates the necessity for private sureties, as well as the obligations arising therefrom, which often prove as prejudicial to the best interests of employers as to the party seeking Guarantee.

Rates from 10s. per cent. [a half of one per cent.] per annum, and upwards, according to the nature of the employment, on the amount of security required.

No charge is made for stamp duty, except in special cases; the usual legal expenses of surety bonds will therefore be entirely avoided by persons who enter on their respective duties under the Guarantee of this Society. A reduction is made in the premium on the sixth annual payment.

A loss of £600 was paid by the Society in 1849, arising from the defalcation of the actuary of the Brighton Savings' Bank.

Editorial Correspondence.

It has been repeatedly suggested that quotations of Bills on England should be made in dollars and cents, whereby the real exchange could be readily appreciated. This is already done in Bills on Bremen, Paris and Amsterdam.

On Bremen,	78 a 78½ cents per Rix dollar, par 78½ cts.
On Amsterdam,	40 a 40½ " per guilder, par 40 cts.
On Paris,	5 francs, 25 centimes per dollar, par 5.33
On Hamburg,	35 a 35½ per marc banco, par 35

The change with regard to sterling bills does not, however, seem to meet the wishes of bill-drawers. We annex two letters upon the subject from correspondents at Philadelphia and at the South, whose views are different. There is a plausibility in the reasons for maintaining the present system: but we still think that a change could be made advantageously for both buyer and seller; and, at the same time, the account of profit or loss upon exchange operations could be kept separately from the other accounts of the general ledger.

PHILADELPHIA, August, 1849.

I have long considered the mode of quoting sterling bills as very foolish, and calculated to mislead those who are not conversant with the mode which has been adopted. When Bills on England are at a premium, it leads people to suppose that the exchange is in favor of England, and that there is always a balance against us in our trade with that country.

It is high time that this foolish practice was done away, and I should be glad to see our newspapers in all their quotations of London bills, state the price of the £. sterling, as francs are quoted, as respects French bills. It is only necessary for a few leading newspapers to commence this plan in order to introduce it into general use. Their quotations should be in this form.—

Bills on London,	108 or \$4 80 per £.
" "	109 or \$4 84 per £.

From a Southern Correspondent.

13th August, 1849.

To the Editor of the Bankers' Magazine:

In regard to the feasibility of a change in the computation of sterling bills, I do not think it can be effected; nor do I perceive the advantage to be gained by it.

It is true, in rendering the £. sterling into dollars and cents, the calculation would be made more simple and intelligible to the mere novice. But to those most interested in such matters—namely, the dealers in Exchange—I question whether the present mode is not generally considered preferable.

Certainly, it possesses the advantage of regulating all sterling operations by a fixed and uniform standard, whereby the great convenience is afforded of keeping two separate and distinct accounts: one for bills purchased and sold; the other for premiums paid and received. To the dealer, the importance of this distinction is manifest, as it enables him without difficulty, and at any moment, by referring to his premium account, to trace the progress and profits of his business. Whereas, by changing the system into federal money, as proposed, these landmarks would be destroyed, and the two accounts be merged into one. In that case, the same results could only be obtained by a more tedious and complicated process.

I presume, therefore, that the facility and accuracy of adjusting balances by the present mode, will always commend itself to the preference of those engaged in the business, and cause them to adhere to the time-honored standard of 4 44 as the £. sterling.

Possibly, this consideration had some weight on a former occasion. You doubtless recollect the memorable effort made, some ten years ago, by the Chamber of Commerce, of the City of New York, on this very question.

They published a report, strongly recommending to dealers in Exchange, to abandon the old system and commence the new, by buying, selling and quoting the £. sterling in federal money. The newspapers, too, seconded the proposition, and for a time, their money articles regularly furnished tables of the rates of the £. sterling in dollars and cents, at various premiums. But it all would not do. Dealers were not satisfied with the operation of the new plan, and the project became a failure. A custom so long established, and working so satisfactorily in detail, cannot well be altered to advantage.

Notes for the Month.

NEW YORK, 25 AUGUST, 1849.

The fall business has set in, not in full force, nor exhibiting the activity which is ordinarily displayed at this season of the year. Heavy importations have been made this month of foreign goods, particularly French fabrics. There is a slight movement in specie towards Europe, the shipments for the last week being about seventy thousand dollars from New York. Foreign exchange for the steamer of Wednesday last, 22d inst, was as follows:

London,	60 days,	1.09½ a 1.09½
Paris,	60 "	5.25 a 5.22½
Amsterdam,		40 a 40½
Hamburg,		35 a 35½
Bremen,		78 a 78½

Money is abundant, both at Boston and New York, on prime securities, and loans have within the present month been effected at 4 a 5 per cent: but there is a demand for all the accommodations that the banks can yield, and the street rates for good paper are 7 a 10 per cent.

Bread Stuffs.—The present year makes a favorable exhibit, when compared with the last. The shipments to Great Britain are as follows, for the years 1848 and 1849, ending Sept. 1:

	From	Bbls. Flour.	Bbls. Meal.	Bush. Wheat.	Bush. Corn.
New York,	763,000	35,000	586,000	6,588,000	
New Orleans,	159,000	5,700	127,000	2,647,000	
Philadelphia,	74,000	25,000	208,000	1,370,000	
Baltimore,	75,000	7,000	120,000	872,000	
Boston,	15,000	4,000	9,000	580,000	
Other ports,	11,000	6,300	33,000	696,000	
For 1849,	1,097,000	83,000	1,033,000	12,703,000	
For 1848,	178,000	102,000	220,000	4,134,000	

Stocks.—The rates for June and July have not been fully maintained this month. U. S. sixes of 1863 have receded to 115; Pennsylvania fives, 97½; New York State fives, 106; New York City fives, par; Ohio sixes, 103. A loan has been effected in \$300,000 of the Chattanooga and Nashville Rail Road Bonds, bearing six per cent. at 89½ per cent. The bidders are understood to be Messrs. Camman & Whitehouse, Corcoran & Riggs, Elisha Riggs, Ward & Co., and Messrs. Charney & Whelan of Philadelphia.

Rail Road Stocks and Bonds have in several instances sustained a considerable fall, in consequence of the failure of one of the Massachusetts Rail Road Companies, and the exorbitant rates that have been paid of late by several others on temporary loans.

Banking.—In another portion of this No. we furnish our readers two cases of much importance to banks and other incorporated companies. These are upon the subjects of "Transfer of Stocks" and "Notarial Notices of Protest." Our banks generally suppose that their notaries are fully posted in relation to the law of demand, notice, &c.; but it will be found that in some instances they are at fault. By the decisions of the highest English courts, the Supreme Courts of Massachusetts and New York, it will be seen that the ordinary notices of protest now used in New York, Maryland and some other States are utterly void.

The law of demand by a notary's clerk, on foreign bills of exchange, is yet open in our State courts. In Ohio the banks will not permit such demand. In Louisiana and Indiana it is authorized by statutes: but so far as the matter has come before the courts of England and of New York, Pennsylvania, &c., the question is still open; while every bank will concede that it is too important to be so. In the Supreme Court of Tennessee it has been decided that, as a general rule, a foreign bill must be presented for payment, and demand of payment made, by the notary in person; a presentment and demand by deputy not being sufficient. (*Carter v. Union Bank*, 7 Humphreys' Tennessee Reports.)

In the Supreme Court of New York it has been decided (*Onondaga County Bank v. Bates*, 3 Hill,) that the duties of a notary in presenting notes and bills of exchange for payment, *cannot be performed by his clerk or a third person*. In this case the bank was non-suited in an action against an endorser of a promissory note, the demand of payment having been made by the notary's clerk.

Judge Beardsley observed that "the notary certifies to facts of which he, impliedly at least, concedes upon the face of the instrument, he has *no personal or official knowledge*; facts to which, according to his own statement, he would be an incompetent witness to testify, if called upon in the trial of the cause, as it is but hearsay evidence at most; and for these reasons I am satisfied the notarial certificate in question was properly rejected by the circuit court."

Chitty in the 7th edition of his work on Bills intimated an opinion that presentment of foreign bills should be made by the notary himself, and that the power could not be delegated to another.

He further observes "if this formal act can be delegated to a clerk, all the regularity and security incident to the office of a notary would be defeated. * * * It may be very material, especially in the case of foreign bills, that the demand, and account of the particulars of refusal, and reasons assigned for non payment, should be made by a person of known experience: a proper demand may be essential to obtain payment, and a proper account of the reasons for refusal to accept or pay, may be very material to forward to the foreign country, in order that the proper steps may be taken."

A stronger case is presented, in that of *Vandewall v. Tyrrell*, before Lord Tenderden. It appeared that a clerk presented the bill for payment, and afterwards drew up the certificate of protest, which was signed and sealed by his principal in the usual form. The Chief Justice, in strong terms, said it was a void protest—that it was a false certificate—that the notary had signed a paper stating "I presented and demanded," &c., when it appeared in evidence that only his clerk had presented the bill, and he himself knew nothing of the presentment—that he had certified a falsity. Accordingly the plaintiff was non-suited.

It has been decided by the Court of Appeals of Maryland, (*Bank of Columbia v. Magruder*,) a demand of payment of a promissory note, protest and notice, by the clerk of a notary, in the name of a notary is good,—but this does not cover the presentment of a bill of exchange: and it may be said that the law has not been fully settled by the Maryland courts. In Pennsylvania, also, this point is not yet fully determined.

DEATHS.

In Germantown, on the 2d August, Joseph Tagert, Esq., aged 92 years, late President of the Farmers and Mechanics Bank of Philadelphia, a post which he had held for about 40 years until 1847.

At Georgetown, D. C., on Thursday, 16th August last, Alexander Suter, Esq., Cashier of the Farmers and Mechanics Bank of Georgetown, in the 66th year of his age.

At Utica, on Thursday, 16th August last, aged about 69, Thomas Rockwell, Esq., Cashier of the Ontario Branch Bank at Utica—of which institution he had been an officer since its first organization in the summer of 1815. During this long connection with the Ontario Bank, his whole energies were devoted to his official duties with a perseverance that admitted of no interruption, and with a vigilance and correctness that were perfect. His unobtrusive manners prevented him from making any man his enemy, while his official faithfulness made him venerated and respected by all persons who knew his merits. So closely did he confine himself to his business duties, that he rarely went from home. He never saw the city of New York, and only twice was in Albany, and both times on business that could not be avoided. Living on a small salary, and avoiding all speculations and dealings, he still, with great prudence, accumulated a respectable property. Persons who judge of character without due discrimination, may have mistaken in him for parsimony what was only the natural and necessary consequence of a general abstemiousness, and of the incessant pains and self-denials by which alone a man who limits his efforts to acquisitions from a small salary, can provide for his family and lay up a reasonable fund for the casualties of sickness and old age, and for the just expectations and wants of those who may survive him.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

Vol. IV.

OCTOBER, 1849.

No. IV.

THE LAW OF DEMAND AND NOTICE.

THE cases reported in the September No. of the Bankers' Magazine, upon the subjects of Demand and Notice of Protest, have created considerable enquiry upon the part of bankers. In some States the points at issue have been long settled and fully understood, while in some others the subject has not been duly considered. In Massachusetts, Ohio, Virginia and Pennsylvania, the forms of notarial protest have been carefully examined; while in New York and Maryland the cases in their own courts have not been fully brought to the notice of the banks until now.

We furnish our readers in our present No. a report in the late case of the *Cayuga County Bank v. Warden and Griswold*, as decided before the New York Court of Appeals in 1848. We are not prepared to say whether this decision is, or is not, final as regards the requisites of a notarial notice. Notwithstanding this decision, a different view has been taken upon the same subject, by the New York Supreme Court at a later period—say March, 1849. This latter case is contained in our September No. pp. 193—200, and is, we think, sustained by the Court of Errors, in *Remer v. Downer*, 23 Wendell, 620.

The opinion of the Court of Errors in the last mentioned case was delivered by Chancellor Walworth, on appeal from the Supreme Court of New York. He then said that the notice of protest "should be such a notice to the endorser as to convey a distinct impression that the note endorsed by him has been duly presented to the maker for payment and has been dishonored."

The Supreme Judicial Court of Massachusetts has said that "in regard to a note which requires presentment and demand to fix the holder with a default, notice in the same words, that the note is unpaid would not necessarily imply that it was dishonored, because that fact might be strictly true, though the note had never been presented, nor presentment waived or excused."

"But whatever may be the form of notice, whether written or verbal, we think the result of the decided cases is this; that the notice should be such, that it will inform the endorser that the note has become due and been dishonored, and that the holder relies on the endorser for payment."

In Pennsylvania, the form of notarial notice has been such, for some years past, as to fully include the requisites urged in the various cases lately decided in the English courts and in the N. Y. Supreme Court.

In Virginia much care has been taken to adopt such phraseology as will secure the liability of an endorser, as will appear from the following communication. The forms appended are the best that we have seen in use in either of the States.

RICHMOND, September 4, 1849.

To the Editor of the Bankers' Magazine:

DEAR SIR:—Taking great interest in your valuable Magazine, particularly such portions as relate to the legal matters, I beg leave to enclose you such notices as I have been using as a Notary in this city for the last six or eight years, and which I prepared with much care after a laborious investigation of the subject. Should you think them worth consideration, you can give them a place in the next No. of your Magazine.

_____, *Notary Public.*

RICHMOND, Va.....1849.

Take notice, that.....note for \$.....
dated the.....day of.....184 , and payable.....
days after date, to the order of.....
at the.....Bank of Virginia, and endorsed by.....
being due and unpaid, the same was this day presented by me at said bank,.....
.....and payment thereof then and there demanded, which was
refused. Whereupon the said note was dishonored, and I duly protested the same
for non-payment, and the holders look to you for payment as endorser thereof, for
principal, interest, damages, costs and charges.

Done at the request of the Cashier of the Bank of Virginia.

_____, *Notary Public.*

RICHMOND, Va.....1849.

Take notice, that a bill drawn by.....
in favor of.....
for the sum of \$.....dated at.....the.....day of.....
184 , and payable.....days after date.....and
endorsed by.....
being due and unpaid, on this day the same was in the usual hours of business pre-
sented by me,.....and payment thereof then and there
demanded, which was refused. Whereupon the said bill was dishonored, and duly
protested by me for non-payment, and the holder looks to you for payment of princi-
pal, interest, damages, costs and charges thereon.

Done at the request of the Cashier of the Bank of Virginia.

_____, *Notary Public.*

To.....

In New York it has been decided in the case of *Ransom v. Mack*, Hill's Supreme Court Reports, vol. 2, that "no particular form of words is necessary in giving notice to the drawer or endorser. It is sufficient if he is informed that the bill or notice has been dishonored, and that

the holder looks to him for payment; but notice that the bill or note has been dishonored, *is indispensable.*"

In the Court of King's Bench, the case frequently quoted of *Hartley v. Case*, 4 Barnewell and Creswell, the court held the notice insufficient because it did not inform the drawer *that payment of the bill had been refused by the acceptor.* This point was also decided in the same way by the House of Lords, after having been carried through all the inferior courts, in the case of *Solarie v. Palmer.*

In the celebrated case of *Solarie v. Palmer*, the court delivered an unanimous opinion that a notice should in express terms, or by necessary implication, convey full information that the bill had been dishonored. This case had been tried before Lord Tenterden, who decided that a notice of protest must contain an intimation *that payment of the bill had been refused.*

On appeal, Lord Brougham said, the judgment of the lower court must be affirmed, with costs, on the ground that after the decision of *Hartley v. Case*, and the sanction given to the authority of that decision by the unanimous judgment of the Court of Exchequer Chamber and the fifth edition of Bayley on Bills, the present case was too clear for an appeal.

The case of *Platt v. Drake*, before the Supreme Court of Michigan, 1 Douglas, 296, asserts that it is of little consequence what words are used in a notice of protest, but they must state the fact that the note was presented at the proper time and place for payment, *and payment not obtained.* In this case the endorser on a note for \$466 was released because of the omission to state this demand and refusal to pay.

Notwithstanding these several cases, from the highest authorities in Great Britain, in Massachusetts, in Michigan, &c., there is a variance in the New York decisions as is seen in the two cases mentioned, *viz., Cayuga County Bank v. Warden and Griswold*, and *Remer v. Downer*, both in the Court of Appeals.

Our object was only to bring the subject before the banks of New York and other States, so that a close examination might be made for their own safety. We have received the following communication from an anonymous source, but as it refers to the late case in the Court of Appeals, we give it entire.

NEW YORK, September 8, 1849.

J. Smith Homans, Esq.

SIR:—My attention has just been called to a decision by a branch of the Supreme Court of the State of New York in regard to the legal requisites of a notice of protest quoted by you in the September No. of the Bankers' Magazine, and upon which you have founded the remark that the law is manifestly not well understood by the bankers and notaries, *even in the City of New York.* You also cite as *informal and insufficient*, the notarial form of notice at present used, and take occasion in another place to intimate that the Bank Notaries are not fully posted in relation to the law of notice, &c. Now, Sir—permit a Bank Notary of some years standing to say to you that you should have a better warrant for your censure than the case you have quoted, and to add, with all courtesy, that if you had been "fully posted" yourself, you would not have overlooked the decision of our highest tribunal,—the Court of Appeals—in vol. 1 of Comstock's Reports, (*Cayuga Bank v. Warden and Griswold*,) which is directly in the teeth of the decision quoted by you, and so unfortunately

circulated as *law*. The decision of this Court—which is of paramount authority—sustains the sufficiency of the form of notice to which you except, and rules expressly “that a notice of protest need not in terms state a demand has been made upon the maker. *It is sufficient if it state that the note has been protested for non-payment.*” As the volume containing this controlling decision appeared only a month ago, or thereabouts, I presume the Supreme Court Judges could not have been aware of it, or they certainly would not have ventured to come in conflict with a higher authority. I take occasion to add—from long familiarity with the business—that the decision of the Court of Appeals, as it is the binding, so it is the proper and reasonable one. It would be an absurd requirement that the notice should state a demand of payment had been made and refused, when cases are of daily occurrence in which the maker has removed, or absconded, or cannot be found, or his place of business is closed, or he is dead, &c. &c., and in which, of course, no such statement could with propriety be made. I presume one-third of the protests in a large city like this are of this description; and it is a fact which strikingly illustrates the folly of the decision to which you have contributed to give such misleading publicity. I trust your next number will repair the mischief.

Very respectfully, your obedient servant,

A BANK NOTARY.

That the law is not well understood even in New York, may be shown from three several communications now before us from three Notaries of that State, two of whom are Notaries of Wall street banks. The first says (in reference to the case of the Onondaga Bank, in 3 Hill,) “this decision has never to my knowledge been reversed, nor is its correctness questioned by the profession.”

The second says, in reference to Foreign Bills of Exchange,—“The courts of this State (New York) now hold that the official acts of a Notary cannot be performed by his clerk; and I believe that all the Notaries in this city act in conformity with the decisions of the courts.”

The third says,—“My practice is to demand payment *personally, in all cases where it can be done*, but not to give notices such as you suggest. It is generally the case in this city that the officer himself makes the presentation, *but it is not considered essential*, and very many are the instances in which a different course is pursued.” From which we infer that by his rule he feels authorized to delegate to his clerk the demand on a foreign as well as an inland bill.

Here it will be seen that there is an important difference in the practice, even in the City of New York; and it is a subject of too much moment to banking institutions to be left in its yet crude state. The following communication from a competent pen at New York will furnish our readers some light upon the subject.

NEW YORK, September 3, 1849.

To the Editor of the *Bankers' Magazine*:

DEAR SIR:—I am not aware of any decision of the Supreme Court of this State to the effect that the omission of the words “*payment having been demanded and refused*” under a notice of protest void as against an endorser. Should such a decision have been made it has probably been hastily done at some special term of the Court, as it is directly in conflict with a previous decision of the Court of Appeals, the highest tribunal in the State.

It is usual with the Notaries in the City of New York (and I presume throughout the State) in giving notice to an endorser, to state that the note (or bill) has been

protected for non-payment, &c. The question as to the definition of the word *protest* in such a case, was raised in a cause in the Supreme Court, 3 Denio, p. 16. This cause was carried up to the Court of Appeals, and the decision of the court below was by them affirmed, (Jan. Term, 1848; 1 Comstock, 186.) By these decisions it was settled that the word *protest*, when employed with reference to commercial paper, signified the taking of all necessary steps to charge an endorser. Consequently a notice to an endorser, that a note has been *protected* for non-payment, is a notice that a proper demand has been made, and payment refused, where the maker could be found; and where he could not be found, that due diligence had been used to find him. In this latter case, (supposing the decision quoted by you to be correct, to wit: that a notice would not charge an endorser unless it contain notice of demand and refusal of payment) it would be impossible to send such a notice as to charge an endorser without a deviation from truth.

In the case of the Onondaga County Bank, cited by you, the question of the duty of a Notary came up incidentally. A certificate was produced to be read in evidence, in which the Notary stated that he caused a note to be presented, &c., and from this the question arose whether a Notary could *delegate* his official authority; or, in other words, whether the official acts of a Notary can be performed by his clerk. *The courts of this State now hold that they cannot, and I believe that all the Notaries in this city act in conformity with the decision of the courts.*

These decisions, however, as far as protesting of commercial paper goes, apply only to FOREIGN BILLS OF EXCHANGE (under which head are included bills drawn by persons resident in one State on persons in another)—as they alone require the notarial act of *protest* as well as notice of dishonor, in order to charge the drawer and endorsers.

In regard to *Inland Bills of Exchange and Promissory Notes*, no official act of *protest* is necessary; although it is usual among Notaries, for the sake of brevity and convenience, and because the word has acquired a general acceptance in business communities, to *protest all* paper for non-payment indiscriminately.

In the case of *Inland Bills and Notes*, all that is required to render an endorser liable, is, that a demand of payment be made of the maker of the note, or the acceptor or drawee of the bill, if he can be found, and if he cannot be found, that due efforts be made to find him, and that notice of non-payment be sent to the drawer or endorser informing him that you look to him for the payment of the note or bill.

No official act is required here, and the service can be as well performed by a holder, or his clerk, or any other person authorized by him, as by a Notary.

The chief advantage to be derived from employing a Notary is, that he is familiar with the business, keeps a record of transactions of this nature, and his certificate is admitted as evidence in the courts of many of the states without the trouble of bringing the person performing the service to prove it.

Many questions much more nice than those you have mentioned have arisen and are not generally understood, respecting the protesting of commercial paper, but as you have not referred to these, and as I am pressed for time I will not enter upon them.

—————, Notary Public.

The case of the *Onondaga County Bank v. Bates*, in 3 Hill's Supreme Court Reports, has been mentioned in our previous No. (p. 252.) It would seem, however, that it does not fully cover the point in question. As our readers are not probably familiar with this case, we insert the following remarks from a professional correspondent at Syracuse, who is perfectly familiar with the points before the court.

SYRACUSE, September 4, 1849.

To the Editor of the *Bankers' Magazine*:

DEAR SIR:—As you will see by reference to the case as reported, 3 Hill, 53, the court decided that the certificate of protest must show that the demand was made by the Notary Public, in person, in order to charge the endorser of a note or bill, and that the power of the Notary could not be delegated to another.

It appeared in the case, that payment of the note was demanded by a third party and not by a Notary, or rather, as the certificate of the officer stated, that he had *caused* the note to be presented; the court inferred that the presentment was made by some party other than the Notary, and the judgment of the court was based upon the supposition that the act was not performed by the officer. This decision has never to my knowledge been reversed, nor is its correctness questioned by the profession.

You will bear in mind, however, that the question of validity in the instrument arose under a particular statute, and the court went no farther than to decide that under the statute which rendered the certificate of a Notary evidence to charge a drawer or endorser, it must appear that the presentment was made by the officer himself.

The statute to which I refer is in these words—"In all actions at law the certificate of a Notary, under his hand and seal of office, of the presentment *by him* of any promissory note or bill of exchange for acceptance or payment, and of any protest of such bill or note for non-acceptance or non-payment, and of the service of notice thereof on any or all of the parties to such bill of exchange or promissory note, and specifying the mode of giving such notice, and the reputed place of residence of the party to whom the same was given and the post office nearest thereto; shall be presumptive evidence of the facts, contained in such certificate. But this section shall not apply to any case in which the defendant shall annex to his plea an affidavit denying the fact of having received notice of non-acceptance or non-payment of such note or bill." Revised Stat., vol. 2, 3d ed. sec. 55, p. 393.

From the statute and the decision of the court upon it, in the case referred to, I regard it as settled that a demand by the clerk of a notary is, within this State, invalid to bind an endorser either upon a bill of exchange or a note, so far as the *certificate* of the Notary is relied upon as the evidence of the demand.

It is another question whether the demand by the clerk of a Notary is not as good as the demand of the officer himself, provided such demand be proved by the clerk or by other evidence than the Notary's certificate.

I take it a demand may be made by any person, as the agent of the holder of a note or bill, and although it is usual for the agent to give the notice, is it essential, and is not a notice given by another party, acting for or in connection with the agent, a good and valid notice?

I do not see why, in the case referred to, if the party who presented the note for payment had been called to prove the demand, and it had appeared that the demand was in fact made by him, and that the notices were duly served, either by himself or the Notary, the plaintiff would not have been entitled to a recovery. There would have been in that case "the personal knowledge" of the necessary facts, which Judge Beardsley in his opinion regards as indispensable.

I am induced to make these observations solely for the reason that cases may arise where it may be desirable to supply the deficiencies in the Notary's certificate by other proof.

It is difficult for me to conceive the ground on which the Notary in New York, referred to in your letter, can justify his mode of certifying where his clerk makes the demand. His certificate must state the presentment "*by him*," if it does not, it is clearly defective. If he certifies that *he* presented the note or bill, when the act was done by his clerk, he gives a certificate which the fact will not warrant.

From a New York Correspondent.

NEW YORK, September 12, 1849.

The case of *Dole v. Gold* to which you referred me I was already familiar with; but as it did not warrant the statement contained in your letter "that the omission of the words *payment having been demanded and refused*, render a notice void as against an endorser." I supposed that you must have alluded in your first letter to some case which I had not seen.

The marginal note in this case fully and clearly states all that that case decides.

Its language is this "that such notice must, in such language as the holder may choose to adopt, inform the endorser of the fact that the note has been duly presented for payment, and that the maker has refused or neglected to pay it," and this too, is the substance, if not the language, of all the authorities quoted in that case including Story on Bills, to which you refer.

In the case of *Dole v. Gold*, the notice to the endorser contained neither notice of protest, nor any information whatever, respecting the steps taken to charge the endorser. It merely asserted that the note was due and was not paid; and of course was informal and could have been so held not only under recent but under any previous decisions.

As I stated in my previous letter, the Court of Appeals has decided in two recent cases (1 Comstock, 181 and 414,) that a notice of the protest of a note for non-payment, from the well known acceptation of the term *protest*, conveys to an endorser full information that every step has been taken previous to the sending of the notice to render him liable.

I would observe that the decisions of none of the courts of the State except of the Court of Appeals are recognized as controlling authority, and had the decision in the case of *Dole v. Gold* conflicted with those already cited in 1 Comstock, it would have been reversed on appeal.

I cannot see that the statement of the New York notary, "that it is his practice to demand payment personally in all cases where it can be done" amounts to anything. When it cannot be done, I presume he sends his clerk, and considers the presentment perfectly good, which it certainly is, except in the case of a foreign bill.

Having brought to the knowledge of our banking friends all the information we possess upon the subjects of Demand and Notice, we presume they will adopt such measures as prudence shall dictate for their own safety. Our remarks are intended as a caution for present and future operations. The past cannot be recalled; and the legal profession, throughout the Union, is already provided, through numerous other channels, with the important cases to which we have referred, and which, in our work, claim a rigid examination by all bank officers.

THE ROYAL BRITISH BANK OF LONDON.

Incorporated by Act of Parliament, 1849.

From the London Times, August, 1849.

A pamphlet on the probable nature and amount of the business to be transacted by the Royal British Bank, now about to commence operation in London, has just been issued in the shape of a report from a committee appointed by the directors. With reference to the object of the bank, to introduce the Scotch system into London, the writers remark, that as the fundamental principles of trade must be the same everywhere, and as men in all countries are essentially alike, there can be no inherent reason why a general mode of banking, which has been attended in Scotland with uniform success, should in England or in any other country be objectionable. The cash credit system in Scotland has, it is observed, not only in numberless cases supported deserving persons, but probably more than any other single cause has tended to the improvement of the country at large, while, as regards the banks

themselves, a loss has hardly ever been sustained from it. Again, in England, reliance is chiefly placed on profits from large deposit accounts, while in Scotland the chief proportion of the £30,000,000, held, consists of balances ranging between £10 and £200, belonging to the humbler classes. With these two peculiarities the Scotch banks have been almost uninterruptedly successful, and while in England the loss to the public from the failure of banks has been measured by millions, in Scotland from the four or five establishments which have failed within the last century and a half it has not even amounted to £26,000. Under these circumstances, it is contended, there is every reason to warrant an extension of the same principles among all business communities, with the expectation of a satisfactory result in proportion to their numbers, honesty and intelligence, and that in London especially the field is a favorable one. The British Bank, therefore, proposes to receive deposit accounts almost as low as those of the savings banks; while, at the same time, the depositors would escape the troublesome formalities of those institutions, and would not be subject to the limitations imposed by them as to the total that can be taken. Any amounts of not less than 20s. are to be received, and 3 per cent. interest is to be allowed. The principal, however, is not to be withdrawn until six months from the date of deposit. The produce of this department of business the bank proposes to appropriate to advances on cash credits at 5 per cent. interest, and 1 per cent. commission, and on promissory notes with convertible securities, at 6 per cent. interest, and 1 per cent. commission. The cash credits would be secured by the guarantee of responsible friends, and the advances on convertible securities by a margin of one-third in value beyond the amount granted, with power of sale whenever that margin might fail to be preserved. In pursuing this course, the bank, it is remarked, would offer no rivalry either to the existing joint stock or to the private banks, since the class of customers whom it is intended to benefit are those who are discouraged by these institutions; although, as is indicated, not only by the transactions of the Scotch banks, but also by those of the London savings banks, they are capable of contributing a business, in the aggregate of the most extensive kind.

To a large number of persons in London the experiment thus proposed will doubtless suggest some distrust; but there is, as the promoters contend, no necessary unsoundness in it. The idea of widely diffused but moderate advances on personal security, should excite no more alarm in England than in Scotland, unless we are prepared to admit that, on the whole, our rising traders are less to be depended upon; and, even if this were admitted, it might be asked if it does not partly arise from their prudence having been less cultivated owing to the absence of institutions where a character for it would enable them to find assistance. In any case, moreover, the respective peculiarities of the two peoples, while they may involve a question as to the necessity of greater or less caution, cannot affect general rules, and it must also be admitted that a multitude of small debts, secured in each instance by the liability of three parties, can never, under any circumstances, be attended with the sweeping danger that is sustained by dis-

counting largely for individual houses specially connected with distinct branches of business, which may be destroyed while the community as a whole remain unhurt. It seems, therefore, that, with care, there will be a full possibility that the new institution may be made not only to yield sufficient profits to its shareholders, but also to confer great benefits on some of the most valuable classes of our population; while, on the other hand, assuming the chance of reckless management, it matters little what are the objects put forward at starting, since experience has shown that the professed principles on which a bank is founded never, under such circumstances, as far as the shareholders are concerned, have the slightest influence in modifying the result.

GOVERNMENT FINANCES.

Treasury Notes Outstanding September 1, 1849.

TREASURY DEPARTMENT, *Register's Office*, September 1, 1849.

Amount outstanding of the several issues prior to the act of 22d July, 1846, as per records of this office,	\$145,039 31
Amount outstanding of the issues of 22d July, 1846,	91,800 00
Amount outstanding of the issue of 28th of January, 1847,	3,110,350 60
Deduct cancelled notes in the hands of the accounting officers, of which \$4,500 is under the act of 22d of July, 1846, \$25,900 under act of 28th of January, 1847, and \$350 under other acts,	2,347,189 31 30,750 00
Total,	\$3,316,439 31

ALLEN A. HALL, *Register of the Treasury.*

From Willis' Bank Note List.

Counterfeit Treasury Notes.

The papers recently have contained notices of a spurious \$500 United States Treasury note being passed at our office, so well executed as to escape the scrutiny of those familiar with the genuine. We deemed this fraud as a very serious one in its consequences, particularly at the west, and in the distant portions of our territory where United States Treasury notes are much sought for as a remittance, and as an investment for temporary purposes, and where, necessarily, the opportunity of detection is much less than on the Atlantic coast. In fact, it will be seen by the following letter from the Treasury Department at Washington, that they were evidently intended exclusively for those regions.

The \$500 note above alluded to is the first that we have heard of in this quarter. The counterfeiting upon them hitherto has been confined to a very poor imitation of the 50's and 100's.

The following letter from R. H. Gillet, Esq., Solicitor of the Treasury, will give all the facts in possession of the Government, in relation to this attempt; and as the indefatigable solicitor, Mr. Gillet, has very

obligingly given us the result of his investigations in a letter, we prefer to give it to our readers in his own words.

We feel under great obligations to this gentleman for his prompt and particular attention to our inquiries; his vigilant regard for the protection of the interest of the Government in the supervision of the details of his department, is as remarkable as his tact and readiness in communicating to the public, needful information.

OFFICE OF THE SOLICITOR OF THE TREASURY, 17th August, 1849.

Sir:—Yours of the 15th, covering Willis & Co's. Bank Note List, and what purports to be a treasury note, is received.

Although my signature as Register, and of "W. Selden," Treasurer, are both such good imitations as might deceive either of us, the note is in whole a counterfeit. There has never been a treasury note plate like it, in the ornamental part. The history of this counterfeit is substantially this;—A person representing himself to be authorized by a mining company in Illinois, or somewhere west, called at the office of Rawdon, Wright, Hatch & Co., in New Orleans, and requested their foreman there to engrave and print a note for "The Eagle Mining Company" He selected the devices which he preferred, and the work was done. After a portion of the printing was completed, he called, paid for the engraving and printing, though only a portion of the latter was finished, pretending to some necessity that prevented his waiting for the whole work. The plate was taken to Cincinnati, where an old counterfeiter took out the words "Eagle Mining Company," and inserted "The United States," which made the body of it precisely like a treasury note. The words "Secretary" and "President" were changed to "Register" and "Treasurer of the United States." The words "Receivable in payment of all public dues," were added around the figures "500" at the top. The words "countersigned," and "Washington," at the bottom, and "one year," in the centre, were also added. Through the agency of this office, the plate, on which the note you sent me was printed, was secured a year or more since, with numerous impressions from it, and with one from the original plate, which are now before me. There is no treasury note resembling this in any thing except in the form of the undertaking. The figures in red ink are much larger than on the genuine. Except on an old \$5,000 note, no one has the bald eagle on it. In that, the back ground is entirely different, having no cars in the distance, nor canal boat or lock, but numerous ships, &c. The figures \$500 on this note are smaller than on the genuine ones, being the same size as on bank notes. So far as I remember, every treasury note states on its face, the date of the loan, and when payable and fundable. This is so, I know, in the last loans. Nothing of the kind appears on this note. I think I ought to state, that no blame can be attached to the person who made the original plate. Nothing appeared calculated to arouse his suspicions. I have seen his original correspondence with his employers which passed at the time, in which he gave a full and satisfactory account of his doing the work, the price, &c.

Respectfully, your obedient servant,

R. H. GILLET, *Solicitor.*

Government Receipts and Expenditures.

In the compilation of the following tables of receipts and expenditures, we are compelled to rely upon a newspaper statement for the items of 1849. These, although derived probably from an authentic source, are not official, but may be relied upon as mainly correct. Under a judicious management of the public finances, there is no doubt that the funded debt of the Union can be paid off in the next ten or fifteen years, provided the country remains at peace as at present. The enormous sums expended from July 1, 1846, to July 1, 1849, for war purposes (about one hundred millions) have brought upon us a debt of some sixty millions. In 1813 the U. S. sold their stock at \$98 per hundred: while the receipts from customs were about \$13,000,000 per annum. Now the government stock is 112 a 116; and the receipts from customs about thirty millions annually.

	1846.	1847.	1848.	1849.
Civil, &c.,	\$6,782,999	6,715,855	5,585,066	14,018,037
War,	13,579,428	41,231,606	27,820,103	17,368,528
Navy,	6,450,862	7,931,633	9,406,787	9,792,497
Interest,	842,723	1,112,214	2,400,824	3,624,354
Total,	\$27,656,012	57,041,308	45,212,790	44,803,416
Debt,	375,102	2,409,869	13,028,337	12,883,531
	1846.	1847.	1848.	1849.
Customs,	\$26,712,668	23,747,864	31,757,071	28,342,889
Lands,	2,694,452	2,498,356	3,325,642	1,646,458
Miscellaneous,	92,126	100,670	351,037	3,312,950
Total regular,	\$29,499,247	26,346,790	35,436,750	33,302,297
Loans,		25,679,199	21,256,700	26,465,700
Total,	\$29,499,247	52,025,989	56,693,450	59,767,997

Government Deposits 27th August, 1849.

The following statement shows the amount of deposits subject to draft of the United States Treasurer, by returns received to Monday, August 27, 1849:

Assistant Treasurer, Boston,	\$407,642 54
Assistant Treasurer, New York,	2,285,540 75
Assistant Treasurer, Philadelphia,	762,875 87
Treasury of the United States, Washington,	63,369 98
Assistant Treasurer, Charleston,	17,657 29
Assistant Treasurer, New Orleans,	197,363 29
Assistant Treasurer, St. Louis,	103,260 06
Depository at Buffalo,	9,498 02
Depository at Baltimore,	93,085 08
Depository at Wilmington, N. C.,	2,472 22
Depository at Savannah,	5,694 37
Depository at Mobile,	21,749 04
Depository at Nashville,	8,073 55
Depository at Cincinnati, (late depository,)	79,122 41
Depository at Pittsburgh,	69 85
Depository at Cincinnati,	15,340 73
Depository at Little Rock, Ark. (late depository,)	18,351 78
Depository at Jeffersonville, Ia.,	5,813 55
Depository at Chicago,	6,052 74
Depository at Detroit,	566 56
Depository at Little Rock,	93 38
Mint of the United States, Philadelphia,	841,150 00
Branch mint of the United States, Charlotte, N. C.,	32,000 00
Branch mint of the United States, Dahlonega, Ga.,	26,850 00
Branch mint of the United States, New Orleans,	100,000 00
Total public deposite,	\$5,128,693 06

Imports of the Port of New York.

California Gold.

The following are the amounts of California Gold received at the United States Mints:

The deposits of California gold to the 31st Aug., were at the Philadelphia Mint,	\$1,740,620 07
Do. at New Orleans,	175,913 73
Total,	\$1,916,538 80
Add the deposits of 1848,	44,177 00
Total deposits of California gold,	\$1,960,715 80
The coinage of gold dollars at the mint in Philadelphia, to the 31st Aug. was	\$462,539
At the Branch Mints to July 31,	133,227
Total coinage of gold dollars,	\$595,766

From the New York Courier and Enquirer.
Imports of the Port of New York.

	1846.	1847.	1848.
Free Goods	\$11,117,435	7,754,407	8,388,642
Specie,	745,529	8,710,748	1,083,001
Dutiable Goods,	58,406,827	78,871,102	78,843,842
Cash received,	17,169,578	20,256,264	20,172,938
Total,	\$87,429,369	\$115,292,521	\$108,486,423

1847—Rate of duty, 25 51-78 per cent.

	Free.	Specie.	Dutiable.	Cash rec'd.
January,	478,443	90,874	5,459,682	1,434,836
February,	285,128	1,235,122	5,889,387	1,496,716
March,	796,937	1,329,458	6,060,746	1,652,092
April,	1,987,033	3,397,064	8,339,429	2,109,404
May,	733,755	1,326,697	5,809,261	1,487,173
June,	401,358	547,813	5,789,109	1,460,017
July,	861,578	294,219	7,950,602	2,068,335
August,	404,290	195,555	12,974,196	3,337,341
September,	916,109	94,546	8,111,845	2,096,604
October,	312,383	100,773	4,753,836	1,232,404
November,	471,142	58,915	4,117,164	1,024,766
December,	111,251	39,712	3,316,845	866,576
	\$7,754,407	8,710,748	78,871,102	20,256,264

1848—Rate of duty, 25 45-78 per cent.

	Free.	Specie.	Dutiable.	Cash rec'd.
January,	561,529	42,306	8,941,688	2,357,317
February,	141,539	49,502	9,566,859	2,416,497
March,	2,199,749	22,781	5,971,601	1,553,003
April,	475,314	65,917	6,639,716	1,686,506
May,	1,233,764	133,922	5,087,279	1,312,036
June,	525,088	69,532	4,718,404	1,143,497
July,	660,055	64,631	7,046,389	1,794,236
August,	1,128,553	133,855	9,796,775	2,532,273
September,	513,749	197,098	8,168,294	2,119,571
October,	439,587	127,998	5,136,332	1,328,533
November,	135,970	104,971	4,518,565	1,122,549
December,	253,755	70,488	3,251,940	806,620
	\$8,388,642	1,083,001	78,843,842	20,172,938

THE CONSTITUTION AND THE CURRENCY.

From the American Quarterly Review.

Warned by the experience of the Revolution, and the distress to which the whole country had been subjected by the indiscreet emission of bills of credit, and the bad faith of some of the States in not redeeming them, all power over the currency was designedly taken from the State governments, and they were expressly prohibited from coining money, issuing bills of credit, or making any thing but gold and silver a tender in payment of debts. It was intended to vest in Congress the power to establish an uniform currency, and to place it out of the power of the States to invalidate or alter the terms of contracts by tender, relief, or bankrupt laws, or by any depreciation of the circulating medium. That such was the intention is easily seen, not only by reference to the circumstances of the country at the time the constitution was framed, but by the express provisions of that instrument itself.

This design has been partially frustrated by the substitution of a currency chiefly composed of the notes of incorporated banks, in the place of a metallic currency. These notes have not, indeed, been made a legal tender in payment of debts. From that evil the country has been saved by the foresight of the Convention which formed the constitution. But although the power, which was thus given to every creditor to enforce the payment of his debt in specie, has served as a check upon the extreme depreciation of the circulating medium by over issues, still a paper currency has existed in the United States, which, by driving away and superseding the use of the precious metals, has in fact compelled every one to receive such currency, in nearly the same manner as if it had been made a legal tender, although it has been at one time depreciated nearly one-fifth in value. The only alternative presented to a creditor, was, a law-suit in the face of public opinion, to recover specie, or the acceptance of the depreciated paper currency.

A paper currency has thus become the circulating medium, and where regard is had to the circumstances of the country and to its want of capital, it is not much to be regretted, that so great a saving has been made by the substitution of bank notes for the more expensive currency of gold and silver. While banking is conducted upon proper principles, and with caution and discretion, the currency furnished is more convenient, especially in a country where commercial operations extend over a large surface and between distant cities, besides being attended with the greater and more substantial advantage of superior cheapness to a metallic currency. This paper, however, must be convertible at pleasure into gold and silver, and in order to that, the banks issuing the notes should have at least one-third of the whole currency in gold and silver in their vaults, to meet the demands which may be made upon them. A considerable saving is thus effected to the community, and it will be easily seen, that in a country newly settled, this is a most important benefit. The capital of the inhabitants of a country thus circumstanced, is absorbed in the purchase of land, and

in the erection of dwellings and out-houses. For many years the labor of the settlers is directed to clearing and enclosing the land, and it is not until after the lapse of some time, that a surplus of production is obtained for the market. Even this is exchanged for necessaries produced in foreign countries, and it is not until after the new community has become comparatively advanced, that it is enabled to spare an adequate portion of its capital for the purposes of a circulating medium. Business is thus retarded, or an effort is made to accelerate it by resorting to a cheaper kind of currency; and in many instances by an injudicious recourse to banks. These are frequently conducted indiscreetly, thereby producing over-trading, which has been invariably followed by a reaction, resulting in the bankruptcy of the banks, and in the general distress of that part of the country. It is, indeed, exceedingly difficult for a new country to spare the capital necessary for a metallic currency, and in providing for such a currency by the federal constitution, its framers were more governed by a regard for the permanent and ultimate good of the community, than influenced by a consideration of its ability, at that period, to appropriate so large a portion of its capital for a circulating medium.

In thus substituting the cheap currency of paper in the place of gold and silver, care must be taken so to regulate the banking operations of the country, as to enable the holders of paper to obtain specie in payment without delay. In no other manner can paper be a substitute for gold and silver. Its value depends upon the belief of the community in its prompt redemption, and whenever that is delayed, a depreciation inevitably takes place. No legal enactments can prevent this result, and while the currency of the United States continues to be chiefly of bank notes, it is the *duty* of Congress either directly through the officers of the treasury department, or indirectly through a national bank with branches, to exercise a certain control over the operations of the banking institutions of the several states. It can thus, and only thus, discharge that duty, which for wise and salutary ends was vested exclusively in that body by the federal constitution.

Congress shall have power to coin money, regulate the value thereof, and of foreign coin. No State shall coin money; emit bills of credit; or make any thing but gold and silver coin a tender in payment of debts. Such is the language of the constitution, and it is obvious, that its intention was to vest in the federal government the exclusive control over the currency. The practical construction so long given to the constitution, by the incorporation of banks by the State Legislatures, in which the State governments are often largely interested, and the substitution of the notes of those banks in the place of a metallic currency, have deprived Congress of all power of regulating the value of the currency, except by a direct interference with the State Banks, or by checking their issues, and confining them within the proper limits of banking operations. Any interference, either by direct legislation, or by a stamp duty upon bank notes, is uncalled for, and would, in the existing state of the country, be unwise and inexpedient.

To permit the local banks at pleasure to augment the amount in circulation one-half, as they did during and directly after the war with Great

Britain, would be to diminish the value of the circulating medium of the United States one-third; and a debtor who should then pay a debt contracted previous to the increased issue, would pay only two-thirds of what he agreed to pay. Again, to permit the banks in any particular section of the country to increase their issues beyond their means of redemption, would be to tolerate a currency of inferior value for that portion of the Union, and would, in effect, be a violation of that provision of the constitution, which declares, that all duties, imposts, and excises, shall be uniform throughout the United States. For instance, during the suspension of specie payments, commencing in the fall of 1814, and ending after the establishment of the United States Bank, the notes of the Baltimore banks were, for the greater part of the time, at twenty per cent. discount, those of New York at ten per cent., while those of New England were at par. It is obvious, that while bank notes were received by the revenue officers at those places in payment of duties, the importer at Baltimore paid one-fifth, and at New York one-tenth less than the importer at Boston. Notwithstanding this clear practical violation of the constitution, this inequality continued for two years; and such was the condition of the country and the course of business, that a direct attempt, on the part of the treasury department, to enforce the resumption of specie payments, by a refusal to receive the notes of any but the New England banks, would probably have proved abortive, and would have been unwise, as incalculably deranging the business of the community.

The march of civilization from the Atlantic coast into the interior, (as we have already mentioned,) presents in the United States all the different stages of the civilized state, except that of decrepitude and decay. The effect of this upon the internal commerce of the country is important and characteristic. In settling in the interior, whether in one or more families, the whites take with them little more than their clothing, furniture, agricultural implements, and a small stock of domestic cattle. In a few years the fertility of the soil enables them to send a surplus of agricultural produce to exchange for European or West India produce, at the stores of the country traders in the nearest towns; who in their turn transmit the produce to the sea coast, for consumption in the more thickly settled portions of the country, or for exportation.

In this manner an active trade is kept up between the sea ports and the interior, and from the fact, that the inhabitants of the interior stand in actual need of various articles of foreign production, which for many years they require on credit, to be paid for from the next year's harvest, it follows that the interior is invariably in debt to the merchants on the sea board. These debts they, however, are enabled to discharge by the unexampled fertility of the soil they cultivate, and the advance of their property in consequence of the improvement of the country; and, contrary to a received maxim in other countries, they grow rich although they continue in debt: that is, they are constantly augmenting the value of their farms, and each year they are enabled to enjoy some additional comfort or luxury, which they do not hesitate to purchase on credit, because they are in general certain of being better able to pay for it

before the lapse of another year. Whatever may be thought of the prudence of this habit, such is the practice of the country; and when we advert to the course of business between old and new countries, which always shows a balance in favor of the former, and of course brings the latter in debt, it must be inferred that this custom results from circumstances beyond the reach of legislation. The real truth is, that the new countries are deficient in capital. They are in want of all the luxuries, and many of the necessities, to which the emigrants were accustomed in their old abodes. They however advance in wealth and population faster than the older States, and for the advance of capital, or the credit which they require, they are able and willing to pay. Thus, both parties are satisfied with their respective relations of debtor and creditor, and find their respective interests greatly promoted by the proper adjustment of these relations. The same principle is as applicable to the capital required in the new States for a circulating medium, as for the productions of foreign countries. If the western states can borrow, at a fair rate of interest, from the Atlantic cities, or from Europe, capital sufficient for a circulating medium, it is as advantageous a loan as if procured for any other public or private purpose. It enables them to appropriate an equal amount of capital to the clearing of new farms, building better houses, improving the roads, and generally promoting the prosperity of that section of the Union.

The obviously beneficial results of thus appropriating so large an amount of capital, have at various periods in the history of this country, induced the governments of most of the States to adopt various expedients for supplying the place of a metallic circulating medium.

Before they were deprived of that power by the federal constitution, they issued bills of credit, and from the ease with which the public expenditures were met in this mode, they were induced to increase them, until they went beyond the wants of the community, when a reaction took place—public confidence was impaired, a depreciation of the paper followed, and the holders of the bills were ruined. It was to provide against the recurrence of these evils, that the State governments were prohibited from issuing bills of credit.

The same necessity for a paper currency continuing to exist, they were induced to charter local banks; and throughout the Union a host of banks was created, all issuing promissory notes, discounting paper upon their deposits and circulation, as well as upon their capital, and thus in effect making their own notes the actual circulating medium of the country. As the circulation of the paper of these local banks depends upon the confidence of the community in their stability, it follows that they are less current abroad than at home, and that the holder of western or southern bank notes is compelled to allow the discount, when he makes his purchases in the New York or Philadelphia market. Money brokers are thus created, and in fixing the discount of this paper, they not only take into consideration the solvency of the bank, but its distance, and the time which will probably elapse before they can turn this depreciated paper into available funds. This discount is somewhat augmented, where the capital thus employed is small, because it takes a longer time for the broker to accumulate a sufficiency of the paper

from any part of the country, to make it an object to transmit it for redemption, and also because the expenses of two small dealers necessarily exceed those of one large dealer employing their joint capital.

The local banks are thus compelled to conduct their affairs with prudence and discretion, and to keep their issues within their means of redemption. The exchange business is consequently transacted upon the basis of a sound currency, and the solvency of the banks having seldom to be considered in fixing the rate of exchange, it is done at less expense to the country.

A brief sketch of the history of the banking institutions of the states of North Carolina, Tennessee and Kentucky will furnish apt illustrations of the correctness of the foregoing remarks.

In the State of North Carolina there are three state banks, viz. the banks of Newbern and Cape Fear, chartered in 1804, and now having a capital of \$800,000 each, and the State Bank of North Carolina with its branches, chartered in 1810, having a capital of \$1,600,000. Of this capital only part was paid in. The State owns one-fourth of the capital in each bank. For many years, down to 1818, the dividends were from eight to ten per cent., with occasional dividends of surplus. From that time the dividends have been diminished, until their average for some years past has amounted to about three per cent. per annum. During that golden age for the stockholders, the community was suffering from the evils of a depreciated currency. The North Carolina bank notes were at a discount in the State, varying from two to eight per cent., and in New York as great as twelve per cent.

In Kentucky the evil was greater, and the contest more protracted and severe.

In that State, the war had produced an unnatural excitement, and upon the return of peace, in order to sustain those interests which had grown up during the war, the capital of the Bank of Kentucky was increased from \$1,000,000 to \$3,000,000, with power to issue notes to the amount of \$9,000,000, a sum equal, at that time, to one-fifth of the whole circulating medium of the Union. This expedient, instead of remedying, increased the evil, and in 1818 forty new banks were chartered, with an aggregate capital of \$7,920,000, of which all but five, with an aggregate capital of \$550,000, went into operation. These banks were authorized to commence business as soon as one-fifth of their capital had been paid in, which provision, however, was not strictly observed—the same specie being used for several banks, and only remaining in the vaults of each sufficiently long to enable the commissioners to certify that the law had been complied with. This notable specific produced the desired effect; money was to be had for asking, and the State was literally flooded with a circulating medium. It was, however, finally discovered, that what was to be had for asking was not worth so much as that which was difficult to obtain, i. e. specie; and when the banks were called upon to redeem their notes, they answered the call by closing their doors. The State Bank was compelled to do the same, and the people of Kentucky, who had taken this worthless paper for their property, were rendered bankrupt, and totally unable to meet their engagements.

The legislature, however, took the matter in hand, and in February 1820, punished these fraudulent institutions by repealing their charters. If the legislature had stopped here, confidence would have been gradually restored, and trade resumed upon its former footing. Impatience under the sufferings and embarrassments which so naturally resulted from their previous tampering with the currency, prompted them to new expedients; and in the following November, a charter was granted to the Commonwealth Bank, without a dollar of actual capital, but a nominal capital of \$2,000,000, founded upon the credit and revenues of the State Government. The institution of this bank was in express violation of that article of the federal constitution prohibiting a State from issuing bills of credit, it being obvious, that what a State cannot do directly through a treasury department, it cannot do through a bank. If the dividends or profits are for the State Government, if it receives security for the paper it lends, and its credit and revenues are pledged for its redemption, it is to all intents and purposes an issue of bills of credit.

The issues of this bank soon amounted to \$3,000,000, which of course, soon became a depreciated paper, and finally fell to fifty-five cents in the dollar.

Then followed the tender laws, and the relief system, by which the returns of executions on judgments were delayed for two years, and finally, the property levied upon was to be appraised instead of being sold, and the plaintiff was compelled to take it at three-fourths of its appraised value, or to relinquish the benefit of his execution.

These laws being declared unconstitutional by the State Court, the State Legislature abolished the Court of Appeals for so deciding, and the leading members of the "relief party," or of that estimable portion of society, which, like the band of David, comprehended "every one that was in distress, every one that was in debt, and every one that was discontented," were constituted into a new Court of Appeals, for the purpose of sustaining the relief system, and of nullifying that objectionable provision of the federal constitution which prohibits the States from passing laws impairing the obligation of contracts.

It so happened, however, that in Kentucky, a portion of the community remained sound, and a contest ensued between the friends of law and order, and those of the depreciated paper, which for violence and acrimony has been seldom surpassed in the United States. After a contest of six years, and which is not yet entirely over, the former party prevailed; first in the popular branch of the legislature, the next year in the Senate, and finally, in the election of Governor Metcalfe over Mr. Barry. The new Court of Appeals was abolished, the old Court of Appeals, which had always continued to sit, was sustained, and law and justice, which had for a short time been driven from the judgment seat, resumed their sway over the State of Kentucky. The history of the banking institutions of this State, affords a striking example of the evils resulting from any interference on the part of a State Government with the currency of the Union, and furnishes a complete demonstration of the wisdom of the Constitution, in vesting the whole power over this subject in the Federal Government. In addition to the depreciation of

the currency, the shock to private and public credit, the general bankruptcy, and the violation of the principles of sound morality and civil order; the most valuable institutions of the State were temporarily overthrown, and the community for several years brought to the brink of civil war and anarchy. The right side having finally triumphed, measures were taken to redeem this depreciated currency, and for several years past, a large quantity of the paper of the Commonwealth Bank has been annually destroyed, until the greater portion is now withdrawn from circulation. The holders, however, had in the mean time sustained a loss of at least one-half of the whole amount issued, and the prosperity of the State was materially retarded. Another experiment to evade the constitutional prohibition to issue bills of credit, was tried about the same time by the State of Tennessee. In October 1817, a law was passed by the Legislature, imposing a tax of \$50,000 on all banks not incorporated by the State. This was after the incorporation of the United States Bank, and with the view of preventing a branch from being established in Tennessee. At that time, there existed in that State, the Fayetteville Tennessee Bank, with a capital of \$200,000, the Nashville Bank, with a capital of \$400,000, and the Bank of the State of Tennessee, with a capital of \$400,000, which was increased in November, 1817, to \$800,000, with authority to accept as branches a batch of banks created the same session, with an aggregate capital of nearly a million of dollars. This union finally increased the capital of the State Bank to \$1,600,000; and a similar union was effected between the Nashville Bank and a number of banks created the same session, by which the capital of the Nashville Bank was augmented to \$1,031,705.

The banking system of Tennessee now went into full operation. The banks began to issue their notes, and as specie payments were not the order of the day, and indeed, were not expected, they were enabled, without much trouble, to sustain a prodigious circulation. At length the reaction came. In 1819 the Fayetteville Tennessee Bank failed, with a loss to the stockholders, who had only paid in part of the capital, of thirty per cent. and to the bill holders of between forty and fifty per cent. The Nashville Bank failed about the same time, with an equal loss. The State Bank still kept in operation, but not attempting to redeem its notes until 1826, when it made the attempt, and actually continued to redeem its notes for seventy-two days, when, three-fourths of its specie having been drawn out, it was compelled again to stop payment. The disastrous termination of the banks, which failed in 1819-1820, not having furnished a sufficient lesson to the legislature, a new State bank was created in June 1820, with a capital of \$1,000,000, in bills emitted on the credit of the borrowers, and secured by the State on a pledge of the sales of unappropriated lands, and the sales of certain lands in the Hiwassee country, together with the ordinary revenues of the State not otherwise appropriated, which were to be deposited in the said bank; subject, however, to all drafts for appropriations authorized by the legislature. Here was another violation of the federal constitution. The State in effect issued bills of credit, but as the revenues and faith of the State were not unconditionally pledged, the bills at once

fell fifteen per cent. below par, and finally, from the most culpable carelessness on the part of the cashier and clerk of securities, the bank became unable to continue its business, and though its bills have been mostly withdrawn from circulation, a loss has been sustained by the bill holders, and its affairs are not yet, and probably will not be finally settled for several years. This bitter experience at length taught the people of Tennessee, that banking could not be carried on without capital, and as their own capital could be more advantageously employed, they loudly called for the establishment of a branch of the United States Bank, and the legislature, in November 1826, directly after the failure of the State Bank, repealed the law imposing a tax of \$50,000 on banks not incorporated by the State, with the view of procuring a branch to be established at Nashville. This was done; but in the mean time brokers and moneyed capitalists had been speculating largely upon this depreciated currency, and had reaped a golden harvest from the inability of the community to provide a sound circulating medium.

With a population enterprising, intelligent, and warmly attached to our national institutions, we regard the great and preponderating power of New York as a sure pledge of the stability of the federal system. Her best and permanent interests are all on the side of the Union. While that continues, the commerce of this great and growing country must also continue to be tributary to her, and to pour its wealth by a thousand channels into the bosom of her commercial metropolis.

The enjoyment of these advantages, however, is not incompatible with the rights or prosperity of the other States; nor does it require any encroachment upon the power of the Federal Government. On the contrary, it depends upon the preservation of our commercial, financial and political system upon its present footing.

These advantages consist in the position of New York, and the enterprising character of her population, enabling her to concentrate there the business of the Union. A sound currency, therefore, is of the first importance to her. It furnishes the very life blood of trade; and the performance of the most vital functions of commerce depends upon its being kept in a healthy condition. If corrupted, empirics and quacks may offer expedients to raise the sinking pulse, and to impart an unnatural excitement to the frame, but all these will fall short of the genial current, which, springing from the heart, diffuses vigour and health to the very extremities of the system. To a commercial State like New York, it is of vast consequence that the course of trade should be regular and uninterrupted. The constant flow of numberless streams fills the ocean itself.

Any shock to public or private credit, any disorder in the financial system, or depreciation of the circulating medium of the country, instantly interrupts the course of trade and inflicts a positive injury upon the community at large. That portion of society—the moneyed capitalists and brokers, who stand ready to avail themselves of these contingencies, of course find their advantage in this disordered state of the currency. But the merchant, the mechanic, the farmer who sold his property and made his contracts with reference to a sound currency, finds himself impoverished, and without the means of meeting his en-

gements. To the people of New York, therefore, more than to any other portion of the country, it is of incalculable importance to preserve the currency of the Union in a healthy state, and from the Federal Government they have a peculiar right to exact a complete performance of that provision of the Constitution which empowers it to regulate the currency of the United States.

LEGAL MISCELLANY.

PROMISSORY NOTES.

Opinion of the Court of Appeals of the State of New-York. From Comstock's Reports, vol. 1.—Syracuse, 1849.

The Cayuga County Bank v. Warden and Griswold.

Due presentment for payment and notice of non-payment, are conditions precedent to the liability of an endorser of a promissory note.

No precise form of words is necessary in giving notice. It is sufficient if the language used is such as to convey, either in express terms or by necessary implication, notice to the endorser of the identity of the note, and that payment, on due presentment, has been neglected or refused by the maker.

Where a notice misdescribes the note in some particular, it may be shown in aid of the defect that there was no other note in existence to which the description contained in the notice could be applied.

A notice of protest need not, in terms, state that a demand has been made upon the maker. It is sufficient if it state that the note has been protested for non-payment.

The defendants were endorsers upon a note for \$600, payable to their joint order at the plaintiffs' bank. The notices of protest were dated at the bank on the last day of grace, and were addressed to the defendants severally. They had the character and figures "\$600" in the margin. In the body they ran thus:—"Sir: take notice that S. Warden's note for three hundred dollars, payable at this bank, endorsed by you, was this evening protested for non-payment, and the holders look to you for the payment thereof." It was proved that there was no other note in the bank made by S. Warden and endorsed by the defendants. *Held*, that the notice was sufficient to charge the endorsers.

Error from the Supreme Court, where the action was assumpsit, tried at the Cayuga circuit before Maynard, J., in January, 1848. The plaintiffs claimed to recover the amount of a promissory note made by S. Warden, and endorsed by the defendants in these words :

"\$600. Ninety days after date, I promise to pay to the order of F. L. Griswold and E. A. Warden, six hundred dollars, for value received, at the Cayuga County Bank.
S. WARDEN.

AUBURN, N. Y., January 30, 1848.

(Endorsed) F. L. Griswold,
E. A. Warden."

The note at its maturity was in the plaintiffs' bank, and was protested for non-payment. A notice of protest was served on each of the defendants, addressed to them severally, and was in these words :

" 600.

CAYUGA COUNTY BANK, AUBURN, May 3, 1845.

SIR:—Take notice that S. Warden's note for *three hundred* dollars, payable at this bank, endorsed by you, was this evening protested for non-payment, and the holders look to you for the payment thereof.

" Your obedient servant,

P. B. EATON, Notary Public."

It was proved, under objection by the defendant's counsel, that the above note was given in renewal for a balance of a previous note signed by S. Warden and endorsed by the defendants, due the 11th November, 1844; also that the note in question was the only note in the bank, made by S. Warden, and endorsed by the defendants.

The above facts appearing, it was insisted on the part of the defendants, that they were not properly charged as endorsers, and the following grounds were urged : 1. The notice of protest was not upon the note in question, but was a notice of protest of a note for \$300. 2. The note in question is made payable to the order of the defendants jointly, and the notice of protest speaks only of an individual endorsement, and is addressed to the defendants severally. 3. The plaintiffs had no right to show that the defendants were not misled by the notice. 4. Even if the note had been correctly described in the notice, and such notice was defective in not stating that payment had been demanded and refused, and when the note was made, and when it became due and payable. Maynard, J., held that the notice was not sufficient to charge the defendants as endorsers, and that the plaintiffs could not recover. The plaintiffs excepted, and had a bill of exceptions duly signed and sealed, on which the Supreme Court sitting in the seventh district, gave judgment for the defendants.

John Porter, for the plaintiffs in error. The notice of protest served on the defendants was a sufficient notice to charge them as endorsers of the note in question; for it informed the defendants with all reasonable certainty, that this note for \$600 had not been paid by the maker, and that the same had been demanded at the time and place of payment, and payment refused. (*Reedy v. Seixas*, 2 John. Ca. 337; *Bank of Rochester v. Gould*, 9 Wend. 279; *Bank of Alexandria v. Swann*, 9 Peters, 33; *Mills v. Bank of the U. S.*, 11 Wheat. 431; *Remer v. Downer*, 23 Wend. 620; *Kilgore v. Bulkley*, 14 Conn. 362; *Crocker v. Getchell*, 10 Shep. 392; *Story on Prom. Notes*, sec. 349, 354.)

As no particular form of a notice of protest is prescribed by law, the object being merely to inform the endorser of the demand, and non-payment by the maker, and that he is held liable for the payment of the note, if the amount had been omitted it would still have been sufficient to identify the note and charge the endorser; and, therefore, that portion of the notice may be rejected as superfluous. (*Reedy v. Seixas*, supra.)

It is not necessary to state, in a notice of protest, either the date of the note, or the time when it became payable. In these respects the

notice in this case is in the same form with that in general use by notaries, as is proved by the forms of notices given in decided cases. (*Remer v. Downer*, 23 Wend. 620; *Bank of Rochester v. Gould*, 9 id. 270; *Edmonds v. Cates*, 2 Lond. Jur. 183; *Gurgeon v. Smith*, 2 Nev. & Perry, 303; *Margeson v. Goble*, 2 Chit. R. 364; *Houlditch v. Cautty*, 6 Scott, 209.)

The statement in the notice served, that the note "was this evening protested for non-payment, and that the holders look to you for the payment thereof," and signed by a notary, is equivalent to saying that payment of the note had been demanded by him, and had been refused; and necessarily implies that he had demanded payment of the note, according to its terms, and that payment had been refused. (See cases last cited; Chit. on Bills, 10th Am. ed. 467, '8, '9, and notes; *Mills v. Bank of the U. S.* 11 Wheat. 431; *Story on Prom. Notes*, sec's 350, 351, 352, 354.)

The note is made payable to both the defendants, and is endorsed by them individually, and the notice correctly describes them as having endorsed individually; the law only requiring that notice should be served upon both, as was done in this case. (*Sheperd v. Hawley*, 1 Conn. 368; *Willis v. Green*, 5 Hill, 232; *Story on Prom. Notes*, sec. 308; *Sayre v. Frick*, 7 Watts & Serg. 383.)

W. T. Worden, for the defendants in error, insisted that the notice of protest was not sufficient to charge the endorsers; and cited *Remer v. Downer*, 23 Wend. 620; *Ransom v. Mack*, 2 Hill, 587; *Cayuga Co. Bank v. Dill*, 5 id. 403; *Esdaile v. Sowerly*, 11 East, 114; *Staples v. Okines*, 1 Esp. R. 332; *Free v. Hawkins*, 8 Taunt. 92; *Peeking v. Graham*, 1 Crompton & Mees. 725; *Clegg v. Cotton*, 3 Bos. & Pull. 239; *Predeaux v. Collier*, 3 Starkie, 57; *Tindall v. Brown*, 1 T. R. 167; *Chit. on Bills*, 527, 8th London ed.; *Thompson on Bills*, 506; *Bank of Chenango v. Root*, 4 Cowen, 126; *Boulton v. Welsh*, 3 Bing. N. Cases, 688; 4 id. 411; *Messenger v. Southey*, 1 Man. & Granger, 76; *Strange v. Price*, 10 Ad. & E. 125; *Hartley v. Case*, 4 Barn. & Cress. 408, 7 Bing. Rep. 530, 533; 2 Hen. Black, 609; *Furze v. Sharwood*, 2 Ad. & Ellis, N. S. 388.

Jewett, Ch. J. There is no question but that due presentment for payment and notice of non-payment to the endorsers of a promissory note, are conditions precedent to the liability of the endorsers, and that the notice may be either written or verbal. (*Cuyler v. Stevens*, 4 Wend, 566.) Such presentment of the note in question was made and notice of non-payment in the form shown by the evidence given. The only material question then is, whether that notice is sufficient. It is well settled that there is no precise form of words necessary to be used in giving notice; it is sufficient, if the language used is such, as, in express terms, or by necessary implication, to convey notice to the endorsers of the identity of the note, and that payment of it on due presentment has been neglected or refused by the maker.

The fact which was necessary to be established by the plaintiff is, that the defendants had due notice of the dishonor of the note in question. The notice, such as it is, was given at the precise time and place required by law. The evidence shows that this note was given

for a balance due upon and in renewal of a former note payable at the same bank on the 11th of November, 1844, made by S. Warden and endorsed by the defendants, to whose order it was made payable. But it is contended that the notice merely informs the defendants of the non-payment of a note, drawn and endorsed respectively by the defendants for \$300, and not of a note for \$600, endorsed by the defendants *jointly*. Concede that such variance or misdescription exists. It is well settled in accordance with good sense, that an immaterial variance in the notice will not vitiate it. The variance must be such as, that under the circumstances of the case, the notice conveys no sufficient knowledge to the endorers of the identity of the particular note which has been dishonored. (*Mills v. Bank of the U. S.* 11 Wheat. 431; *Bank of Alexandria v. Swann*, 9 Peters, 33.)

Now, having the accessory facts, namely, that this was the only note in this bank drawn by S. Warden and endorsed by the defendants, and the intimation conveyed by the figures "\$600" upon the margin of the notice, who can doubt but that this notice conveyed to the minds of the defendants the information that this identical note had been dishonored, although it misdescribed the note as it respects the sum for which it was made in the body of it? The defendants knowing the facts stated, on the receipt of this notice could not, as it seems to me, fail to be apprized by it that this particular note had been dishonored. It was said on the argument, that the notice, to be effectual, must be perfect on its face, to carry the information to the endorers of the non-payment of the note, and that it could not be aided by accessory facts. The cases of *Shelton v. Braithwaite*, 7 Mees. & Welsb. 436, and *Stockham v. Parr*, 11 id. 809, are very much in point to show that a notice, defective on its face, may be aided by such facts, and that it is proper to consider them in deciding the question of the sufficiency of such notice.

It was also contended that the notice is fatally defective and insufficient to charge the defendants as endorers of the note in question, on the ground that the notice describes the endorsement of the note as an *individual* and not a *joint* endorsement. The note is drawn payable "to the order of F. L. Griswold and E. A. Warden," and is endorsed by the payees respectively. In such case the law requires notice to be given to each of them, as notice to one will not, as it will in the case of partners, be deemed notice to the other. (*Willis v. Green*, 5 Hill, 232.)

The objection rests upon the ground of misdescription of the note in question; that the receipt of this notice did not and was not calculated to inform the defendants of the non-payment of this note; that to effect such object this notice should have described the note as having been endorsed by both defendants. It seems to me that to hold in conformity with this objection would be to sacrifice substance to the merest technical formality; and, that it is quite impossible not to see that under the circumstances of this case the notice fully informed the defendants that this particular note had been dishonored.

Another objection to the notice is, that it does not state that pay-

ment of this note was ever *demand*ed or that it was *refused*, nor *when* nor *where* such demand was made and payment refused. The notice is dated "Cayuga County Bank, Auburn, May 3, 1845," and states that S. Warden's note for \$300, payable at this bank, endorsed, &c. "was this evening protested for non-payment, and the holders look to you for the payment thereof."

The case of *Mills v. The Bank of U. S.*, 11 Wheat. 431, shows that it need not be stated in the notice that a *demand* of payment was made; that it is sufficient to state the fact of non-payment of the note, which the notice in this case alleges, as it states that the note was protested for non-payment. Whether the demand was duly and regularly made is matter of evidence to be given at the trial; and to the same effect is the case of *Stocken v Collins*, 9 Carr. & Payne, 653. I am of opinion that the notice under the circumstances of this case was sufficient, and that the court below erred in its judgment; that the judgment should be reversed with a *venire de novo* by that court, and that the costs should abide the event.

Judgment reversed.

DECISIONS IN MASSACHUSETTS.

Liability of Stockholders.

[Under the Revised Statutes, c. 36, "the holders of stock in any bank, at the time when its charter shall expire, shall be liable, in their individual capacities, for the payment and redemption of all bills which may have been issued by said bank, and which shall remain unpaid, in proportion to the stock they may respectively hold at the dissolution of the charter."

In the case of *Crease v. Babcock* it was held that the bill-holders cannot severally maintain a bill in equity against the stockholders, to compel payment and redemption of the unpaid bills held by them respectively, but that all of them must join in one bill, or one or more of them must file a bill for the benefit of all, against all the stockholders. *Crease v. Babcock*, *Grew v. Breed*, Metcalf's Massachusetts Reports, vol. x.]

Before the Supreme Judicial Court of Massachusetts; August 1849.
Benjamin W. Crowninshield v. Hezekiah Chase.

This was an action of assumpsit, to recover back an amount which the plaintiff had been compelled to pay, as a stockholder in the Nahant Bank, to the holders of bills on the failure of that bank. The stock had been transferred by the defendant to the plaintiff, previous to the failure, to secure a note in these words: "Boston, June 16th, 1836. Six months from date, for value received, I promise to pay to my own order, sixty-eight hundred dollars, having lodged as collateral security seventy-five shares Nahant Bank stock, the same to be re-transferred on the punctual payment of this note without grace." The note was signed and endorsed "Hezekiah Chase," and there was an endorsement upon the note, "June 11th, 1837, received \$204, F. B. C." On the 6th of November, 1838, the defendant compromised the balance due on the note by the payment of \$969, and the note was surrendered.

It appeared from the books of the Nahant Bank, that Mr. Chase assigned to the plaintiff, Mr. Crowninshield, on the 13th of May, 1835, seventy-five shares of the stock; that an absolute certificate therefor was issued to Mr. Crowninshield; that Mr. Chase on the same day signed a receipt upon the books of the bank, as attorney for Mr. Crowninshield, acknowledging that the latter had received the certificate. On the back of the certificate there appeared a power of attorney to a third person to transfer the shares, dated November 9th, 1836, and signed by Mr. Crowninshield, across which power of attorney was written without date the word "void." It appeared from the books of the bank that Crowninshield, on the 19th of April, and the 7th of October, 1836, received the dividends which were declared upon the shares above mentioned. On the 14th of July, 1838, Mr. Crowninshield made a transfer of those shares upon the transfer book of the bank, without the knowledge of Mr. Chase, and left the certificate with the cashier, who made no entry upon the stock ledger, or any other book of the bank; which certificate went into the hands of the receivers of the bank.—The charter of the Nahant Bank was repealed April 19th, 1837; an injunction was served upon the Bank July 10th, 1838, and receivers were appointed in August, 1838. Mr. Crowninshield, as the holder of the above mentioned seventy-five shares, was compelled, by a decree of the Court in the case of *Grew v. Breed*, a suit in equity instituted February 6th, 1841, for that purpose, to pay his proportional part of the amount of bills of the bank, held by the parties for whose benefit that suit was prosecuted.

The case was submitted to the Court upon an agreed statement of facts, embodying those above stated, and a deposition of a witness.

SHAW, C. J., delivered the opinion of the Court. This case was not in a condition to enable the Court now to give a final decision.—The Court were inclined to the opinion, that there was no original liability on the part of the defendant, to indemnify the plaintiff for what he might be compelled to pay in consequence of being the holder of the stock, and that on that ground alone, the plaintiff had no ground of action. But, on examination of the declaration in the plaintiff's writ, the Court thought it broad enough to include an express as well as an implied promise to indemnify the plaintiff. It did not appear distinctly whether the amount received in compromise was received as an absolute discharge; or whether the shares, if considered at that time of any value, were to be restored to Mr. Chase, or applied upon the balance of the debt. There was, in this case, evidence of admissions by the defendant of his liability, and of promise to pay; but it did not appear whether these were made in the belief that he was under a legal liability. If there were sufficient evidence of an express promise to indemnify the plaintiff, the Court thought that would be sufficient to support this action; but the evidence in the case was too slight to enable the Court to form any opinion on this point. A more full statement of the facts was necessary, and the case was one proper to be submitted to a jury. Statement of facts discharged, and the case ordered to stand for trial.

Geo. MINOT for plaintiff; C. B. GOODRICH for defendant.

THE ENGLISH BANKING SYSTEM.

From the London Bankers' Magazine.

A Practical Treatise on Banking. By J. W. Gilbart, F. R. S., General Manager of the London and Westminster Bank. 2 vols. London, 1849.

A new edition has just been issued of the well-known "Practical Treatise on Banking," by Mr. Gilbart, the general manager of the London and Westminster Bank; and as the work in its present form, is far more comprehensive than any of the previous editions, and embraces a variety of topics of great interest to bankers, we think our readers will be pleased to have a few extracts from its pages laid before them.

The treatise, which was originally published as a thin octavo volume, now extends to nearly 800 pages; and instead of being confined to a brief description of the routine of business of a bank, embraces a very clear explanation of the *principles* on which the business of banking must be conducted in order to be successful; a general description of the more important elements of the currency question, and of various subjects incidentally connected with it, which the experience and ability of the author enable him to discuss with much advantage to his readers. Some portions of the work, relating to the operation of the Bank Charter Act on the banking business of the country, have, by permission of the author, already appeared in our pages; and we shall devote a separate article to a further consideration of the currency doctrines contained in this edition of his treatise. In our present notice, we shall confine our attention to the practical directions for the efficient management of banking business, which Mr. Gilbart has laid before his readers. Few men are so well qualified as himself, for performing this duty satisfactorily. Having risen by his own merit and assiduity, from the position of junior clerk in a banking establishment, to the important office of general manager of one of the largest joint-stock banks in the kingdom; having, moreover, had the honor of successfully establishing the first joint-stock bank in London, and of defeating the Bank of England in its endeavour to prevent the introduction of the joint-stock system into the metropolis; he has had larger opportunities than almost any other banker, for becoming acquainted with the working of the system under peculiar difficulties. Being also a literary man, he has the power of conveying his ideas to others with clearness and facility. No one can rise from a perusal of this treatise, without feeling the effect of those advantages. The work is judiciously arranged; its instructions are clear and decisive; and there is a kindly tone pervading it throughout, and an earnest moral feeling, which enables us at once to understand the amiable character of the author.

The work is divided into sections, which may be briefly described as comprising a complete description of a sound system of bank book-keeping; an account of the duties required from the officers in a bank; general instructions relating to the administration of a bank, with reference to its ordinary business—during a time of pressure—and under

the operation of the new banking laws introduced during the last few years by the legislature. The second volume comprises a history of the banking institutions of the country, including the private banking system, and the joint-stock banks of England and Wales, Scotland and Ireland; with incidental dissertations, including two essays—one on “The Moral and Religious Duties of Banking Companies,” and the other entitled “Ten Minutes’ Advice about Keeping a Banker,” which have appeared as separate publications previously.

The nature of the work, and the variety of interesting topics it embraces, will prevent us entering on a full analysis of its contents in a short notice like the present. We shall, therefore, content ourselves by selecting a few extracts from that portion which has been newly written, “on the administration of a bank,” as relates to the higher duties of the manager.

Mr. Gilbert points out, in his introduction, some of the principal objects he had in view in preparing the volumes for publication; and how far they may be useful to the profession.

Object of the work.—To whom it will be useful.

The present work professes to treat of banking as an art. Art is the application of knowledge to a practical end. The practical end of banking, as of all other trades and professions, is to get money. This book treats of the means by which that end is obtained—points out the rules to be followed, and the errors to be avoided—shows how these rules are applied by various banking institutions, and in different districts of the United Kingdom—exhibits the qualifications necessary to the party by whom these rules are administered—and describes those moral virtues which are as indispensable as professional knowledge to the attainment of success.

Those directors of our joint-stock banks, who may have been appointed chiefly on account of their high character and local influence, may derive from this work some practical information, which will assist them in the discharge of their official duties. Young men too, who occupy subordinate stations in our banking establishments, may here acquire those enlarged views that will qualify them for higher appointments. One object of the work is to aid the formation of good practical bankers. Even to experienced bankers, books on banking are useful, not only from the information they impart, but from the impressions they produce, and the recollections they awaken. In banking, as in morals, we often go astray, more from want of firmness than from want of knowledge. We have all need to be reminded of the importance of a steady adherence to sound principles. And the more frequently the right path is pointed out to us, the less likely are we to wander into those which are forbidden.

I have been so long known as a writer on banking, and my writings have met with so much acceptance, that it is not necessary I should enumerate any claims I may be supposed to have on public attention. But there is one claim that gathers strength by time—that is, experience. And in publishing a new edition of a practical work, it may not be in-

appropriate to state, that it is now upwards of thirty-six years since I first engaged in the business of banking, and I have been above twenty-two years a manager. I am thankful to acknowledge, that during those twenty-two years I have not had one unsuccessful year.

Amongst the practical directions addressed to the leading officers in banking establishments, the following may be selected, as examples of the style in which the didactic portion of the work is written :—

Qualifications for a Banker.

It is a mistake to suppose that banking is such a routine employment that it requires neither knowledge nor skill. The number of banks that have failed within the last fifty years are sufficient to show that to be a good banker requires qualities as rare and as important as those which are necessary to attain eminence in any other pursuit. The dealer in money exercises intellectual faculties of a high order, and of great value to the community. His profession has a powerful bearing on the practical happiness of mankind.

One great defect in a banker is a want of decision. A banker ought to know how to balance the evidence on each side of a question, and to arrive speedily at a just conclusion.

Indecisiveness will be, *ceteris paribus*, most pernicious in affairs which require secrecy. 1st. Because the greatest aid to secrecy is celerity. 2nd. Because the undecided man, seeking after various counsel, necessarily multiplies confidences. The pretext for indecisiveness is commonly mature deliberation; but in reality, indecisive men occupy themselves less in deliberation than others; for to him who fears to decide, deliberation (which has a foretaste of that fear) soon becomes intolerably irksome, and the mind escapes from the anxiety of it into alien themes. Or, if that seems too open a dereliction of its task, it gives itself to inventing reasons of postponement. And the man who has confirmed habits of indecisiveness, will come in time to look upon postponement as the first object in all cases, and wherever it seems to be practicable, will bend all his faculties to accomplish it.—*Taylor's Notes on Life.*

Another defect is a want of firmness. A banker having, after a mature consideration, made up his mind, should be capable of a strict adherence to his previous determination; he should know when to say *No*; and having once said *No*, he should adhere to it.

It is a great advantage to a banker, and indeed, to every one else, to know himself. He should know wherein he excels, and wherein he is deficient. He ought to know whether he is disposed from his temperament to be excessively cautious, or excessively liberal—whether his manners are courteous or abrupt—whether he is apt to view matters on their gloomy or on their bright side—whether social intercourse renders him more or less fit for his official engagements—whether the presents and civilities he receives from his customers do, or do not, affect his transactions with them in matters of business. When he has made a loss, he should examine whether the loss was occasioned by the ordinary operation of events, or produced by any little weakness of his own

character. He should record all those instances in which he has shown a want of firmness, of discretion, of discrimination, or of perseverance; and should guard in future against the exhibition of any similar defect—

“Man, know thyself; all wisdom centres there.”

But while a banker should make himself acquainted with his own defects, he ought not to let his customers become acquainted with them. All wise men know their own defects; none but fools publish them. Crafty men, who often have occasion to borrow money, are quick in perceiving the weaknesses of their banker. And if they find that by coaxing, or flattering, or gossiping, or bribing, or threatening, they can influence his conduct, he will always be at their mercy. On this account it is, perhaps, advisable that a banker should not have too much social intercourse with those of his customers who have occasion to ask him for any large amount of accommodation.

It is also useful to a banker to have a list of his customers classified according to their trades or professions—such as corn merchants, leather factors, grocers, solicitors, &c. &c. The banker would thus see at a glance among what classes of society his connexions lay. When any public event was likely to affect any class—such, for instance, as the corn merchants—he would see how many of his customers are likely to be affected. By thus, too, bearing in mind the trade or profession of his customers, he would be able to judge more readily whether the bills they brought him for discount had arisen out of their business transactions.

It is of great importance to a banker to have an ample knowledge of the means and transactions of his customers. The customer, when he opens his account, will give him some information on this subject. The banker will afterwards get information from his own books. The amount of transactions that his customer passes through his current account, will show the extent of his business. The amount of his daily balance will show if he has much ready cash. The extent and character of the bills he offers for discount, will show if he trusts large amounts to individual houses, and if these are respectable. On the other hand, the bills his customer may accept to other parties, and his payments, will show the class of people with whom he deals, or who are in the habit of giving him credit. But one main source of information is to see the man. This, like other means of information, will sometimes fail; but generally speaking, the appearance and manners of a man will show his character. Some people always send their clerk to the banker with bills for discount, &c. This is all very well if they want no extraordinary accommodation; but if they ask for anything out of the usual way, the banker had better say that he wishes to see the principal. And if he had a doubt whether his customer was tricky or honest—speculative or prudent—let him be guided by his first impression—we mean the impression produced by the first interview. In nine cases out of ten, the first impression will be found to be correct. It is not necessary to study physiognomy or phrenology to be able to judge of the character of men with whom we converse upon matters of business.

A banker should always have general principles; that is, he should

have fixed rules for the government of his bank. He should know beforehand whether he will or will not advance money on mortgage, or upon deeds, or upon bills of lading, or warrants; or whether he will discount bills based upon uncommercial transactions, or having more than three months to run. These are only a few of the cases in which a banker will find it useful to store his mind with general principles.

One advantage of this adoption of general principles is, that it saves time. If a banker can say, in reply to a customer, "it is contrary to the rules of our bank to advance money upon bills of lading," the reply is conclusive. But if he had not previously adopted any rule upon the subject, the reply would have taken up much more time. Another advantage is, that it gives decision of mind, and saves the banker from being "talked over" by any of his customers who may possess fluency of speech, or dexterity in debate. In this case, the banker whose mind is stored with general principles, though he may listen patiently to all his customer shall advance, will give the same reply which he would have given had the application been made in fewer words.

But although a banker ought to have a large stock of general principles—and this stock will increase as his experience increases—yet it may not be always wise to explain these principles to his customer. It is generally best, when a banker gives a refusal, to give no reasons for that refusal. Banking science is so little understood that the public generally are unable to appreciate its principles. Besides, a man who wants to borrow money can never be convinced by reasoning that his banker is right in refusing to lend it to him; nor, in fact, did the banker himself acquire his knowledge of banking by reasoning. He acquired it not by reasoning, but by experience; and he must not expect that his customers, who have had no experience, will, by reasoning alone, readily acquiesce in the banking principles he may propound to them. In most cases, therefore, he had better keep his reasons to himself.

On the important subject of the best and most legitimate investment of a bank's surplus funds, Mr. Gilbart offers the following remarks:—

Employment of Surplus Funds.

The amount of money which a banker will keep in his till depends upon circumstances. First, the amount of his deposits. It is natural to suppose that when his deposits are large, he will keep more money to meet them than when his deposits are small. Secondly, the amount of his daily payments. These will not at all times correspond with the amount of the deposits; for some accounts are more *operative* than others. On commercial accounts, for instance, the payments will be much heavier in proportion to the average balance than on accounts which are not commercial. The city bankers pay much larger sums every day, in proportion to the amount of their deposits, than the bankers at the West-end. Thirdly, if a banker issues notes, he will keep a less amount of other money in his till. The popular opinion is, that he keeps more, as he has to provide payment for his notes as well as his deposits. This is true in seasons of pressure. But in ordinary times he keeps less, as he pays the cheques drawn on account

of his deposits with his notes, and these notes often get into the hands of another banker, with whom he settles by a draft on London. His reserve to meet his notes, is kept, not in his own till, but in London, where it probably yields him interest. Indeed, when his deposits are withdrawn in large amounts, they are more usually withdrawn by a draft on London than in any other way. Fourthly, the number of the branches. If a bank has many branches, the total amount of cash kept in the tills of the head office and all the branches put together, will be considerably more than would be required if the whole of the business were collected into one place. In the case of a run the difference is considerable, as every point open to attack must be well fortified. The stoppage of one branch, even for a short time, would bring discredit upon the whole establishment. Fifthly, in London the amount of notes to be kept in till will be affected by the privilege of clearing. Those bankers that "clear," can pay bills and cheques upon them by the bills and cheques they have upon other bankers. Those banks that do not clear, must pay all the bills and cheques upon them in bank notes before they receive payment of the bills and cheques they have upon other bankers. Hence they must lock up every night with a larger amount of cash in their vaults.

Of the various kinds of Government stock, consols are the best, as there is a more ready market for this kind of stock, and money can usually be borrowed on them until the next account day; so that, if a banker has only a temporary demand for money, he may thus obtain it at a moderate interest, when, by selling his stock at that time, he might sustain loss. The Bank of England has recourse, sometimes, to this mode of strengthening her reserve. Sometimes, too, a banker may make a profit by lending his consols. At the monthly settlements, among the brokers, stock is sometimes in demand, and money may be obtained upon consols, until the next settling, without paying any interest; and the banker may employ the money in the meantime. As, however, the rate of interest is usually low in such seasons, his profit will rarely be great.

It is not advisable, however, that all the stock a banker holds should consist of consols. For a month before the payment of the dividends in January and July, this stock is shut, and during those times he can neither sell his stock, nor borrow money upon it. This may be inconvenient, and he can only avoid this inconvenience by selling or lending his consols, just before the shutting, on the best terms he can. To avoid either of these alternatives, it is better he should divide his stock, and hold half the amount in consols, and half in reduced 3, or in the $3\frac{1}{4}$ per cents. The dividends on these latter stocks are payable in April and October, so that by this means the banker will always hold an open stock: when consols are shut, the reduced 3 and the $3\frac{1}{4}$ per cents. are open, and *vice versa*. There are no time bargains in the reduced 3 per cents, or in the $3\frac{1}{4}$ per cents; but in ordinary times money can be borrowed upon them at the market rate of interest. In seasons of pressure these are not so saleable as consols. Bank Stock, India Stock, and Long Annuities, not being readily convertible, are not generally good investments for bankers.

Some bankers avoid all government stock, and give a preference to exchequer bills. They have some advantages. As the government must pay the amount demanded in March or June, when they become due, there can be no loss beyond the amount of the premium at which they were purchased. A banker, too, can borrow money upon them quietly and secretly. A transfer of stock is always known, and, if for a large amount, will, when money is scarce, excite notice, and give the impression that the banker is compelled to realize some of his securities, to meet demands made upon him by his depositors. But a banker can hand his exchequer bills to a stockbroker, who will bring him the money, and the party who has granted the loan will know nothing about the party for whom it was required. On the other hand there are some disadvantages. Almost every change in the market value of money affects the price of exchequer bills, and whenever money becomes abundant, the government are very apt to reduce the rate of interest much below that which can be obtained from consols. But a greater objection is, that even in ordinary times, they are hardly saleable in large amounts. There are not now so many exchequer-bill jobbers as formerly, and hence these bills are not so readily saleable. On this account, the Bank of England, who were formerly large holders of exchequer bills, have changed their system, and are now holders of stock. The city bankers, too, prefer placing their money with the bill-brokers, to investing it in exchequer bills. But they are still a favourite mode of investment with bankers at the West-end.

East India bonds yield a higher interest than exchequer bills, and the interest cannot be reduced until after twelve months' notice from the East India Company. But they are by no means so saleable. Money, however, may generally be borrowed upon them; and the loans of the Bank of England are always announced to be granted on "exchequer bills, India bonds, and other approved securities."

Bonds of corporations, or of public companies, are by no means proper investments for a banker, except to a very moderate amount, and when they have a short time to run. They may, however, be taken as security for temporary advances to respectable customers.

Good commercial bills, of short dates, have this advantage over Government stock or exchequer bills, that a banker is sure to receive back the same amount of money which he advanced. He can calculate, too, upon the time the money will be received, and make his arrangements accordingly. And if unexpectedly he should want the money sooner, the bills can, in ordinary times, be rediscounted in the money market. Another advantage is, that he is able to avail himself of any advance in the current rate of interest. He will get no higher dividend from his investment in Government stock, should money afterwards become ever so valuable. But with regard to bills, as they fall due he will receive a higher rate of discount with the new bills he may take, and thus, as the market rate of interest advances, his profits will increase.

The bankers of Lancashire usually keep the whole of their reserves in bills of exchange. If they have a "good bill case," that is, a large amount of good bills in their case, they think themselves prepared to

meet any emergency. Their objection to government securities is founded, first, upon the low rate of interest which they yield; and, secondly, the possibility of loss, from fluctuations in price. They contend, too, that good bills of exchange are more convertible than even exchequer bills; and, even if not convertible, the money comes back as the bills fall due, and thus the reserve is constantly replenished.

The real value of a security, not unfrequently taken by bankers at far more than its intrinsic worth, is clearly pointed out in the following paragraph:—

Life Policies a bad Security.

A banker should never make any advances upon life policies. They may become void, should the party commit suicide, or die by the hand of justice, or in a duel; or if he go without permission to certain foreign countries. The payment may be disputed, upon the ground that some deception or concealment was practised, when the policy was obtained. And, in all cases, they are dependant upon the continued payment of the premiums. The value of a policy, too, is also often overrated. The insured fancies that his policy increases in value in exact proportion to the number of premiums he has paid; but if he offers it to the company, he will find that he gets much less than he expected. The policy is valued in a way that remunerates the office for the risk they have run during the years that are passed; and the valuation has a reference only to the future. Thus, if a man, at 20 years of age, insures his life, the expectation, or probability of life, as it is called, that is, the number of years he is likely to live upon the general average, is, according to the Northampton tables, 33. If he wishes his representatives to receive £1,000 at his death, he will pay a proportionate annual premium. When 40 years of age, he will have paid twenty premiums, and he may fancy that his policy is worth the total amount of the premiums. But the policy is valued, not with reference to the past, but with reference to the future. At 40 years of age his "expectation of life" is not 13, but 23 years. It is then calculated, that 23 years hence the policy will be entitled to £1,000; but that the annual premiums must be paid in the meantime. The value of the policy, therefore, is the present value of this £1,000 less the present value of all these annual payments. Should he wish to sell his policy when he is 60 years of age, he will find that it is proportionably less valuable, for his expectation of life, will still be 13 years. A short rule for ascertaining the expectation of life, according to the Northampton tables, is to take the age from the number 86, and then divide by 2. The value of a policy is generally about one-third of the amount of all the premiums that have been paid.

We are unable to extend our notice of the work further at present; but we shall refer hereafter to a few of the practical questions discussed in the book, on which some of our readers may like to offer their opinions.

GILBART ON BANKING.

From the *London Economist*, July, 1849.

Mr. Gilbert's works on banking have attained a just celebrity. Plain and practicable, they are suitable to the character and position of the writer, and to the wants and inclinations of the banking and mercantile community, for whom they are chiefly intended. They are not, however, without much interest for every inquiring mind, while for statesmen and political economists they are sources of much useful and even indispensable information. The present work treats of banking as an art, and its merits have already been recognised by the public. The present edition is the fifth, but it is so much enlarged that it assumes the character of a new work. Parliamentary inquiries, particularly those of 1848, and the course of events have thrown additional light on the working of our joint stock and private system of banking, and compelled Mr. Gilbert to enlarge, while he has much improved his work. He has added, also, a chapter on the moral and religious duties of banking companies. It was originally printed in 1846 for private circulation, under the title of the "Moral and Religious Duties of Public Companies;" but, having been approved by the writer's friends, it is now incorporated in the present work. It has at least the merit of being well-timed. Companies are too apt to forget the responsibility which belong to their members as individuals in their incorporation. An account of the Bank of England, of the joint-stock banks in London, of private and joint-stock banks in the country, and of the laws under which they act, with a close scrutiny into the operations of the act of 1844, some hints at what may happen from it in future, and some excellent advice to joint-stock and private bankers, preparing them for the consequences of that, are some of the useful additions to the present edition.

The importance of banking, as a part of our combined system of production, is now well appreciated; but Mr. Gilbert shows that his art exercises an important influence over the morals of society. Probably if the matter were well considered, it would be found that almost every art and business has some similar effects. It may be stated, as a general rule, that every man, even when a rogue himself, wishes every other man to be honest. Thus we have all, in our transactions with each other, an interest in promoting honesty. If it were not so, if men had an interest in dishonesty, and were not only rogues themselves, but delighted in roguery, no laws could keep any man honest—indeed, no laws which must be in conformity with the opinions of society would be made to promote honesty. At the same time, it is now become so apparent that laws derive all their force from the habits of the people, and the power of increasing multitudes is so overwhelming, as compared to the power of mere legislation, that if the several arts of life, as they are developed, did not, like banking, tend to promote morality and virtue, there could be no hope nor possibility of establishing them on earth. Of banking, Mr. Gilbert says:—

Moral Effects of Banking.

Banking also exercises a powerful influence upon the morals of society. It tends to produce honesty and punctuality in pecuniary engagements. Bankers for their own interest, always have a regard to the moral character of the party with whom they deal; they inquire whether he be honest or tricky, industrious or idle, prudent or speculative, thrifty or prodigal, and they will more readily make advances to a man of moderate property and good morals, than to a man of large property but of inferior reputation. Thus the establishment of a bank in any place immediately advances the pecuniary value of a good moral character. There are numerous instances of persons having arisen from obscurity to wealth only by means of their moral character, and the confidence which that character produced in the mind of their banker. It is not merely by way of loan or discount that a banker serves such a person. He also speaks well of him to those persons who may make inquiries respecting him; and the banker's good opinion will be the means of procuring him a higher degree of credit with the parties with whom he trades. These effects are easily perceivable in country towns; and even in London, if a house be known to have engaged in gambling or smuggling transactions, or in any other way to have acted discreditably, their bills will be taken by the bankers less readily than those of an honorable house of inferior property.

It is thus that bankers perform the functions of public conservators of the commercial virtues. From motives of private interest they encourage the industrious, the prudent, the punctual and the honest—while they discountenance the spendthrift and the gambler, the liar and the knave. They hold out inducements to uprightness, which are not disregarded by even the most abandoned. There is many a man who would be deterred from dishonesty by the frown of a banker, though he might care but little for the admonitions of a bishop.

In other respects, banking, too, corresponds with the other arts of life; and there is not only a division of labor as between country and town bankers, but bankers in our metropolis take different kinds of business. Thus, a "West-end banker will not discount a bill—a city banker will not lend money on mortgage. Different kinds of banking exist in different parts of the country, according to the character and circumstances of the district. And in London there are numerous classes of people, and it may be both proper and advantageous for a banker to adapt his mode of business chiefly to the requirements of some one particular class. Different banks may thus pursue different courses, and all be equally successful." So they have different modes of employing their funds. "City bankers prefer placing their money with the bill brokers to investing it in exchequer bills. But the latter are still a favorite mode of investment with bankers at the West-end."

One of the most curious parts of our banking system is the clearing house, by which, according to Mr. M'Culloch, a currency of £60,000,000 is enabled to perform the functions of a currency of £200,000,000. Of this system, Mr. Gilbert's account is worth quoting for its minuteness :—

The Clearing House.

It was established (he says) about seventy-five years ago, by some of the London bankers, for the purpose of facilitating their exchanges with each other. It was at first by no means generally approved, and some of the principal bankers refused to have recourse to it. After the number of clearing bankers had increased, a committee was formed for its government. This committee is composed of five or six of the leading bankers, and any new bank that desires to have the privilege of clearing, must now apply for permission to the committee.

At the clearing house, which is situated in Lombard street, in a part of the old post office, a clerk attends from each banking house twice a day. First, he goes at eleven o'clock with those bills which he has upon other bankers. Each bill is receipted by the house through whom it is presented, and the checks have the name of the house written across them. He drops the bills payable at each house in a separate drawer provided for the purpose, and he enters in his book, under separate accounts, those bills that may be dropped into his drawer. At about twelve he returns home. He goes again at three o'clock with a fresh quantity of bills and checks, which he delivers in the several drawers as before. He then enters in his book those checks that may have been delivered in his drawer. From three to four he receives further supplies of checks brought to him from home by other clerks. These checks he enters in his book, and they are then delivered in the proper drawers. As soon as the clock strikes four, no further checks are taken. He then casts up each account, and strikes the balance. These balances are then transferred to the balance sheet. The balance sheet is a half sheet of paper, with a list of clearing bankers printed alphabetically in a row down the middle. On the left hand side is a space for the debtors. On the right hand side is a space for the creditors. The clerk begins with the house at the top of the list. If this house owes him money, he places the balance on the left side of the name. If he owes money to this house, he places the amount on the right side. Thus he proceeds through the whole list. He then goes to the clerk of each house and calls the balance to him; and if they both agree, they mark it with a pen. If they differ, they examine where the error lies, and make the accounts agree. He then casts up each side of the balance sheet, and strikes the balance. If the total amount of debits exceeds the total amount of credits, he will have to receive the amount of the difference. If the credits exceed the debits, he will have to pay the difference.

All this is usually done by five o'clock, when the clerks go home for a short time, for two purposes; one purpose is, to fetch the money they have to pay; and the other is, to see if their balance on the sheet agrees with the balance of the books at home. At about a quarter or half-past five they return, and any clerk who has money to pay, pays it to any clerk who has money to receive. It is common, however, for three or four clerks to form a sort of club, and pay principally among themselves. Hence, when one member of the club has money to pay,

he will pay it to some member of the same club who has money to receive, in preference to paying it to any one else; by this means his friend obtains his money earlier than he otherwise might, and gets off sooner. It is obvious that all the money that is to be paid must be equal to all the money that is to be received. If this should not appear to be the case, there must be some error; and the clearing house is then said to be wrong. Two inspectors are appointed, with salaries, to detect errors of this kind, by examining and marking off the sheets. Their signature is also necessary before any money can be paid from one clerk to another.

As may be expected from his position, Mr. Gilbart is a great advocate for joint stock banks; and though they have now obtained nearly all they want, he complains that they are still excluded from the advantages of the clearing-house. That enables bankers to diminish the stock of cash they are obliged to keep on hand to answer emergencies. It gives them a whole day to make preparations to meet unexpected or unforeseen demands. It facilitates their business; and there seems no good reason why such joint stock banks as have established a good character should be excluded from a participation in the benefits. Mr. Gilbart says—

The joint stock banks are not admitted into the clearing house. This exclusion puts them to some inconvenience, and to considerable expense. There are certain classes who cannot conveniently keep their account with a bank that does not clear. The banks have to keep a larger amount of money in their tills, and thus there is a loss of interest. They have to employ more clerks, to present their bills and checks at the houses of the clearing bankers, and thus there is a greater expenditure in salaries. In lending money on the Stock Exchange they have to stipulate for payment in bank notes, and not by a clearing check. In selling stock they have to make the same agreement. In these cases they have sometimes to submit to less favorable terms, as it is not always convenient, and never agreeable, to the stock broker to supply bank notes in the middle of the day. Other inconveniences are also occasionally experienced.

The exclusion of the joint stock banks inflicts also some inconvenience and loss on the clearing bankers. The joint stock banks present all their bills and checks at the counters of the respective clearing bankers three times a day, and receive payment in bank notes. On the other hand, each clearing banker presents his bills and notes at the same hours on the several joint stock banks, at their respective counters, and receives payment in bank notes. To meet the claims made upon them daily by the private banks, the joint stock banks have to keep in their tills a larger amount of bank notes than they would keep were they members of the clearing house. And, on the other hand, each clearing banker has also to keep a larger amount of bank notes to meet the claims made upon him at his counter, by the joint stock banks. The customer of the private banker must also make provision the day before they fall due for any bills he may have made payable at his banker's. For should those bills be in the hands

of the joint stock bank, who will present them early in the morning, and if provision is not previously made, the bills will be dishonored. Stock brokers, too, have sometimes sustained annoyance from this cause. They have sold stock for parties who keep their account with a joint stock bank, and when their check has been presented for payment by the joint stock bank, it has not been paid. The answer given has been that it must come through the clearing; and as the joint stock bank could not pass it through the clearing, it has been returned dishonored to the broker's customer. These inconveniences and annoyances to all parties will necessarily multiply as the business of the joint stock banks shall increase.

While we recognize all the advantages which the public, the joint stock banks, and the private banks, would derive from admitting the former to the clearing, we cannot agree with him that the clearing house should be regulated by the legislature. The greater are its advantages to all, the more certainly will the bankers who now monopolize them be disposed to share them with others. Between the courts of law recognizing a custom of the mercantile community and giving it the force of law, at the same time leaving that community with which it originates to alter and amend it as circumstances may require, and the legislature finding a custom good, and making a law to continue or enforce it, the difference is essential. No alteration can in the latter case be made in it without an appeal to the legislature; and the difficulty of moving that to do what is thought proper and right in such matters, is in an inverse ratio to the celerity with which, for the benefit of commerce, changes, when discovered to be useful, are and should be made. We cannot except the clearing house from the principle that the less legislation meddles with industry, including banking in all its branches, the more advantageous it is for the community.

Among the topics which Mr. Gilbart discusses, are the securities in which bankers should invest their money. Of course, bills to be discounted are one of the chief; but "bills drawn by persons not in trade ought not to be encouraged." "They have no business with bills." They have no produce on its way to the market. On revenue all the credit has been taken, while it was in the process of formation, that it was worth, and, therefore, all bills to forestall revenue are illegitimate, they do not belong to trade and should be checked. London bankers will not advance on deeds, though they may be taken as collateral security: country bankers will. Bills of lading and dock warrants are not what prudent bankers like to advance on. "Now and then they may be taken as collateral securities, but the customer that frequently makes such advances is conducting his business that will neither be for his own nor his banker's advantage." The value of life policies in a banker's eyes is very small.

The principal characteristic of Mr. Gilbart's book is, practical common sense, a due subordination of all the parts of the subject, so that none has an undue prominence, which, being joined with a perspicuous style, accounts for the favor his works have deservedly met with.

THE PROGRESS OF WEALTH.

THE PROGRESS OF WEALTH AND THE PRESERVATION OF ORDER.

From the *London Economist*, July, 1849.

Views of Edmund Burke—Poverty the Cause of Crime—Machinery the Source of Wealth—The Industrious, Provident and Wealthy are the Conservative Friends of Peace and Success—The Prosperous Man and the Prosperous Nation are alike tranquil and orderly—The Statesman's best help-mate is the money-making citizen.

It is remarked in the *Quarterly Review*, No. CLXIX, just published, "the warning voice of Mr. Burke, the personal character of George III, the vigor of Mr. Pitt, and, above all, the terrible lessons that France herself was at once undergoing and teaching, carried us, and nearly the rest of Europe, safe through the Jacobin paroxysms of democracy." Admitting the powerful influence of all the causes mentioned by the Reviewer, and admitting that similar personal exertions and personal virtues must now, and at all times, have a great and beneficial effect on the character and fate of every nation, we should be led into a grievous error if we relied exclusively on them to preserve order in the community. It is palpably of the first necessity, that the bulk of the community be well fed and prosperous, and statesmen may then be successfully wise, vigorous and courageous. The Reviewer himself supplies a strong proof of the superiority of prosperity, by observing that the boundless field open to individual enterprise in the United States, "relieving society from the pressure of *poverty* and turbulence, which constitute the prime and *awful danger* of democracy in the over-crowded old world," is capable of neutralizing there the disastrous effects of universal suffrage, and preserving order under a form of government which, in Europe, is incompatible with peace and security. The remark first quoted from the Reviewer, tempts us to advert briefly to some circumstances which, wholly independent of the character and policy of the statesmen mentioned by the Reviewer, contributed to promote the rapid increase of wealth in England at the period of the first French Revolution.

The subject is of considerable interest at present, when we have just enjoyed a similar exemption from trouble, while Europe has been in the paroxysms of new revolutions. It has also a limited and class interest. By one class of journals, wealth, the science of wealth, and the classes that acquire wealth, are favorite topics of railing. The money-getting spirit is continually anathematized by all the believers in mediæval virtue and patriarchal simplicity. They use the utmost license of vituperation, too, against the plodding industry of the mercantile and manufacturing classes; though no persons are more anxious than the literary hangers-on of the aristocracy, to rival or to share the wealth and the splendor of successful men of business. Our sentimental feudalists are never tired of writing against the grasping, hard-hearted money makers, and sowing dissension between them and the laborers. On this specific account, as well as illustrating a general

principle of society, it is important to connect the peace of society with the progress of wealth.

In fact, every man who acquires anything by his industry, gives by that a hostage to order. He becomes interested in possessing tranquillity in proportion to his acquisition. His savings are generally put out to interest. He relies therefore on the future. He depends on production hereafter. He is a creditor of society, and his advances can only be repaid by peace and success. Theoretically, the matter is perfectly plain. Those who are destitute must be ready for every change. Those who are industrious, provident and wealthy, are desirous of peace and enjoyment. But what is true of individuals seems, by writers against wealth, to be considered as not true of society, and the men who are assiduous in their respective callings, who look closely after their ledgers, and endeavor to win much and waste nothing, are satirized and villified as publicly injurious. It is supposed, according to the old anti-trade, anti-social theory, and according to some practices, too much honored by these writers, that all which the plodding classes gain, produce, or possess, is taken from somebody else. They have no faith in honest exertions, and seem to believe that they are not naturally rewarded. The bookseller who employs his capital in printing a work, which, but for his aid, would never be published at all, is accused of growing rich at the expense of authors. The manufacturer who erects a mill, and finds employment for a thousand persons, is too often described as injuring and oppressing those, who but for his inventions and schemes might have wanted food. It seems of some consequence to rescue the money-getting, wealth-making classes from this kind of undeserved opprobrium, by pointing out the connection between order and tranquillity, and their exertions at the period of the first and the late revolutions in France and Europe.

It is well known to all who have attended to the economical history of the country, that there was such a connection—there were circumstances not dependent on the policy or character of our statesmen which made our people prosperous. Over and over again it has been said that the cotton manufacture carried our country triumphantly through the great war with France. The success and progress of that manufacture were mainly due to the inventions of Arkwright and Watt, stimulated by the desire for wealth, and the cultivation of cotton in the United States, arising from the same source—circumstances independent of the teaching of Mr. Burke and the policy of Mr. Pitt. From 1785, when Sir Richard Arkwright's patent for the admirable invention that he perfected, and that bears his name, was set aside, and the contrivance might be freely and universally used, the progress of the cotton manufacture in England has been unexampled in the history of successful industries. In 1785, the manufacture having then made considerable progress, we imported 18,000,000 pounds of cotton, and in 1796, 32,000,000 pounds. In 1806, the quantity imported was nearly 60,000,000 pounds. Now, the growth of this great manufacture, imparting enterprise to every branch of industry, giving wealth to the inhabitants of the towns, and absorbing to a vast extent, the rising population of the agricultural districts, was, fortunately for the peace of

England and the liberties of the world, coeval with the terrible outbreaks in France at the period of the first revolution; and thus the same manufacture which carried us through the war, also enabled Mr. Pitt to carry us successfully "through the Jacobin paroxysms of democracy."

Are there any such circumstances still at work tending to explain our present peace, as contrasted with the disturbances on the continent? We think there are. Though a great number of births amongst any given number of persons is no test of prosperity, but very often the reverse, the steady increase of population, without any deterioration in the condition of the people, is such a test. The increase of mankind is the one great physical change which has accompanied all moral changes, called the progress of civilization. Our people have no boundless field open to individual enterprise immediately at their doors which they can use and cultivate; they have, however, increasing knowledge, which, giving an increase of power, is tantamount to possessing much territory, and accordingly they have increased more rapidly than perhaps any people in Europe. In a table drawn up by Professor Rau, and published by Mr. Mill, showing the annual increase of the population of various countries, there is only one European land, Hungary—the authority is doubtful—which stands before England. The annual increase in the United States is said to be 2.92 per cent. of Hungary 2.40, of England 1.78 or 1.60; the population of all the other countries increases at a lower rate, and in France, the chief source of all the social disorders of Europe, and of all the opinions and demands that are now perplexing philosophers and statesmen, the increase is only, according to one authority, 0.63 per cent., and according to another, 0.55 per cent. Between 1806 and 1846, Mr. Mill shows that the French have increased 21½ per cent. Between 1801 and 1841, an equal period, Mr. Porter informs us that the English increased 100 per cent., or nearly five times as fast as the French. Although a mere increase of people is not an index to prosperity, as Ireland has unfortunately convinced us, yet there can be no permanent prosperity without a permanent increase of people; and when we know that the condition of the English—certainly of the upper and middle classes—in this period has improved much more than that of the French, the more rapid increase of our people is a proof of our much greater prosperity. Our increase in wealth and population has been accompanied by order and tranquillity. We have effected many peaceful reforms; our neighbors, whose progress has been so much slower, whose acquisition of commercial and manufacturing wealth has been extremely small, have been a prey to violent revolutions. The same cause, then, as produces the order of the United States—room to expand, with actual expansion,—the means of gratifying the natural desires of man, the growth of wealth and prosperity, carry with them the growth of order. Our experience of nations is consistent with our experience of individuals. The prosperous man and the prosperous nation are alike tranquil and orderly.

Circumstances somewhat similar to those which enabled Mr. Pitt to carry us safe through the Jacobin paroxysms, have continued in opera-

tion through the whole of this century. The enormous increase in the productions and population of the United States has contributed to stimulate our prosperity. The import of cotton is now 5,700,000 cwts., or 638,400,000 pounds,—being more than ten times greater than in 1806. Every other branch of trade has grown in similar proportions. We have had many new inventions and new arts, similar in kind, if not equal in degree, to those introduced by Arkwright and Watt. Having remained at peace, it has been practicable to remit taxation, and the necessities of national intercourse have led to the removal of restrictions. Their effects in opening a field to industry, and in permitting accumulations by individuals, have been equivalent to great mechanical inventions which have not been wanted; and we have in consequence enjoyed, with temporary interruptions, a continual progress in prosperity. Though our material welfare, now more than ever bound up with that of other nations, has suffered from their political convulsions, and though the famine in Ireland and a succession of bad harvests in England have been great drawbacks, and both these circumstances will influence our future progress, yet hitherto they have only retarded, not stopped it, and that having interested a continually increasing number of persons in the preservation of order, has assisted the government in maintaining tranquillity in the midst of disturbance. The prosperity that is the result of what are called the sordid propensities of traders, is found here and in the United States to be the guarantee of social order. With it society may be comparatively easily governed, and peace secured. The statesman's best helpmate is the money-making citizen.

BANKS OF THE STATE OF OHIO.

From the Cincinnati Daily Gazette.

GENTLEMEN,—To any one acquainted with the high reputation of Hunt's Magazine, in all matters pertaining to commerce, finance and general statistics, the article which recently appeared in that periodical in relation to the "Banks of Ohio," must be a source of surprise and regret; of surprise at the carelessness in admitting an article bearing on its face such an utter disregard of the most notorious facts, and of regret that such misrepresentations should receive the imprimature of a journal heretofore deemed so reliable.

He says "the unsound condition of the (Ohio) Banks in 1838 and 1839, became manifest, when, in 1843-44 resumption of specie payments became necessary. Under that severe test, *only eight* institutions survived." Now, among the institutions, according to this representation, which did not survive "that severe test," are the following:

Franklin Bank of Cincinnati,
Franklin Bank of Columbus,
Bank of Chillicothe,

Bank of Marietta,
Bank of Mount Pleasant,
F. & M. Bank of Steubenville,

Bank of Dayton,
Bank of Zanesville,
Muskingum Bank, Zanesville,
Belmont Bank, St. Clairsville,

Columbiana Bank of New Lisbon,
Bank of Geauga,
Western Reserve Bank at Warren.

Here is an array of thirteen of our good old Banks, whose every name calls up the pleasing associations of honesty, sound currency and general popularity; and yet not one of them survived the fatal year (to Ohio Banks) of 1844. And why? simply and solely because all their charters expired on the last day of December, 1842. And yet, because they did not "survive" the period of their legal existence, this writer infers their "unsound condition in 1838 and 1839," and by implication, the unsound condition of the Ohio Banks at this time. What could be more absurd! Every dollar ever issued by each of the above thirteen Banks, has been redeemed, dollar for dollar, or may yet be when presented. Since the expiration of their charters, all the above Banks have been engaged in the sole business of closing their affairs, and some of them have entirely completed that truly "severe test." All, or very nearly all, their liabilities have been paid; most of them have returned one hundred cents on the dollar on their capital stock; and some much more. So much, then, for the truth of the assertion that the "unsound condition of the Ohio Banks became manifest by the resumption of 1843-4, and that only eight survived that severe test." In fact, several of the above named Banks were not even "suspended" in specie payments in 1838 and 1839. The Farmers and Mechanics Bank of Steubenville was of this number.

But, "of the eight Banks which survived the resumption of 1843-44, three subsequently failed under disgraceful circumstances." These three were the Bank of Gallipolis, the Bank of Steubenville, and the German Bank of Wooster, and the circumstances attending not only their "failure," but their "getting up" were "disgraceful" enough. All of these were "defunct corporations" prior to their last disgraceful failures. They were so regarded in Ohio. But the science of certain New York "financiers" was tried upon them; they were galvanized; the spasmodic and convulsive actions which followed were mistaken by the people for evidences of true vitality, but there was no life in them. In each case, to cover the deception, and as a part of the performance, the names of certain honest, respectable, but deceived citizens of the State were used as a cover to conceal the "wire pullers." The plots succeeded admirably—the proposed object was attained—the people were cheated—New York financiers eloped—the banks failed. But does this failure reflect "disgrace" upon the other Ohio Banks? As well might we say that the acts of the counterfeiter, the horse thief, or the highwayman, reflect "disgrace" on the community whom they defraud.

But again, this writer who has undertaken to enlighten the world in regard to the "unsound condition" of the present Banks in Ohio, says "the effect (of the two systems now in operation in Ohio) seems to have been, by a parade of sham securities, to engender public confidence in institutions which are far from deserving of it." What are these "sham securities?" You have already shown that the entire cir-

ulation of one of these systems (the Independent Banks) is secured by a pledge, in the hands of the Treasurer of State, of either Ohio or United States Stocks, received at a valuation much below their present or any probable future price in the New York market. Every dollar of the circulation of these Independent Banks, is secured by the pledge of a security which would, any day, realize in Wall street, more than a dollar in gold or silver. If this is "sham," in the name of all the Wall street brokers and penny-a-liners, tell us what is the "true thing."— But this is not all. Each Bank, both the Independent and the Branches of the State Bank, is required, in addition to the other securities specified, to keep on hand, "at least, 30 per cent, in gold or silver coin, or their equivalent, one-half of which shall be in gold and silver coin, on the amount of its outstanding circulation," and this "equivalent to gold and silver coin," is defined to be "actual deposits with any solvent Bank or Banker of established credit, in New York, Philadelphia, Boston or Baltimore, a species of assets, which, for all available purposes of exchange, are more than "equivalent" to gold and silver.

Thus, the securities guaranteed to the public by one of the systems in Ohio, are:—

1st. A deposit of United States or Ohio Stocks, in the hands of the Treasurer of State, received at less than their par value, equal to the whole amount of notes for circulation.

2d. The capital stock paid in of which at least 30 per cent. must be in gold and silver or its equivalent; and this must be increased and kept up to 30 per cent. on the notes in circulation.

3d. The whole amount of notes and bills discounted, received and held by the bank as what they deem a profitable investment of their notes in circulation, and which, in all well-managed banks, are of more value and greater amount than their notes in circulation.

Is all this "sham," or is it substantial, reliable and ample security?

We will now very briefly advert to the nature and extent of the securities provided in the other system, known as the State Bank of Ohio.

No issues or other liabilities (except the small items of the cost of plates, printing, stationery, office rent, &c.,) are, or can be created or incurred by the "State Bank of Ohio," *as such*. Each branch is liable, on its own account, for its issues and other debts. Each is entitled to receive, on compliance with the terms of the charter, from the Board of Control, or its officers, its respective ratio of notes for circulation, which ratio diminishes as the capital of the bank increases beyond one hundred thousand dollars. The notes for circulation being derived through the Board of Control, no spirit of wild and reckless speculation, on the part of the directory, no frauds of the officers, and no over action and excess of confidence on the part of the public can produce an excess of issues over the limits prescribed in the charter.

The number of branches is also limited, and only the legislative power of the State can create any other banks than those authorized in the general law, which number is now very nearly taken up.

Ten per cent. on the amount of notes for circulation which each branch receives, is required to be paid to the Board of Control, either in

money or in United States or Ohio bonds, at a low valuation, or in bonds secured to the *satisfaction and under the sanction of the Board of Control*, by mortgage on real property within the State, estimated at *not over half its value*, "exclusive of buildings or other fixtures subject to be destroyed by fire, by flood or other accidental occurrences, or of timber, mines or minerals subject to waste;" which bonds bear seven per cent. interest per annum. This ten per cent. on the entire circulation composes the Safety Fund of the State Bank of Ohio, which is in the possession and *under the direction* of the Central Board. It now amounts to the sum of \$812,270.

But this fund is not, as in the New York safety fund system, the security to which the *public* is to look for *its* protection on the circulation of the State Bank of Ohio. We leave to the financial skill of New York bankers, to secure a dollar by the pledge of a *dime*. Nothing of the kind is attempted in Ohio. On the contrary, without any reference to the safety fund, in the event of a failure of a branch, the entire capital and assets of *all the branches*, are at once liable for the redemption of the failing branch. Here is the security afforded to the public. "Each solvent branch shall contribute, in the ratio of the circulation to which it is entitled, to the sum necessary for *redeeming* the notes of the failing branch," "and may be remunerated for such contribution, from the safety fund," &c. This is the great feature which distinguishes the State Bank of Ohio from all other plans of banking, and which seems not to be understood abroad, and not by all at home. The safety fund is not held to secure the public, but solely as a fund from which the branches themselves are reimbursed for contributions in aid of a branch that has failed; whilst the public have the entire assets of all, as security for the notes of each.

Let us now apply this test to the solvency of the Ohio Banks in 1843-44. The writer says that of the eight which survived that period, three subsequently failed. Suppose, then, that the entire assets, not only of the five which did survive, but of the thirteen whose charters then expired, all of which were not only solvent, but in the aggregate held their entire capital unimpaired, and what would have been the result? Would the public have *then* lost one dollar? Certainly not. Nor, it is confidently asserted, can it ever lose one dollar under the joint liability of the branches of the State Bank of Ohio for the issues of each other.

But it is true, after all, that we must look to the character of its bills discounted, in order truly to appreciate the condition of a bank. Hence, in order to prejudice the public mind against the Ohio Banks, the *fore-said* writer, without giving any reason whatever for his opinion, and perhaps without having any, asserts that "in Ohio the tendency is rather to discount *notes* for goods purchased and sold upon credit, which are gradually extending and becoming more hazardous."

All the light we have on this point is derived from the last quarterly report of the Auditor of State, of the returns made to him by the Ohio Banks, of their respective conditions. This report exhibits the statements of all the Ohio Banks, on the first Monday of May, 1849. Unfortunately, however, for our present purpose, it makes no distinction

between domestic notes and foreign bills; but exhibits the aggregate amount of "notes and bills discounted"—viz: \$14,981,133 50. But the statement of the State Bank of Ohio and Branches of July 2d, 1849, does, so far as it is concerned, afford the desired information. This shows the amount of "Bills of Exchange" held by the Branches \$6,504,720 04, and of "notes discounted" \$3,108,871 03.

This shows the Branches to be in possession of more than two dollars in accredited bills of exchange, which are themselves "money," to one invested in "notes." Allowing the same ratio to the other banks, we would have in round numbers in available Bills of Exchange \$10,000,000, and in domestic notes \$5,000,000.

As regards the character of the Bills of Exchange held by the Ohio banks, I would remark that, as the exports of the State, consisting mostly of the necessaries of life, as wheat, flour, corn, hogs, cattle, wool, butter, cheese and the other varied and immense products of her rich soil, her free labor and manufacturing skill, afford a basis more than broad enough for all the exchanges the banks can purchase, it would attribute to the bankers of the State a very small modicum of common sense and skill in their business, to suppose that they would *prefer* bills based on those exports which always command cash, to the purchase of "notes for goods sold on credit." And why is a bill drawn against a consignment of cotton or sugar, held by a bank in New Orleans any better, safer or more reliable "currency on which international commerce is conducted," than a bill drawn against a consignment of wheat, flour, pork or wool, held by an Ohio bank?

The banking capital of the city of Cincinnati, in her six banks, is \$1,680,000. The exports of that place alone, for the year ending August 31, 1848, amounted to the sum of \$64,194,582 46, equal to about \$40 of exports, to one of bank capital; a field quite wide enough to glean in, one would suppose.

I have no means of ascertaining the relative proportion of bank capital to the exports of other parts of the State. But I have before me a list of Bills of Exchange held by a country bank, the capital of which is \$100,000, which list amounts to over \$200,000, mostly payable in eastern cities, all based on legitimate commercial transactions, all maturing within four months, and every dollar of which, in all human probability, will be promptly paid at maturity. I have no reason for supposing, that the bills of this bank are any better as regards security or certainty of payment than the average of all the bills held by all the banks of the State, with perhaps one or two exceptions.

As to the notes held by the Ohio Banks, the writer in the Magazine is probably as much at fault, as he certainly is as to the amount and character of the Bills of Exchange. A note may be, and often is, based on as legitimate a transaction as a Bill of Exchange. A large portion of those who purchase cattle to drive or feed, horses, hogs, sheep, &c., make their notes payable directly to, and at the bank of which they borrow; and rely on the sale of the articles, at home or abroad as they may prefer for the payment of the loan.

This is just as safe, just as legitimate and may be as profitable banking as the purchase of Bills of Exchange. It usually affords the best

field for the diffusion of bank notes which, in the hands of merchants, pass quickly from bank to bank, but when distributed in small sums, among farmers, are much longer in performing their more varied functions.

Thus I have in a very hurried manner, and without any care in the arrangement, thrown together a few facts which may tend to remove from the public mind, the erroneous impressions designed to be made by the writer in the Magazine, in reference to the past and present condition of the Ohio banks. To explain, or even allude to all the securities and guards provided in both, or either of the present systems of banking in operation in Ohio, would require more time than is at my command, and more space than you would be disposed to yield to the subject. It may be said that both systems are, in some sense, experimental. And in this advancing age, what is not? Yet it is believed that both possess advantages adapted to the wants and requirements of our people and to the views of our capitalists, embraced in no other system of banking known to the world. So long as the United States and the State of Ohio are solvent, so long are the issues of the independent banks certainly secured.

And as for the State Bank system, there are those who believe that great as the securities of the United States, and of Ohio certainly are, yet a fair investment of the assets of a bank in bills and notes based on the exports of a State, are even more to be relied on as the sure and certain guarantees against suspension or insolvency. Uniting as it does a common interest and a common liability, all under one supervision and one control, not of mere politicians and place-hunters, but of those who have a deep interest, a large experience and great caution in its management, at the same time placing on each Branch the responsibility, and yielding to each the profits of its separate management, it is believed to combine a degree of security to the public, capacity for useful business and acceptableness to capitalists, unknown or uncombined in any other system of banking.

J. A.

STUEBENVILLE, *August 9, 1849.*

TRADE OF CINCINNATI.—The exports of prominent articles from Cincinnati for the last five years ending September 1, have been as follows: (*Fractions omitted.*)

Articles.	Sept. 1, 1845.	1846.	1847.	1848.	1849.
Cheese, boxes,	40,000	35,000	70,000	59,000	55,000
Flour, bbls.	151,000	194,000	582,000	201,000	267,000
Lard, bbls.	24,000	22,000	49,000	81,000	37,000
Lard, kegs,	159,000	135,000	150,000	208,000	130,000
Pork and Bacon, hlds.	13,000	15,000	31,000	37,000	40,000
Do. tierces,	3,400	3,800	7,800	8,800	10,900
Do. bbls.	101,000	29,000	137,000	196,000	186,000
Pork in bulk, lbs.	554,000	404,000	3,478,000	4,759,000	924,000
Whiskey, bbls.	109,000	133,000	184,000	186,000	137,000

[NOTE.—Here is an export in 5 years, of 750,000 barrels of Whiskey, equivalent in value, at \$6 per barrel, to four and a half millions of dollars. One half of this sum applied to collegiate instruction, or to the “dissemination of knowledge among men,” would have exerted a happy effect upon the condition of the next generation.]

STATE FINANCES.

REVENUE AND EXPENDITURE OF PENNSYLVANIA.

Official Report of the Treasurer.

TREASURY DEPARTMENT, Harrisburg, Aug. 14, 1849.

To *Wm. F. Johnston, Governor of Pennsylvania:*

SIR:—In obedience to the requirements of the 35th and 36th sections of the act of the 10th April last, the undersigned respectfully submits to your Excellency the following exhibit of the finances of Pennsylvania:

Receipts for 1849.

By amount of money received in State Treasury from the 10th of April to the 14th of August, 1849, \$2,173,256 80

Expenditures.

Paid loan made to meet February interest,	\$261,868 36	
Canal Commissioners and lock-keepers' wages on State works,	468,030 92	
Damages on canals, &c.,	13,623 00	
Hospital for Insane Poor,	20,000 00	
Public Institutions in Philadelphia,	14,000 00	
August Interest on State Debt, and Tioga, Pottsville and Danville guarantees,	1,014,747 01	
Expenses of Government, &c.,	75,822 51	
		1,868,091 80
Balance,		\$305,165 00

Estimated Receipts.

From the 14th August, 1849, to the 1st February, 1850, viz—	
From the public works,	\$729,000 00
From outstanding taxes,	304,000 00
From tavern licenses,	20,500 00
From tax on dividends and bank stocks,	55,326 00
Money collected, and in hands of unfaithful agents,	91,000 00
From all other resources,	504,674 00
	\$1,704,500 00
	\$2,009,665 00

Estimated Expenditures.

Sinking Fund, being the amount of State Debt paid off this year,	\$204,438 57
Payments from the 14th of August to the 1st of February, 1850, as per appropriation bill,	698,000 00
Interest on State Debt, 1st of February, 1850,	943,000 00
	\$1,845,438 57
Excess,	\$164,226 13

This balance of \$164,226 13, being an excess in the Treasury unappropriated, can be applied under the 30th section of the act approved on the 10th April, 1849, to the completion of the North Branch Canal.

Respectfully submitted,

G. J. BALL, State Treasurer.

To his Excellency, Gov. Wm. F. Johnston :

By the foregoing statement I report a balance in the Treasury, applicable to the North Branch Canal, of \$164,226 13. The Auditor General prepared and signed two reports to your Excellency on this subject, the first showing an unappropriated "excess" or balance in the Treasury of \$2,326 13, and the second an unappropriated balance of \$22,726 13. I could not concur with that officer in either of said reports, therefore declined signing them.

I could not conscientiously sign either of them, for the reason that they fell short of the sum required by the act of the Assembly for the North Branch Canal, by over \$126,000, while my estimates which I have carefully revised, showed a sum more than sufficient to authorize the commencement of that work.

Under the circumstances, I deem it to be my duty to lay before you the foregoing statement, exhibiting the unappropriated balance in the Treasury, in order that you may take such action in the premises as in your wisdom may be best for the interest of the State.

The estimated receipts in the Treasury from the public works, outstanding taxes and other sources of revenue mentioned, are based upon a careful examination of the income from those sources in *previous years*, and it is confidently believed they can be relied on, especially if collections are pressed with that energy which I am aware it is your desire to infuse into the business operations of all the departments of the Government.

A considerable sum can also be realized by pressing the collection of the large amount of accounts now in the hands of various collecting agents.

The large appropriation of over \$1,200,000 to the public works, by the late General Assembly, will discharge the State indebtedness thereon, and will free the Treasury the coming year of that burthen. In consequence, we may safely calculate that no more than \$300,000 will be required by the State works the ensuing year.

In this view of the subject, there can be no hesitancy in saying, that the State debt may be reduced at least three hundred thousand dollars next year, and at the same time give, under the act of the 10th of April last, the sum of from \$750,000 to \$900,000 towards the completion of the North Branch Canal.

It now remains with your excellency to decide what shall be done in the premises the present season.

With consideration, I have the honor to be,

Your obedient serv't,

G. J. BALL, *State Treasurer.*

TREASURY DEPARTMENT, Harrisburg, Aug. 14, 1849.

PENNSYLVANIA STATE DEBT.—The Philadelphia North American announces the purchase, by the State of Pennsylvania, for the sinking fund, of \$113,500 of the State Loan, for \$100,001 12.

It is also estimated that \$150,000 more will be applicable for this purpose between this time and the 1st of December next. Nearly the whole amount already expended has been furnished by Mr. Browne, Register of Wills, and Mr. Deal, Treasurer of Philadelphia county—the former from the Collateral Inheritance Tax, the latter from the Licenses under the late law.

Finances of Pennsylvania.

From the Editorial Correspondence of the N. O. Bulletin.

PHILADELPHIA, August 1, 1849.

For the first time since Pennsylvania resumed the payment of her interest, she to-day makes the semi-annual payment of it, amounting to upwards of one million of dollars, without the aid of any temporary loan, her current income not only affording ample means for the purpose, but also leaving a handsome surplus still in the treasury. Notwithstanding the censure which the foreign bond-holders have so freely and so unjustly cast upon her, the noble old Keystone has acted in the most honorable manner as regards her creditors, for though she faltered for a short period in the punctual payment of her interest, under the dreadful commercial and financial tornado that swept the country some few years since, she soon rallied and adopted a system of taxation and finance which enables her to meet all her engagements promptly and punctually, and her finances are now on a solid and prosperous foundation. When the general suspension of specie payments took place in 1837, and the whole currency of the country was in irredeemable bank paper, and all the business transactions of the community, and all the revenue of the State, were collected in it, the State honorably refused to compel her creditors to receive this bank paper for the interest on the debt, but by special act of the Legislature, directed that the discount on it should be paid to the bond-holders, so as to make the payments to them equal to specie. What an honorable contrast does this afford to the conduct of Great Britain and other European nations, who, with a depreciated paper currency, compelled the public creditors to receive their interest in it, when the *capital* on which that interest was payable, had been furnished in gold and silver. Great Britain pursued this course from 1797 until 1819, though during a considerable portion of that period her bank paper was depreciated upwards of thirty per cent., and she by that means *defrauded* (that is the correct term) her creditors by the operation of about £50,000,000 sterling. When John Bull makes such an uproar about American repudiation (which I am very far from attempting to excuse or to palliate,) he might, I think, recollect this *small* specimen of it on his own part, amounting to twenty fold more than has ever occurred in the United States.

In addition to providing for her current expenses and interest, Pennsylvania has also established an *efficient* sinking fund, not a *fictionous* or *uncertain* one. The usual plan on such occasions is, to declare that any surplus revenue shall be the sinking fund, and if there is no surplus, there is of course no fund; but this State has specially appropriated and set apart for the purpose, the income from certain specific taxes, which cannot be applied to any other purpose, than the reduction of the debt, binding herself to provide from other means for her expenses and interest. The amount, which will this year probably be 300,000 dollars, is devoted to buying up the debt at the market value, and these investments accumulating at compound interest with the annual addition of \$300,000, will soon make rapid inroads into the capi-

tal of the debt. People generally, do not appear to take into view, that the *burthen* of a debt upon one of our growing States, even if the debt itself is not reduced, is yearly lessening by the increased wealth, resources and population by which it is to be sustained, and in the case of this State, will be still further lessened by the yearly increase of revenue from her immense public works, arising from the increase of her trade, travel, production and population. These works, in a few years will, no doubt, pay their whole expenses and interest without the aid of special taxation.

FINANCES OF FRANCE.

Fluctuations of the French Funds at various periods between the Revolution of February, 1848, and August 13, 1849.—Prospective Condition of the Government Finances for 1849-'50.

The following are the quotations of the Three Per Cents and Five Per Cents, and of the Stock of the Bank of France. The latter, at par, is 3,000 Francs per share.

	Date.	Prices.		
		Five.	Threes.	Bk Shares.
	1849.	F. C.	F. C.	F.
Constitutional Government,	Feb. 23,	116 25	73 75	3,180
Provisional Government,	March 7,	93 0	57 0	2,400
Ditto,	March 8,	80 0	48 0	2,090
National Workshops,	March 31,	59 50	39 50	1,173
Circular Commissioners,	April 6,	50 25	33 25	965
Elections,	April 24,	60 50	40 75	1,180
Installation of Constituent Assembly, . .	May 11,	73 75	49 50	1,220
Insurrection of June,	July 1,	69 50	46 0	1,275
Repression,	July 8,	80 0	51 50	1,300
Foreign Affairs,	Dec. 1,	66 15	44 5	1,330
Election of President,	Dec. 18,	79 40	48 15	1,780
	1849.			
Return of Confidence,	May 1,	90 0	58 25	2,400
Ledru Rollin and Boichot,	May 21,	77 75	47 15	2,165
Insurrection of June 13, 1849,	June 13,	81 20	50 25	2,175
Repression,	June 14,	83 85	52 50	2,220
Pacification of Lyons,	June 18,	87 90	54 80	2,375
Last quotation,	Aug. 13,	88 90	53 95	2,275

From the London Economist, August 11, 1849.

M. Passy has laid before the Legislative Assembly his view of the finances of France, and it is not favorable to the government of Louis Philippe. "For the last ten years (is one of the first of his statements) the equilibrium of the budget has ceased to exist. Ever since the end of 1839, there has not been a year that has not added to the number of deficits of the treasury. For three years previous to 1848 the deficits have arisen from 100 to 162 millions, to reach in 1849 the number of

257 millions." "At the end of the financial year of 1847 the deficits that had successively fallen to the charge of the treasury in eight years past, formed a total of 897,764,093*fr.* and the produce of the mortgage fund had only been sufficient to cover that amount to the extent of 442,249,115*fr.* During the same lapse of time the loan of 450 millions, contracted in virtue of the law of the 25th of June 1841, had been spent, and 35 millions of perpetual interest had been added to the *grand livre*. When the budget of 1848 was voted, it admitted as a probability, a deficit of 48 millions on the ordinary service, and 169 millions on the extraordinary. This budget was in course of execution when the revolution of February came on." There was, then, a very rapid accumulation of debts in the last ten years of the reign of Louis Philippe.

There was also a very rapid increase of expenditure. According to Mr. Porter's tables, the expenditure was in 1829, £40,596,577, in 1830, £43,805,684, and it jumped up in 1831 to £48,584,439. It went down in 1834 to £42,542,377; but it subsequently increased, till it reached in 1848, according to Mr. McCulloch, the sum of £54,400,000. According to M. Passy, the ordinary expenses of 1849 will not exceed 1,408,776,384*fr.*, or £56,300,000. At the same time he contemplates an ordinary expenditure for 1850 of upwards of £47,000,000, and an extraordinary expenditure of upwards of £60,000,000. We admit that this sum is not large for a population of 35,400,000, in comparison to the expenditure of our country, £52,000,000 for a population of 28,000,000. But the resources of the two people must be considered, as well as what they are accustomed to. It has been estimated, for example—and though the estimate may rest on no very accurate data, it is approximatively correct, and may serve as a specimen of the whole—that the number of persons in the United Kingdom who enjoy incomes of £40 a year and upwards is 2,750,000; while the number of persons who enjoy incomes in France, exceeding £36, is not more than 671,000. With a population a fifth less than that of France, the number of persons whose incomes are capable of contributing to the public revenues without excessive inconvenience, is four times as great; and measured by that test, the burden of taxation in our country is much less than the burden of taxation in France. Moreover, a very large part of our taxation, all that which pays the dividend on the National Debt to English subjects, is not taken and appropriated by the government for its own purposes, it is merely collected from the whole people to be paid back to a part of them, all the recipients being individuals who pay the taxes. The taxation of France, which at first sight appears light in relation to the number of people, is, in fact, extremely onerous in relation to their fortunes.

What they have been accustomed to, seems to us a still more important consideration than the positive amount of taxation. Thus it is creditable to our statesmen: it marks, as has been observed by M. Michel Chevalier, the skilfulness and wisdom of our government, that a reduction of expenditure, after the conclusion of the peace in 1815, was rapid and continual. But it was not so in France. The number of persons employed under our government has been lessened; but

both the number of persons employed under the French government has been augmented, and its expenditure, in relation to the time of the great war, has been much increased. According to the authors of the *Histoire Parlementaire* the popularity of the Emperor was much on the wane in 1808, on account of the demands he made on the blood and treasure of the people for the aggrandisement of the dynasty of Napoleon. On examination, we shall find that the people have been more tormented by taxation to serve the purposes of the dynasties of the Bourbons, or keep up a great and mistaken system in which the sovereigns had no personal interest, than ever they were, with the exception of the three last years of the empire, under Bonaparte. Though the increase of population and resources of France subsequent to his time might have warranted some increase of expenditure, our readers will perhaps learn with astonishment that the average of the taxes levied on the French under Louis Philippe was nearly three times as great as the average of taxes they had to pay under the Emperor. We will quote the statement from a work entitled, "France, her Governmental. Administrative, and Social Organization," published in 1844 :

The average of taxes levied upon the eighty-six departments of France during the Empire, the Restoration, and the present Government (that of Louis Philippe) is as follows:—

	<i>Francs.</i>
During the Empire,	544,000,000
During the Restoration,	950,000,000
During the present Government,	1,360,000,000

Thus, in the 15 years of the Consulate and of the Empire of Napoleon, when France was constantly engaged in wars, with the exception of the short peace of Amiens, the total amount of contributions paid by the eighty-six departments was 8,160,000,000 francs; in the 15 years of the Restoration, the same departments paid 14,250,000,000 francs; and in the thirteen years of the reign of the citizen king, they have paid 14,210,000,000 francs.

That comes down only to 1844; continued to 1848, as subsequent to 1844, the expense was much increased, the comparison would be still more unfavorable to the government of Louis Philippe. M. Michel Chevalier, writing in 1848, said, "the whole naval and military expense under Bonaparte in 1802, was 315 million francs; and the military and naval expense in 1846, under Louis Philippe, exceeded 576 millions." "Except 1806," he adds, "no year of the reign of Napoleon, till 1811, exceeded, for military and naval purposes, the expense of 1846." But the increase of expense for the civil administration appears to have been greater than that for the military. At least the number of persons employed by the government is astonishingly large. The cost is said by the author of "France" to be £18,462,124. Mr. Herries, on the 16th ult., called the public attention to the fact stated by Mr. Porter, that the number of persons in the service of our government had been reduced between 1815 and 1835, from 27,365 to 23,500, and their salaries at the latter period was £2,780,000. The number of such persons employed in France was in 1844, not less than 900,000. Including the police, the number was 992,000, and adding the military, the government of France may be said to comprise 1,392,000 persons, or about 1-26th part of the whole population. The

number of persons employed in the government of the two countries does not admit of an accurate comparison between England and France, because the bulk of our municipal and county magistrates and officers, are either not appointed by the Crown, or do not receive salaries, while all such persons are appointed directly or indirectly by the Crown in France. At the same time, it is evident that the number of persons employed in administering the government of France, is much greater than is employed in administering the government of England. A German writer estimates them at fifteen times as many. As a specimen of the increase in France, we may quote that of the Ministry of the Interior.

In 1807, when France had one hundred and thirty departments, the expense of the Ministry of the Interior was 740,273 francs; it is now, when the number of departments is only eighty-six, threefold. Under the Empire, there were in the Ministry four chiefs of departments; in 1819, six; in 1825, seven; in 1824, eight; and now, (1845) M. Duchatel has, under his orders, an Under-Secretary of State, a private secretary, three directors, thirteen heads of departments, and sections, and thirty-nine chief clerks. The number of officials has increased more rapidly since the revolution, (1830). It amounts to a fourth more than at the period of the Restoration. The Finance Ministry, which in 1830 had 59,700 officials, has now more than that number by 12,890. The several ministerial offices in Paris alone employed, in 1830, 2,539 officials, with salaries of 8,836,000 francs; and in 1844, 3,060, with salaries of 9,962,800 francs; or the administration at Paris alone cost 1,126,500 francs more in 1844 than in 1830.*

It is well observed by M. Passy "that the effect of every revolution is double. It creates increased expenditure, and reduces receipts." But we may almost be permitted to doubt whether such acute and terrible squanderings as that of M. Ledru Rollin and his associates, which, generating great alarm and confusion, must soon come to an end, is on the whole more injurious than the continued and chronic increase of expenditure and debt such as characterised the last ten years of the government of the citizen King.

A great mistake is afloat as to the prosperity of France. The *Times*, for example, speaks of the "expansion of the national resources under Louis Philippe;" but if any such expansion had taken place, it would have shown itself by an increase of the people. Whenever and wherever national resources increase, the population increases. Fully analysed, it may, indeed, be said that there is no other test of prosperity than their *continual and permanent* increase. They will always breed fully up to the means of subsistence, and if these means be abundant, the increase will be rapid. Certainly, we have seen official accounts of immense imports and exports, particularly exports; but how much of them were sent to Algeria to supply the wants of the army, and were paid for out of the government expenditure, did not appear in the returns. Certainly, too, we know, from authentic sources, that while the imports and exports were assuming, at least on paper, an appearance of expansion, the shipping of France, one index of prosperity, was declining. M. Michel Chevalier tells us that the number of great ships—ships of 300 tons and upwards—had fallen off

* Muller's *Statistisches Handbuch*, for 1845.

in nine years, betwixt 1837 and 1846, 21 per cent., or from 360 to 237. In 1830, according to Mr. M'Culloch, the number of ships was 14,852; in 1840, 15,600; and 1844, 13,679. Without giving us any specific data, M. Blanqui, in his recent work, *Sur des Classes Ouvrières*, referred to in the *Economist* on June 2d, complains loudly of the decay of manufactures in France, and explains at some length the cause of the decline, and the deterioration in the condition of the workmen. We have, on several occasions, quoted from M. Thiers, Mr. M'Culloch, and others, statements of the alarming number of actual paupers and of persons scarcely able to subsist in France. We have shown, on the authority of Mr. M'Culloch, that not only is the agriculture of France extremely bad, in relation to that of England—not only does one acre in England yield considerably more than two acres in France—not only do two husbandmen in England supply a surplus of food for four other individuals, while in France two husbandmen only supply a surplus to feed one other person—but, bad as agriculture is in France, it is becoming worse. The number of cattle and horses is falling off, and the consumption of butchers' meat throughout the country is declining. This sad condition does not date from the Revolution of 1848; all these facts relate to France in the palmy and prosperous days of Louis Philippe, and indicate, with unerring certainty, that the general *malaise*, which M. Blanqui notices as heralding that great storm, was a more effective cause of the revolution than the writing and talking of demagogues.

We may confirm this general view by a quotation from *Le Libre Exchange*, of February 13, 1848. Unfortunately, M. Frederic Bastiat's calm and thoughtful wisdom was not appreciated by either the bigoted and spendthrift coercionists, who insisted on carrying out their own system by forts and armies, or their antagonists, the republicans, who ran to the other extreme, and in the fury of their self-will made a sweeping and a devastating change.

Without speaking (said M. Bastiat) of the embarrassment of our finances—of which the principal source is the application of those ideas which form the system of protection—a painful langour affects all the branches of the national industry. Agriculture vegetates, manufactures languish, our mercantile marine dies out. Some particular branches of industry suffer more than others:—such, for example, as that of the wine growers, who complain incessantly and with reason; such as the linen manufacture, which suffers not less though it complains not, lest it should advocate freedom of trade, which can alone save it. But it may be said that the evil is general. There is not at present a single branch of industry of which the condition can be praised. . . . It is a remarkable thing in fact that the distress (*malaise*) which afflicts France extends with double intensity to all its foreign possessions.

But the most decisive test of the very slow progress and condition of France, is the state of the population. Mr. J. S. Mill, in his recent work on political economy, says, in accordance with other authorities, that “the census of 1806 showed a population of 29,107,425. In 1846, according to the census of that year, it had only increased to 35,409,486, being an increase of little more than 21½ per cent. in forty years.” But that increase took place in a retarding ratio. It was greater under Napoleon than under the elder Bourbons, and greater

under the latter than under Louis Philippe. We take the proof from Mr. Mill :—

“ In the 27 years, from 1815 to 1842, the population only increased 18 per cent. ; and during that period, with progressively increasing slowness, namely, in the first 11 years, 9 per cent. ; in the next 9 years, less than 6 per cent. ; and in 7 years, from 1835 to 1842, 3 1-10th per cent. only.” According to the official returns analysed by M. Legoyt (and quoted by Mr. Mill), the increase of the population, which from 1801 to 1806 was at the rate of 1.28 per cent. annually, averaged only 0.47 per cent. from 1806 to 1831; from 1831 to 1836 it averaged 0.60 per cent. ; and from 1836 to 1841, 0.41 per cent. ; and from 1841 to 1846, 0.68 per cent. : but M. Legoyt is of opinion that the population was “ understated in 1841, and the increase between that time and 1846 consequently overstated ; and that the great increase during the period was something intermediate between the last two averages and not more than 1 in 200.”

The extraordinary fact then is, that the French population, who were not reconciled to the waste of life and treasure which took place under Bonaparte by his splendid victories, then actually increased in numbers, and, we must believe, increased in wealth and material well-being much faster than under the elder Bourbons, and faster still than under Louis Philippe. It is plain from these facts that, instead of society expanding rapidly in France, in which alone is health and safety, it was coming to a dead lock before the Revolution of February ; and such is the fatal mistake of the system there followed—such the error of their creed, or the perversity of their politicians—that the course since pursued has terribly increased the mischief. “ By far the strangest feature in M. Passy’s statement,” says the *Times*, “ is the total absence of any real and positive proposition for the reduction of the public expenditure.” The system, of which the principal features were an increase of expenditure and debt, with no increase, if not a positive decrease, of resources, is to be continued and aggravated. M. Passy, like his colleagues, regards an extension of the functions of government—and of course an increase of expense—as a necessary consequence of the increase of civilization. According to the French theory, as men become more enlightened, moral and wise, they are less to be trusted, and require more government.

We do not regard ourselves as over prosperous in England ; we complain much, and justly, of the pressure of population, but in forty years, when the French increased only 21½ per cent., our population increased 100 per cent., or four times as much as that of France ; and, what is of more importance, it has increased not in a retarding but in an accelerating ratio. Between 1801 and 1811, the increase was 18.50 per cent. ; between 1831 and 1841 it was 28.24 per cent. The population of the United States, undoubtedly the most prosperous country of the globe, increases still faster than our population, though we come nearly next to them ; but the population of France, with two exceptions, increases more slowly than any population of the civilized world. A population that does not increase is not prosperous ; and we may find a clue to many of the disasters of France in the wonderful disproportion between the increase of the population and of the government expenditure. The latter has gone on in an accelerating ratio. In forty years, the increase of the people was 21½ per cent.—the increase

of expenditure $2\frac{1}{2}$ fold, or 250 per cent. We may all mourn with the *Times*, as France seems likely to be the centre of continued convulsions in Europe, that there is to be no substantial alteration in her system and expenditure.

The French Funds.

In the year of grace, 1805, before the battle of Austerlitz, the public (French) funds stood at 61 francs. On the arrival of the news of that great victory they fell to 59 francs 80 centimes. A glorious peace raised them to 60 fr. 60 centimes.

Before the birth of the King of Rome (20 April, 1811,) the price was 81 francs 50 centimes. The day following that event the price fell to 78 francs 75 centimes.

In 1814, before the fall of the emperor Napoleon, the funds stood at 45.25. After the entrance of the allied armies into Paris they rose to 49.50. A provisional government was appointed and they rose to 52 francs. The deposition of the emperor was decreed and they rose to 55.75. His abdication raised them to 63.50.

In 1815, before the landing of the ex-emperor at Cannes, the funds stood at 84.61. On the news of his arrival they fell to 77.60. After his re-entry into Paris they stood at 73. He set out for the army, encouraged by a fall to 54.75. He gained the battle of Ligny, and they declined to 53.50. Yet after the disaster at Waterloo, they rose to 59.75.

On the second abdication of the emperor, and the re-entrance of the allied armies, the funds rose to 61 francs. So that, in point of fact, the price of stocks was lower, by 1.20 after the battle of Austerlitz, than after the re-entrance of the allied armies into Paris.—[*La Presse*.]

There is every promise that the monetary history of 1849, will prove as fertile in singular events as the two years just passed, and such as will differ from both as widely as those have differed from each other. The commencement of a new era in France, the final development of our free trade in grain, and many other causes, are sufficient to insure this. If, however, a new element, such as could never have entered the mind in its wildest guesses, had been wanted to make us look to the future with lively wonder, nothing could have been presented more calculated to do so, or more curious as the termination of all the broad and heterogeneous occurrences we have recently witnessed, than the discovery of the gold mines of California.

In 1847 the range of fluctuation in Consols was full 15 per cent., being greater than had been known for 18 years, while it also considerably exceeded the range during the respective years of the declaration of war against Great Britain by the French Convention, the first bank suspension, 1797, the Irish rebellion, and the battle of Waterloo. During the year 1848, it had been 10 per cent., namely, from 90 to 80, which is quite equal to what on the average took place on those occasions.

[*The Times*.]

STOCKS IN LONDON.

LONDON LIFE AND FIRE INSURANCE COMPANIES.

The number of shares of each, par value and amount paid per share, dividend in 1848, value per share in London, July 1849, and paid up capital in dollars. The following list includes those whose shares are quoted on 'Change.

	No. of Shares.	Per Share.	Paid up Per Share.	Paid up Capital Dollars.	Dividend 1848.	Value Per Share.
Albion Life In. Co.	2,000	£500	50.	1,000,000	£3.10 per cent.	£75.
Alliance Fire,	50,000	100	11	2,750,000	7.14 "	
Atlas Life,	24,000	50	5.6	631,000	13½ "	
Argus Life,	3,000	100	16	240,000	4 "	
British Commercial, . .	12,000	50	5	300,000	7 sh. per sh.	5.15
Clerical Life,	5,000	100	10	250,000	5 per cent.	19
County Fire,	4,000	100	10	250,000	3 "	65
Crown Life,		50	5		14 sh. per share	
Eagle Life,	20,000	50	5	500,000	6 sh. per share	5.15
European Life,	4,651	20	20	465,000	5½ per cent.	15
Freemasons Life,	25,000	20	3	375,000	6 "	
Globe Fire,	1,000,000	Stock			6 "	122
Guardian Life,	20,000	100	36.10	3,650,000	5 "	49
Imperial Fire,	2,400	500	50	600,000	12 "	220
Imperial Life,	7,500	100	10	375,000	12 sh. per share	15
Indemnity Marine,	13,453	100	5.13	379,000	1 per share	
Law Fire,	50,000	100	2.10	625,000		2.10
Law Life,	10,000	100	10	500,000	1.16 "	41
Legal Life,	20,000	50	2	200,000		4.10
London Fire,	3,900	25	12.10	243,000	10 sh. per share	16.10
London Ship,	31,000	25	12.10	1,937,000	10 sh. per share	16.10
Marine,	10,000	100	15	750,000	12 "	9
Medical Life,	10,000	50	2	100,000	4½ per cent.	2.10
National Loan Fund, . . .	25,000	20	2.10	312,000	5 per cent.	
National Life,	5,000	100	5	125,000	8 "	
Palladium Life,	30,000	50		2300,000	5 "	2
Provident Life,	2,500	100	10	125,000	25 sh. per share	26
Rock Life,	200,000	5	10	500,000	5 "	5.10
Universal Life,	5,000	100	10	250,000	10½ per cent.	
Victoria Life,			4.12		5 "	4.15

Current Quotations, July, 1849.

Brazilian Bonds,	Five per cent.	84 a 86	per cent.
Buenos Ayres Bonds,	Six per cent.	44½ a	"
Chilian Bonds,	"	94 a 96	"
Danish Bonds,	Five per cent.	97 a 98	"
Equador Bonds,	"	3½	"
Grenada Bonds,	One per cent.	17½ a 17½	"
Do. Deferred,	"	3½ a	"
Mexican Bonds, coupons,	Five per cent.	20½ a 20½	"
Do. ex Coupons,	"	27 a 27½	"
Peruvian Bonds, 1849,	Four per cent.	51 a 51½	"
Do. Deferred	"	14 a	"
Portuguese Bonds,	Five per cent.	28½ a	"
Russian Bonds, 1822,	"	105 a 106	"
Spanish Bonds (with div. from 1840,)	"	18½ a 18½	"
Venezuela Bonds,	2½ per cent.	23 a 25	"
Belgian Scrip,	2½ "	47 a	"

Dutch Bonds,	2½ per cent.	50 a 51	per cent.
Do. Certificates,	Four per cent.	80 a 81	"
French Rentes,	Five per cent.	87 a 88	"
Do. Do.	Three per cent.	53 a 54	"
Do. Bank Shares,	3,000 Francs par.	2290	francs.
United States,	Six per cent.	108 a 109	per cent.
Louisiana,	Five per cent.	88 a 89	"
New York,	"	97 a	"
Ohio,	Six per cent.	99 a	"
Pennsylvania,	Five per cent.	81½ a	"

THE RAIL ROADS OF GREAT BRITAIN.

The Capital of each. Expenditure on each. Average Cost per mile Dividend, 1848. One week's Receipts, August, 1849. Miles open, 1849.

Name of Railway.	Capital and Loan.	Amount Expended.	Cost per Mile.	Div. 1848.	Total Receipts	Miles open 1849.
Belfast and Ballymena,	£500,000	£481,742	£12,677	£5	£564	37½
Birkenhead, Lancash & Chesh.	2,200,000	1,088,804	68,050	5	1,044	16
Bolton, Blackb'n, Clit. & W. Yk.	1,000,000	786,384	56,170	.	422	14
Bristol and Exeter,	3,000,000	2,722,845	82,033	4	5,011	85½
Caledonian,	5,460,000	4,865,135	34,504	1½	6,042	154
Chester and Holyhead,	3,696,393	3,358,217	40,000	..	2,312	80
Dublin and Drogheda,	800,000	773,565	22,241	0	926	38
Dublin and Kingstown,	400,000	385,358	48,169	7	2,859	7½
Dundee, Perth and Aberdeen,	700,000	660,180	13,900	6½	1,187	47½
East Anglian,	1,445,400	1,247,446	18,345	..	837	67½
Edinburgh and Glasgow,	2,800,000	2,644,378	45,992	6	3,669	57½
Edinburgh and Northern,	2,605,000	2,024,232	28,510	2	3,072	71
Eastern Counties & N. & E.,	12,556,820	12,012,232	39,128	3½	16,510	322
East Lancashire,	3,000,000	2,623,519	35,047	..	3,578	75½
Eastern Union,	2,416,333	1,782,702	34,955	..	1,790	78
Glasgow, Kilmarnock and Ayr,	2,800,000	2,574,331	25,743	3	3,453	100
Glasgow, Paisley and Greenock,	866,666	852,846	37,904	3	1,356	22½
Great Northern & East Lincoln.	8,200,000	3,636,033	33,050	..	2,395	126
Great Southern and Western	3,500,000	3,198,787	21,325	..	4,414	168½
Great Western,	15,448,913	11,608,815	46,870	6½	23,498	315
Lancashire and Yorkshire,	14,202,045	9,218,450	44,750	5½	14,896	206½
Lancaster and Carlisle,	1,500,000	1,476,808	21,097	4½	2,600	70
London & North Western, &c.,	25,900,000	25,077,942	42,414	7	52,030	435
London and Blackwall,	1,400,000	1,345,543	244,600	1½	1,074	5½
London, Brighton and S. Coast,	7,762,828	6,382,281	39,275	3½	17,349	171½
London and South Western,	9,952,756	7,490,688	34,519	5½	12,663	216½
Man., Sheffid. & Lincolnshire,	7,000,000	5,189,169	40,859	0	5,187	157½
Midland, Bristol and Birm.	14,000,000	14,042,340	31,333	5½	22,721	489
Midland Great Western, (Irish)	1,000,200	944,243	18,885	..	1,356	50
Monkland,	560,000	500,000	13,513	6	725	37
North British,	3,500,000	3,464,592	33,637	5	4,009	103
Paris and Rouen,	2,000,000	1,995,300	23,754	3½	6,699	84
Rouen and Havre,	2,360,000	2,272,176	37,900	..	2,346	59
Scottish Central,	1,673,333	1,364,228	30,316	7	1,529	45
Shrewsbury and Chester,	1,604,532	1,069,617	22,757	..	1,614	49
South Eastern,	8,191,000	8,116,914	49,797	5½	12,121	163
South Devon,	2,397,000	1,909,832	34,724	..	1,883	58
Taff Vale,	900,000	879,111	20,501	6½	1,987	40
Ulster,	800,000	716,146	19,890	2½	952	36
York, New Castle and Berwick,	6,000,000	5,640,612	20,891	7	14,100	270
York and North Midland,	4,500,000	4,418,378	17,251	7	8,474	260

NOTICE OF PROTEST.

Communicated for the Bankers' Magazine, by a Cashier.

On the Form of Notice of Dishonor.

Mr. Editor:—In your remarks upon the case of *Dole v. Gold* published in the September number of your valuable Magazine, you have drawn a conclusion which, it seems to me, the case itself does not warrant.

The notarial form used in New York for notices of dishonor, you say is, under the decisions now reported, informal and insufficient. The form thus condemned is, it is believed, very generally used throughout this country; and if it is in truth sufficient, a contrary opinion from so respectable an authority as your journal, may produce much mischief and give rise to much litigation, by encouraging endorsers to dispute claims where they are really liable.

The notice in question, after describing the bill, informs the endorser that it "*is protested for non-payment, and that the holders look to you for payment thereof.*"

The latter clause, informing the endorser that he is looked to for payment, may be dispensed with; for the notice, without it, implies as much. For what other purpose could it be sent? See *Bank of the United States v. Carneal*, 2 Peters' R. 553; *per Lord Denman, C. J.* 2 Ad. & El. N. S. 416, 42 Eng. Com. Law R. 739; *King v. Bickley*, 2 Adol & El. N. S. 419, 42 Eng. Com. L. R. 740; *Cook v. French*, 10 Ad. & El. 141, 37 Eng. Com. L. R. 74; *Lewis v. Gompertz*, 6 Mees. & Welsby, 399; *Miers v. Brown*, 11 Id. 372; *Cowles v. Harts*, 3 Conn. R. 516; *Shrieve v. Duckham*, 1 Littell's R. 194; *Warren v. Gilman*, 5 Shepl. 360; *Lafayette Bank v. McLaughlin*, 4 Western Law Jo. 75, 76; 2 Hill's N. Y. Rep. 593-4; Story on Prom. Notes, sec. 353. I have cited the authorities to this point more fully, because it is frequently laid down that this is an essential part of the notice. See *Story on Bills* sec. 301, 303, 390. But there is no case, it is believed, which decides that a notice is insufficient because it does not contain such a clause.

Is then, a notice given in due time, by the proper party to a drawer or endorser, which sufficiently describing the bill or note, informs him that it "*is protested for non-payment,*" good or not?

The drawer or endorser has entered into a contract, by which his liability to pay the sum of money specified in the bill is, with a view to his own security, made dependent upon certain conditions. A proper demand of payment must first be made, at the maturity of the bill upon the party primarily liable. In case of his failure to pay, timely notice must be given the drawer or endorser. The object of this notice, says Chancellor Kent, (3 Kent's Com. 105,) "*is to afford an opportunity to the drawer and endorsers to obtain security from those persons to whom they are entitled to resort for indemnity.*" For this purpose, the party to be charged wants to know, not merely whether the bill has been paid or not by the acceptor, but also whether he has himself become liable for the same. If he is liable, it is requisite for him to provide as well as he can for his own security. If, through any neglect of the

holder, he is himself discharged, he need give himself no further trouble in the matter, though the bill may not have been paid by the acceptor.

A decision in New York, though not turning upon the *form* of the notice, will illustrate the general principle. A note matured upon the 4th of July. The law requires that in such cases the presentment for payment should be made on the 3d, and the note in question had in fact been duly presented on that day. But the notice to the endorser was dated July 4th, and stated that payment had been that day demanded. The court held the notice insufficient, because according to the fact as stated in it, the endorser would suppose himself legally discharged for neglect to make presentment on the proper day. It was not such information to the endorser as would lead him to provide for his own security. *Ransom v. Mack*, 2 Hill's N. Y. Rep. 587.

The notice should then, in some form or other, enable the drawer or endorser to see that he is liable on the bill, and that it is requisite for him to look to the prior parties for his indemnity. In *Hartley v. Case*, 4 Barn. & Cres. 339, 10 Eng. Com. Law R. 350, the notice which was decided to be insufficient, was a mere application by endorsee to the drawer for payment of the bill, "to prevent the necessity of law proceedings, which otherwise will immediately take place." In *Solarte v. Palmer*, 7 Bing. 530, 1 Bing. N. C. 194, 20 Eng. Com. Law R. 226 & 27 Id. 351, a letter from a lawyer to the endorser informing him that the bill had been put into his hands by the holders "with directions to take legal measures for the recovery thereof, unless immediately paid," was also held insufficient. "It is perfectly consistent with this notice" said Tindal, C. J. in the latter case, "that the bill has not been presented at all, and that the plaintiff means to rely upon some legal excuse for the non-payment," and again "this letter may not improbably have been written with a different intent than that of giving notice of the dishonor to the endorser; and may have been information that an action was about to be brought by the attorney, taking for granted that the notice of the bill's dishonor had been given in the ordinary way, before the bill was put into his hands for the purpose of suing thereon."

The actual decision in these cases is nothing more than, that a demand upon the endorser for payment, accompanied with a threat to sue, if the demand be not promptly complied with, does not convey to him that information of his having been rendered liable on the bill for which he has stipulated with a view to provide for his own indemnity.

The other cases in which the notices have been held to be insufficient are those in which the drawer or endorser was informed merely that the bill or note "is due and unpaid," with the occasional addition that he was looked to for payment of the same. Such were the cases of *Strange v. Price*, 10 Ad. & El. 125, 37 Eng. Com. Law R. 71; *Furze v. Sharwood*, 2 Ad. & El. N. S. 388, 42 Eng. Com. Law R. *Phillips v. Gould*, 8 Car. & Payne 355, in England; and *Gilbert v. Dennis*, 3 Metcalf's R. 485, and *Pinkham v. Macy*, 9 Id. 174, in Massachusetts. Such too was the form of the notice in the case of *Dole v. Gold*, published in your September number, p. 193.

Consistently with the language used in all these notices, the bills might never have been presented for payment and may have remained un-

paid by reason of the holder's neglect. Is the endorser, because payment is demanded from him and suit threatened or because he is told that the bill is unpaid and payment is expected from him, to infer that the conditions, upon which alone he had agreed to become liable, have been duly fulfilled?

Yet these decisions have been regretted, and it is said by high authority that the rule is not to be extended, and that any case to be governed by it should fall *clearly* within its principle. *Per Tindal, C. J.* 39 Eng. Com. Law R. 363. "Perhaps it is," says Judge Story, (*Story on Prom. Notes*, sec 351,) "to be lamented, in a practical view, that the rule originally established in England has included in it so much strictness, since the holders of notes can rarely be able, in the hurry and multiplicity of their business, to weigh the full force of their words or to understand the necessity of great precision and fulness in the statement of the material facts. The inconveniences of the rule have been severely felt by the mercantile world!" "I should be sorry" said Parke B. (6 Mees. & Welsby, 404,) "to put an over strict construction upon a document of this nature; otherwise no merchant, or person bound to give notice of the dishonor of a bill, would ever be safe, unless an attorney were always at his side, not only to draw a form of notice, but to adapt it to each case of the dishonor of each particular bill, which would throw the most serious impediments in the way of mercantile transactions."

It is also said by Judge Story that "a strong disposition has, however, been shown, in some recent cases in the English courts to escape from these rigorous interpretations of the general rule; and to place it upon a footing more consonant with the common understanding of merchants and public convenience; and, at all events, there is a manifest disinclination to extend its operation. The courts have therefore," he adds, "laid hold of any expressions in the notice, which might fairly be presumed to indicate that a due presentment and dishonor had taken place, and that the notice was designed to put that fact as the ground of liability." (*Story on Prom. Notes*, sec. 352.)

He states the general rule (sec. 350,) as follows: "It will be sufficient, indeed, if the notice sent, necessarily, or *even fairly implies*, by its terms, that there has been a due presentment and dishonor at the maturity of the note." See also 2 Mees. and Welsby, 805; 6 id. 402; 3 Metc. R. 498; 2 Hill's N. Y. Rep. 593-4; Story on Bills, sec. 301, 300.

The English decisions, I think, amply sustain Judge Story in thus stating the general rule, and furnish some striking instances of the strong disposition which he notices to escape from too rigid an application of the principle announced in the cases of *Hartley* against *Case*, and *Solarte* against *Palmer*. Thus it is decided that a notice which informs the endorser that a bill "is dishonored" is sufficient. The following have therefore been held to be good notices: "I hereby give you notice that a bill" [describing it,] "endorsed by you lies at No. 6, Eley Place, dishonored," *King v. Bickley*, 2 Ad. and El. N. S., 419, 42 Eng. Com. Law R. 740. "I am instructed by Mr. M. to give you notice that a bill [describing it,] has been dishonored," *Stocken v. Collins*, 9 Car

and Payne, 653, 38 Eng. Com. Law R. 273. "To my surprise, I have received an intimation from the Birmingham and Midland Counties Bank, that your draft on A. B. is *dishonored*, and I have requested them to proceed on the same." *Shelton v. Braithwaite*, 7 Mees. and Welsby, 436.

The term "dishonored," it is said, imports that the bill has been duly presented, and payment refused. Per Parke and Alderson, B. 7 Mees. and Welsby, 437, 438; 14 id. 8 and 6 id. 401. The word "protested" in the New York form, is certainly not less significant.

It is further decided in England, that a letter stating that the bill is "returned unpaid," is sufficient: and the following has therefore been held to be good notice: "Sir—Your draft on Mr. George Carrington for £50, due 3d March, is returned to us unpaid; and if not taken up in the course of this day, proceedings will be taken against both you and him for the recovery thereof." *Robson v. Curlewis*, 2 Ad. & El. N. S. 421; Car. & Marshm. 378; 42 Eng. Com. Law R. 741; 41 id. 209; see also *Hedger v. Stevenson*, 2 Mees. & Welsby, 799; *Grugeon v. Smith*, 6 Ad. & El. 499. The term *returned*, it is said, "has obtained among merchants a known and peculiar meaning, implying that the bill has been duly presented and dishonored." Per Parke B. 6 Mees. & Wels. 403; 2 id. 806; Per Tindal, C. J. 39 Com. Law R. 363.

So, it has also been held in England, that any reference in a letter to the *noting* of the bill for dishonor, will make it good notice. Thus the plaintiff having given the following notice: "I am the holder of a bill drawn by you on L. M. M. for £98 15s., which became due yesterday, and is unpaid; and I have to state that, unless the same is paid to me immediately, I shall proceed against you without delay for the amount. Amount of bill £98 15s.—noting 5s.—Total £99." It was held that the word "*noting*" must be taken as a part of the notice; that it implies presentment and non-payment; and that the notice was therefore sufficient. *Armstrong v. Christiana*, Eng. Com. Pleas, Feb. 1848; 17 Law J. Rep. N. S. C. P. 181. It will be observed that the notice in this case contained nothing to distinguish it from those which had previously been held insufficient, except the reference to the noting of the bill. The following has also been held good notice: "I am requested to apply to you for £35, the amount of an overdue acceptance drawn by you on, and accepted by E. M. and to inform you that, unless the same be paid to me, with *noting*, interest, and 5s. for this application, before 11 to-morrow, proceedings will be taken without further notice." *Wathen v. Blackwell*, 6 Jurist 738, Exch. So also, a letter from the endorsees to the endorser of a bill, in the following terms: "We beg to inform you that your endorsement of J. C's acceptance of £40, due the 17th day of June, 1842, remains due, with interest, and *expenses*, as also other bills, and to which we request your immediate attention." *Clode v. Bayley*, 13 Law J. N. S. Exch. 17.

No notice informing the drawer or endorser that the "bill is protested," appears to have come in question before the English Courts: but after the decisions above stated, it can scarcely be doubted what their judgment in such a case would be.

A notary is a public officer well known to the law, and to whose acts within the scope of his official authority, a peculiar credit is given. He

cannot legally protest a bill or note for non-payment until the default of the party primarily liable, is ascertained by a due presentment for payment. The protest therefore, necessarily *and fairly* implies such presentment and default. Notice that a bill "is protested for non-payment" is full information to the endorser that the contingencies upon which his liability depended have occurred.

In this country, it is a form which has been extensively adopted. Great mischief might follow should it be discredited.

In the cases of the *Bank of Alexandria v. Swann*, 9 Peters 38; *Mills v. Bank of the United States*, 11 Wheat. 431; *Bank of Rochester v. Gould*, 9 Wend. 280; and *Ontario Bank v. Petrie*, 3 Wend. 456, the notices were in this form and were decided to be sufficient: but though in these cases, the endorsers contested their liability on the ground that the notices were in other respects insufficient, it never occurred to their learned counsel, that such a notice was insufficient for defect of form. On the other hand, in the cases of *Smith v. Little*, 10 New Hampshire R. 526; *Crocker v. Getchell*, 22 Maine R. 397; *Lafayette Bank v. McLaughlin*, 4 Western Law J. 74, and *Spies v. Newberry*, 4 id. 362, the question appears to have been directly raised as to the sufficiency of such a form, under the principle of the English cases, and to have been decided in favor of its validity.

May I not, Mr. Editor, conclude with stating that a notice given by the proper party, in due season, to the drawer or endorser of a bill or note, which after properly describing the paper, informs him that it is protested for non-payment, is in due form.

S. C.

[*Note by the Editor.*—We will not attempt to argue the matter suggested by our correspondent. Our journal is a record of facts and of legal decisions, with sound views on Banking, when they can be elicited. That something more would seem to be wanting than the ordinary form of notice as used in New York, we refer our correspondent to the Massachusetts form, p. 192, the Pennsylvania form, p. 193, and the Virginia form, p. 254 of our current volume. These forms appear to embody the requisites demanded by the most strict decisions of the English and American Courts, and are no doubt prepared, as our Richmond correspondent asserts, "AFTER A LABORIOUS INVESTIGATION OF THE SUBJECT."]

ASSIGNATS.—In August, 1793, there were in circulation 3776 millions of assignats; and by a forced loan of 1000 millions, and by the collection of a year's taxes, this amount was subsequently reduced to less than two-thirds. The confidence moreover inspired by the recent successes of the republic against its foreign and domestic enemies, tended to increase the value of the securities on which the paper-money ultimately reposed: so that towards the end of 1793 the assignats are stated to have been at par. This effect is attributed by M. Thiers, in his 'History of the French Revolution,' (vol. v. p. 407,) to the severe penal laws against the use of coin: nevertheless we suspect that those who made this statement were deceived by false appearances, and that, neither at this nor any other time, not even at their first issue, did the real value of assignats agree with their nominal value.

THE VALLEY OF THE MISSISSIPPI.

Annual Report upon the growth, receipts and exports of Staples at New Orleans,
for the year ending 1st September, 1849.

From the New Orleans Price Current.

COTTON, SUGAR, MOLASSES, TOBACCO, FLOUR.

COTTON.

This leading staple of our market has, during the season just closed, escaped the violent fluctuations of the previous year, but some peculiarities have marked its progress, which will be found noticed in the following summary.

The season opened under great depression, for want of competition in the demand, and from an unusual degree of uncertainty in respect to the supply, the extreme estimates of the crop varying more than 500,000 bales. The unsettled state of Europe also continued to exercise an unfavorable influence, as it curtailed the operations of the British manufacturers, and caused prices to rule low, and the stocks to accumulate in the great markets of England.

The first bale of the new crop was received on the 5th of August, 1848, being four days earlier than the first arrival of the previous year, and the whole quantity of the *new crop* which came to hand up to the 1st September was 2864 bales, against 1089 bales in 1847, 140 in 1846, 6846 in 1845, and 5720 in 1844, and the sales of new crop up to the same date, barely reached 600 bales, at an extreme range of $6\frac{1}{2}$ a 9 cents per pound. At this time, however, the market had not fairly opened, but the tendency of prices, under the depressing influence of accumulating stocks, adverse accounts from abroad, and the absence of the usual competition among purchasers, was constantly downward, until November, when Low Middling to Good Middling Louisianas and Mississippis sunk to $4\frac{1}{2}$ a $5\frac{1}{2}$ cents per pound, which was the lowest point of the season. This reduction, however brought buyers forward more freely, and at the close of November the market was arrested in its downward progress, and for some months subsequently it was characterized by remarkable steadiness, though the general tendency was towards a gradual advance. The fluctuations were but slight from November to May, and at the close of the latter month, under the advantages of unusually low freights and improved Exchanges, the quotations reached 7 a $7\frac{3}{4}$ cts. for Low Middling to Good Middling Louisianas and Mississippis. In the early part of June, however, the great majority of buyers having closed their season's business and departed, prices again gave way to $6\frac{1}{2}$ a $7\frac{1}{2}$ cts. for Low Middling to Good Middling; but soon they began to rally once more, and in the latter part of July, by a sudden and somewhat speculative impulse, which appeared to be based upon unusually low stocks, continued favorable advices from Europe, and adverse accounts from the interior respecting the growing crops, the rates were carried up to $8\frac{1}{2}$ a $9\frac{1}{2}$ cents for Low Middling to Good Middling. At this point the market was left nearly bare of stock

in first hands, and the transactions during the past month have necessarily been light, though within that period a still further advance has been realized, sales having been made at 9 a 10 cents for Low Middling to Good Middling Louisianas and Mississippi, which rates mark the highest point of the season; a point which we conceive to have been much above the hopes of even the most sanguine, and which was only reached under peculiar circumstances. Tennessee and North Alabama Cottons have met with rather more attention the past season than during the previous year, and tolerably fair prices have been obtained. The market for round lists opened in March, at $5\frac{1}{2}$ a 6 cents, and at the close of May the quotations were $6\frac{1}{2}$ a $6\frac{3}{4}$ cents per pound. In the early part of June the rates gave way to $6\frac{1}{2}$ a $6\frac{1}{2}$ cents, but advanced again at the close of the month to $6\frac{1}{2}$ a $6\frac{3}{4}$ cents per pound for round average lists, with little or no supply left on sale. The season closes with a stock on hand in this port, including all on ship-board not cleared, of 15,480 bales; being the smallest stock since 1846. Of this quantity only about 7000 bales are on sale. At the close of last season the stock was 37,401 bales, and the quantity estimated to be on sale was 10,000 bales.

Among the peculiarities that have marked the course of business during the past season, we may mention the fact that the purchases, particularly those for Great Britain, have been speculative to a greater extent than usual, as most of the orders with *fixed* limits, though gradually advanced from time to time, were generally below the range of our own market, and thus the purchases for England were mostly made by speculative shippers, or by those who, from the tenor of their orders, were at liberty to exercise some discretion in respect to prices. The quality of the Louisiana and Mississippi crops were much below the usual average, principally from the admixture of leafy particles, and thus the proportion of the receipts from those sections ranging above Good Middling has been unusually small, and as for really *Fine* Cottons, they could only be met with occasionally in very limited quantities. The bulk of the demand, however, has fallen upon the Middling descriptions, and in the early part of the season, when the best Cottons are received, and when they are usually most enquired for on the part of buyers for the continent of Europe and our Northern ports, the better grades were comparatively neglected, and the difference in price between Middling and Fair was reduced to $\frac{3}{4}$ a $\frac{7}{8}$ cent per pound. As the season advanced, however, the demand for the better qualities improved, and their comparative scarcity carried the difference between Middling and Fair to $1\frac{1}{2}$ a $1\frac{1}{2}$ cent per pound, while on the still finer grades the variation was much greater. The receipts from Tennessee and Alabama were of unusually good quality, and embraced many crops that would compare favorably with the product of Louisiana and Mississippi.

The total receipts at this port since 1st September last, from *all sources*, are 1,142,382 bales. This amount includes 51,585 bales received from Mobile and Florida, and from Texas *by sea*. [That portion of the Texas crop which reached us via Red River cannot be distinguished from the product of Louisiana.] Deducting from our total re-

ceipts the amount received from Mobile, Florida and Texas, the remainder shows our receipts proper to be 1,090,797 bales, or a decrease of 97,936 bales as compared with last year. The total exports during the same period are 1,167,303 bales, of which 645,018 bales were shipped to Great Britain, 154,647 to France, 161,827 to the North and South of Europe, Mexico, &c., and 205,811 to United States ports, including 2300 bales to Western States. Comparing the exports with those of last year we find an increase of 13,679 bales to France, and of 7,526 to the North and South of Europe, &c., while to Great Britain there is a decrease of 9065 bales, and of 44,662 bales to United States ports. The total receipts at all the Atlantic and Gulf ports, up to the latest dates received—as shown by our General Cotton Table—are 2,708,514 bales, against 2,325,108 bales to the same dates last year; showing an increase of 383,406 bales. This amount, however, it should be understood, does not represent the actual crop of the United States, as this cannot be made up until the full returns of Receipts, Exports Stocks, &c., are concentrated at one point. For a series of years the Statement of the Cotton Crops has been made up by the *New York Shipping and Commercial List*, and should they retain the usual basis of their calculations, the actual crop will fall short of the receipts at the ports, as the stock at Augusta and Hamburg will be less than it was at the close of last year, and the difference between the two stocks will be deducted from the receipts, as belonging to the crop of last year. At all events the crop of 1848-9 cannot vary greatly from 2,700,000 bales.

It will be seen by the above summary, that the largest crop ever produced in the United States has been disposed of, leaving on hand, to enter into the supply of the coming season, a lighter stock than has been known for years past, as the whole quantity in the Southern shipping ports is only 46,194 bales, and the amount held back in the interior is known to be unusually small. It is gratifying also to notice that, notwithstanding the very gloomy opening of the season, and the marked depression of prices, a gradual amendment has taken place with the progress of the year, and that a much higher range of prices was attained at the close, than the most sanguine could have anticipated; as it was apprehended that the supply, in view of the troubled state of Europe, would prove excessive, whereas the result shows a proportionably increased consumption both in Europe and our own country. The table of Import, Delivery, Stock, &c., in the whole of Great Britain, for the six months ending on the 30th June last, stands as follows:

	1849.	1848.
Stock 1st January, bales	496,050	451,940
Import six months,	1,324,955	1,033,067
Making a supply of	1,821,005	1,485,007
Export six months,	114,500	66,000
Consumption,	851,205—965,705	682,307— 748,307
Stock 30th June,	555,300	736,700
Weekly average taken for consumption,	82,738	26,242

Thus the quantity taken for consumption in Great Britain, in the first six months of the current year, is found to exceed the amount taken

for that purpose in the same period last year by 168,898 bales, and what is still more remarkable under all the circumstances, it exceeds by a few bales, the weekly average of 1845, which was, perhaps, the most prosperous season ever known to the British manufacturer. This recovery of the maximum of consumption has also been attended by a material advance in prices, and the last quotation for Middling Cotton at Liverpool was 5½*d.* or 2*d.* above the lowest point of the season. The quantity taken on speculation at Liverpool alone, from January 1st to August 3d, 1849, was 365,340 bales, against only 50,250 bales during the same period the previous year. At Havre, the delivery for consumption for the first six months of the current year amounted to 193,971 bales; exceeding the quantity taken in the same time the year previous by 73,321 bales, or about 40 per cent. In the United States, the quantity taken for consumption cannot vary much from 650,000 bales, though the New York Cotton Statement will doubtless make it considerably less, as that does "not include any cotton manufactured in the States South and West of Virginia."

Comparative Arrivals, Exports and Stocks of Cotton and Tobacco at New Orleans for ten years, from 1st Sept. each year to date.

Years.	COTTON BALES.			TOBACCO HOGSHEADS.		
	Arrivals.	Exports.	Stocks.	Arrivals.	Exports.	Stocks.
1848—49	1,142,392	1,167,303	15,490	52,335	52,896	13,293
1847—48	1,213,805	1,201,897	37,401	55,882	60,364	14,954
1846—47	740,669	724,508	23,493	55,688	50,376	22,336
1845—46	1,053,633	1,054,957	6,332	72,896	62,045	17,924
1844—45	979,238	984,616	7,556	71,493	68,679	7,673
1843—44	910,954	895,375	12,934	82,435	81,249	4,559
1842—43	1,039,642	1,068,870	4,700	62,509	89,591	4,973
1841—42	740,155	749,267	4,223	67,555	68,053	2,265
1840—41	822,970	821,223	14,400	53,170	54,667	2,758
1839—40	954,445	949,320	17,867	43,827	40,436	4,409

The first bale of the present year's growth was received on the 7th August, 1849, from the interior of this State; and being only two days later at market than the first bale of the previous year; but it was not until the 19th August that any further portion of the crop came to hand, and the total receipts of the *new crop*, up to this date, are only 477 bales, being the smallest quantity for many years, except in the short crop year of 1846, when the receipts of new crop up to 1st September were only 140 bales. These remarkably light arrivals, in view of the comparatively high prices that are obtainable, may be considered as fully corroborating the general assertion that the crop is very backward, and this fact will doubtless have its influence with parties interested, in forming their estimates of the probable product. The quality of the new supplies, thus far this season, proves much superior to those of last year, and they give warrant for the expectation of a considerably higher average classification than was attained for the crop of 1848. The sales of new crop up to this date amount to 200 bales, at a range of 10½ a 12 cents for Good Middling to Good Fair, with some fancy parcels at 13 a 14 cents per pound.

SUGAR.

In our last annual report we remarked that the prospects for a large yield were by no means as flattering as they were at the same date the year previous, and that in no event was the crop likely to reach the very large production of 1847, notwithstanding the material increase in the cane cultivation. The result has sustained the correctness of our impressions in this respect, as the total crop, according to popular estimate, (which, in the absence of more authentic data, we are again compelled to adopt) is computed at 220,000 hogsheads; being a reduction as compared with last year of 20,000 hogsheads. Placing the crop at 220,000 hogsheads (as above stated) and adding 12,000 hogsheads for the estimated stock on hand 1st September last, would give a supply of 232,000 hogsheads, the distribution of which, as near as can be ascertained, has been as follows: shipments out of the State by sea, including those from Attakapas, equal to about 97,000 hogsheads; consumption of the city and neighborhood, furnished in small parcels, of which there is no record, 14,000 hogsheads; taken for refining in the city and State, 8000 hogsheads; estimated stock now on hand in the State, 5000 hogsheads; leaving as the quantity taken for the West 108,000 hogsheads. The shipments to the Atlantic ports amount to about 90,000 hogsheads; being an increase of 6000 hogsheads as compared with last year.

The first arrival of the *new crop* was on the 5th October, 1848, (three days later than the first arrival of the previous year) when five hogsheads were received from Pointe Coupée, but the quality was scarcely merchantable, the cane from which they were made not being well matured. The first sales noticed on the Levee took place on the 16th October, when 30 hogsheads were sold at 4½ and 20 do. at 4 a 4¼ cents per pound. The market did not fairly open, however, until the close of the month, when the extreme rates were 3 a 4¼ cents per pound. In November, as the stock accumulated, prices began to give way, and soon reached 2½ a 4¼ cents for Inferior to Prime, at which range the bulk of the receipts at the Levee was disposed of. The reduced stock has caused some enhancement of the rates recently, and the closing quotations are for Common 4¼ a 4¾, Fair 5 a 5½, Prime 5½ a 5¾, Choice 6 a 6½, Clarified 6¼ a 6½ cents per pound. The operations on plantation commenced unusually late, and it was not until January that we noticed any sales, though it is probable that some had taken place previously, as we have found it more difficult than usual during the past season to obtain the particulars of plantation transactions. The demand was good throughout January and February, and large sales were effected at an extreme range of 3 a 4½ cents, the prevailing rate for Fully Fair to Prime crops being 4 cents per pound. The quantity received at the Levee for sale has been 125,592 hogsheads, against 128,112 hogsheads last year, and it is estimated that there is now remaining on hand in the State, about 5000 hogsheads. The quality of the last crop was below the usual average, and the inferior and common grades were greatly depressed, and during some periods almost wholly unsaleable, while the finer qualities generally met with a tolerably ready market,

and frequently the supply on the Levee was scarcely equal to the demand.

The remarkable fluctuations to which the culture of the Cane has heretofore been subjected are shown by the following table, which presents the annual product of Louisiana for a series of years.

1848,	230,000 hhd.s.	1833,	70,000 hhd.s.
1847,	240,000 "	1837,	65,000 "
1846,	140,000 "	1836,	70,000 "
1845,	186,650 "	1835,	30,000 "
1844,	200,000 "	1834,	100,000 "
1843,	100,000 "	1833,	75,000 "
1842,	140,000 "	1832,	70,000 "
1841,	90,000 "	1829,	48,000 "
1840,	87,000 "	1828,	88,000 "
1839,	115,000 "		

The prospects of a market, to which we shall briefly allude, are of course somewhat involved in the extent of the crop, but there are other considerations and contingencies which may be for or against the interest of the planter—The stocks in the Northern cities are known to be unusually large, and the crop of Cuba—which has come in competition with the Louisiana crop in the Northern markets, to a greater extent during the past season than usual—is said to promise a very abundant yield. These points are unfavorable to the planter, but we notice, as a counterbalance, the fact that the supply in the West is unusually moderate, and also the probability that a larger proportion of the crop of Cuba will be diverted to the European markets than was the case last year; so that should the product of Louisiana not materially exceed that of last year, and the quality prove better, as seems now to be the prospect, it would appear probable that last year's rates will at least be maintained, and it may be that even a higher average will be eventually realized.

MOLASSES.

The product of molasses has been unusually large this season, in proportion to the quantity of sugar made, the estimated average per hogshead of sugar being fully sixty-five gallons, which would give a total of 14,300,000 gallons, or much the largest quantity ever produced in Louisiana. Notwithstanding this unusually abundant supply the average prices of the previous year have been about maintained, though at periods there have been sales both higher and lower, and, indeed the rates have exhibited a remarkably wide range, owing to a great diversity of quality. The first few barrels of the new crop, received at the Levee in the early part of October, brought 28 cents, but by the close of the month, prices fell to 22 a 22½ cents per gallon. In the early part of November the market recovered a little, but it soon began to give way again gradually, and in its progress presented unusual fluctuations, according to supply and demand, quality, &c. The lowest point on the Levee was in the latter part of May, when the extreme rates were 8 a 18 cents, and the closing quotations are 15 a 22 cents per gallon. The proportion of the crop disposed of on plantation, for Northern shipment

has been less this season than usual, as in the early part of the year planters held for higher prices than purchasers generally were willing to pay, and subsequently very many crops were rendered unsaleable by fermentation in the cisterns, produced, doubtless, by the unusually high temperature of the early portion of the winter. In this dilemma quite a number of planters resorted to reboiling the molasses to render it merchantable, while others sent it to market in a fermenting or sour state, and hence the very great range which prices have taken. The first sale noticed on plantation took place in the latter part of November, and was at 16 cents per gallon, but the price soon advanced to 16½, 17, 17½, 18, 18½, 19, 19½ and 20 cents, the highest rate being reached about the middle of December. At this point the market came to a stand, the general asking price being 20 cents; but no purchasers appeared at that rate, and after a few days some sales were made at 19 a 19½ cents per gallon. Most planters, however, still held for 20 cents, and about the middle of January this price was again obtained for several crops. Advanced freights, however, with other circumstances, operated adversely, and the market soon began to give way again. The lowest sale that came to our knowledge took place in the early part of May, and was at 12 cents per gallon. Of the 14,300,000 gallons estimated to be the product of the past year, there have been shipped to the Atlantic ports about 3,500,000 gallons, which would leave 10,800,000 gallons for the consumption of the West and South.

TOBACCO.

At the date of our last annual report the stock of tobacco remaining on hand, including all on shipboard not cleared, was 14,854 hogsheads. Of this quantity some 5,000 hogsheads were in the hands of factors, the greater part of which was held at rates above our quotations, which then were for Lugs, *factory* 1½ a 1¾; *planters' do.* 2 a 2½; *Leaf, inferior to common* 3 a 3¾; *fair to fine* 4 a 5; *choice and selections* 5½ a 6 cents per pound. We at that time adverted to the unfavorable tenor of the advices which had reached us respecting the growing crop, and the confirmation of these advices as the season advanced exercised a considerable influence upon the market. During the fall the demand was tolerably steady, though in some degree circumscribed by the limited extent of the stock on sale and the full prices claimed. Up to the 1st December the inspections comprised 1843 hogsheads, and the sales in the same time embraced some 8,000 hogsheads, being swelled to that amount by a number of re-sales. Our quotations then were for Lugs, *factory*, none; *planters' do.* 2½ a 3½; *Leaf, inferior to common* 3½ a 4½; *fair to fine* 4½ a 5½; *choice and selections* 5¾ a 6½ cents per pound. The first hogshead of the *new crop* arrived on the 8th November, being three days later than the first receipt of the previous year. In the months of December, January, February and March the receipts were unusually light, and the sales during that period about kept pace with the inspections, the stock on the market having at no time exceeded 1,000 to 1,500 hogsheads. The quality of the earlier receipts was, as had been anticipated, decidedly inferior. In April the demand continued good, and

the arrivals, although still very light for the season, having increased somewhat, and having contained parcels of a grade far superior to any that had been previously sampled, they gave a greater scope to the operations of purchasers. Under these circumstances the market took a higher range, and before the close of the month our figures were for Lugs, *factory*, none; *planters'* do $2\frac{1}{2}$ a $3\frac{3}{4}$; Leaf, *inferior to common*, 4 a $4\frac{1}{2}$; *fair to fine* 5 a 6; *choice and selections* $6\frac{1}{2}$ a $7\frac{1}{2}$ cents per pound. Up to the 19th of May, the total receipts were 21,040 hogsheads, against 36,495 hogsheads during the same period the year previous; being a deficiency of 15,455 hogsheads. From that date until the 21st of July, a period of little more than two months, the arrivals embraced 25,064 hogsheads. We now quote Lugs, *factory* $2\frac{1}{2}$ a $3\frac{3}{4}$; *planters'* do. $3\frac{1}{2}$ a 4; Leaf, *inferior to common*, $4\frac{1}{2}$ a 5; *fair to fine* $5\frac{1}{2}$ a $6\frac{1}{2}$; *choice* 7 a 8 cents per pound. There are yet in factors' hands probably about 4,000 hogsheads, though only a small part of this amount is actually on the market, the remainder being either withdrawn for the present, or held at rates above our figures.

It will be seen by the foregoing summary that the course of our market for the past twelve months has been gradually and steadily upward, free from any sudden and considerable fluctuations.

The crop, although by no means equal in quality to that of the preceding year, was nevertheless a tolerably fair one in that regard, and certainly better than we had reason to expect, from the unfavorable season and the character of the early receipts. The total receipts at this port since 1st September 1848, are 52,335 hhds. and the best information we have been able to obtain leads us to believe that the quantity remaining in the country is smaller than for many years past. Among the receipts are included 8,000 hogsheads strips, and the quantity of leaf tobacco inspected at the State Warehouses since 1st September is 37,113 hogsheads. The exports of the past twelve months amount to 52,896 hogsheads, and their distribution among the foreign and coastwise ports, as well as a comparison of the Receipts, Exports and Stocks for the last ten years, will be shown by our tables.

GRAIN.

The total exports of flour amount to 778,370 barrels, against 472,519 barrels last year. Of this quantity 165,468 barrels have been shipped to Great Britain and Ireland, 53,493 to the West Indies, &c., and the remainder to coastwise ports. Of Indian corn the total exports are equal to 3,662,000 bushels, against 3,059,000 last year. Of this quantity 2,561,000 bushels have been shipped to Great Britain and Ireland, 313,000 to the West Indies, &c., and the remainder to coastwise ports. Of wheat, the exports to Great Britain and Ireland have been equal to about 100,000 bushels, and of the remainder of the receipts a part was consumed by our city mills, but the bulk was shipped to the North. A table published by the New York Shipping and Commercial List, makes the comparative exports to Great Britain and Ireland, from all the ports of the United States, from September 1st to August 1st in the past two years, as follows:

		1847-8.	1848-9.
Flour,	barrels,	178,782	1,056,431
Corn Meal,	"	102,318	81,244
Wheat,	bushels,	219,917	1,077,585
Corn,	"	4,134,912	12,536,758

The average of prices has been rather lower than last year, though a much greater depression would doubtless have been experienced but for the increased European demand. The lowest point of the flour market was in April, when the range of the market was \$3 70 a \$5 00 for ordinary shipping brands of Ohio, &c., to the best St. Louis. The highest point was reached at the close of July, when in consequence of a momentary scarcity, prices for a day or two were run up to \$6 00 a \$7 50 per barrel. Indian corn has fluctuated considerably and has taken a wide range, according to quality and condition, and an unusual proportion of the receipts, owing to the unfavorable character of the weather, has been more or less damaged and thus rendered unfit for exportation. The highest point of the market was 55 a 58 cents per bushel, in October, and the lowest 20 a 40 cents in April. Wheat has generally been in fair request through the season, but the greater portion of the receipts has been forwarded to the North. Nevertheless the sales for export have greatly exceeded those of last year, and the extremes of the market have been 75 cents a \$1 00 per bushel in November, and 60 a 77 cents in April. In regard to supplies for the coming season, we are sorry to observe that those of flour and wheat are not likely to be abundant. The accounts from the West respecting the wheat crops are unfavorable, and in the more Southern States, such as Tennessee, Mississippi, Alabama, &c., where the crops were forward and flourishing, and the cultivation largely extended, the frosts of April caused almost total destruction. Of Indian corn, however, the great food crop of the country, it is gratifying to observe that there is a prospect of very ample supplies, though we notice that in the South recently there has been considerable complaint of damage from excessive rains. With the exception of lard, the receipts of which have fallen off somewhat, the trade in provisions has been still more extensive than last year. It will be seen by our tables that the receipts of pork materially exceed those of last year, and the course of prices has been a matter of much disappointment to those who were under the impression that the supply would be short. The extreme rates of the season are as follows—September, Mess \$13 00, Prime \$10 00 a \$10 50. June, Mess \$9 25 a \$9 37½, Prime \$8 00 a \$8 25 per barrel. There have been considerable purchases for shipment to England, principally of prime and prime Mess, which latter is put up expressly for the English market, and has generally sold here at \$10 00 per barrel. The receipts of beef, also, have been considerably larger than last year, but the demand having been good, both for export and for home use, prices have generally maintained a high range. The extremes of the market have been as follows—September, Mess \$15 50 a \$16 00, Prime \$11 00 a \$12 50. December, Mess \$10 00 a \$10 50, Prime \$7 00 a \$7 50 per barrel. The bulk of the exports has been to Great Britain, and consisted principally of prime mess and India mess, in tierces, the pre-

vailing rates for which have been \$15 a \$16 for the former and \$18 for the latter per tierce. The falling off in the supply of lard has caused prices to attain a rather higher average during the past than in the previous year. The extreme rates have been 7 a 10½ cents per pound in September, and 4½ a 6½ in December, and the total exports (all packages being reduced to kegs) are equal to 1,249,691 kegs, against 1,395,496 kegs last year. Of this quantity 381,996 kegs were exported to foreign ports, against 546,010 kegs last year, Great Britain having taken equal to 196,631 kegs. What may be the extent of the supplies of provisions for the coming year it is difficult to determine, as a good deal will depend upon the range of prices, though it is supposed that under no circumstances will the quantity of pork be equal to last year.

HEMP, LEAD, COFFEE.

We remarked in our last annual report that our information from the interior in regard to the growing crop of hemp gave promise of but a meagre supply for the use of the Atlantic markets, and the result has proven the correctness of our statements, the entire receipts since the first of September having been only 19,856 bales, or 1728 bales less than last year. The total exports from this port since first September have been 19,179 bales, all of which has gone coast-wise, and nearly the whole to New York and Boston. The following table exhibits the comparative receipts and average prices for a series of years :

	Bales.	Per Ton.		Bales.	Per Ton.
1842-43	14,873	\$90 00	1846-47	60,238	\$ 90 00
1843-44	38,062	66 00	1847-48	21,584	115 00
1844-45	46,274	60 00	1848-49	19,856	132 00
1845-46	30,980	60 00			

Lead.—The supply of lead from the West has again fallen off materially, the receipts since 1st September being 608,657 pigs, against 606,966 pigs last year, or a decrease of 98,409 pigs. The exports amount to 489,641 pigs, of which only 2,412 pigs were to foreign ports. It is but a few years since we exported largely to Europe, but during the past season there have been considerable importations into the Northern cities from France and England. As was the case the previous year, the sales in this market have been to but a moderate extent, the great bulk of the receipts having been forwarded to the North on country account. The extreme prices of the season were in November \$3 87½, in June \$4 50 per hundred pounds.

Coffee.—The trade in this article continues to advance in importance and our city has already attained to the position at least as respects direct importations from Rio, of the leading market of the United States. The following statement shows the Imports, Stocks, &c.

	Bags.
Estimated Stock out of grocers' hands on 1st Sept. 1848, of all kinds, . . .	5,500
Imports direct from Rio de Janeiro,	299,129
Cuba, Laguira, &c.,	16,341
Received coastwise for sale, (estimated,)	40,000
Making a supply of,	360,970

Against a supply of 282,961 bags last year, or an increase of 78,009 bags. Of this increase 59,758 bags are in the direct imports from Rio, 7,751 from Cuba, &c., and 20,000 coastwise. The present stock out of grocers' hands is estimated at 6,000 bags, of which 5,000 are Rio, and 1,000 other descriptions; showing that the quantity taken for the consumption of the West and South has been 354,970 bags, against 277,500 bags last year, or an increase of 77,470 bags.

EXCHANGE.

After two seasons of remarkable fluctuations in the course of exchanges the operations of the past year have approached more nearly to the steadiness of former periods, though there still have been quite important variations from time to time. Our space will not permit us to enter minutely into the market's progress, and we must content ourselves with noting the extreme rates of the season for bills on the leading points of Europe and our own country. Sterling has ranged from $3\frac{1}{2}$ a $5\frac{1}{2}$ per cent. premium in April, to 9 a 10 per cent., this past month of August, according to the quotations, though there doubtless have been negotiations, under some circumstances, both above and below these figures. The extremes for Francs have been 5f. 15 a 5f. 20 per dollar in September last, and 5f. 35 a 5f. 42 $\frac{1}{2}$ in April. Bills on New York and Boston, at sixty days sight, $2\frac{1}{2}$ a $2\frac{1}{2}$ per cent. discount in April and $\frac{1}{2}$ a $\frac{1}{2}$ per cent. discount in August. Sight checks par to $\frac{1}{2}$ per cent. discount in April, and 1 a $1\frac{1}{2}$ per cent. premium in August. According to the monthly statement of the Board of Currency, made up to August 1st, the amount of specie in the banks of New Orleans at that date was \$6,818,694 and their circulation \$4,863,272. * * *

GENERAL REMARKS.

In respect to supplies, it seems to be the general impression that some of our leading products, but more particularly cotton, will be less abundant than last year, and that the damage to the wheat crops in the West is likely to cause a falling off in our receipts of the important article of flour. Other commodities promise fair, but not over-abundant supplies, and the grand whole, which is to form the basis of our business operations, will probably fall somewhat short of the total receipts of last year. As regards demand and the course of prices, they are, as must be apparent to every one, involved in a variety of contingencies which preclude the possibility of definite calculations. The unsettled state of the Continent, which seems tending more and more to a general war among the great nations of Europe, and which, by possibility, may yet involve even our own country in the spreading vortex, is a formidable obstacle in the path of commercial enterprise, and greatly increases the maze of uncertainty which ordinarily envelopes the chances of the future. Apart from this difficulty, however, there would seem to be fair encouragement for the anticipation of a rather prosperous trade, if prudently conducted. The consumption of our great staple, cotton, even under what appear not to have been the most favorable circumstances, has within the past six or eight months somewhat exceeded the maximum of any previous period; and with a reduced supply for the

coming year—of which there seems to be little or no doubt—and the promise of abundant food crops in the principal countries of Europe, there would seem to be a fair prospect for the realization of more remunerating prices for this grand product of Southern industry. Whether, and to what extent, there will be a European demand for breadstuffs, provisions, &c., it will be difficult to determine until a more advanced period of the season, when the foreign crops shall have been harvested, though it seems probable that a portion of our supplies will be required particularly should the wars on the Continent continue to rage, and to spread more widely, as appears now to be the prospect. At all events, we have a rapidly extending home market, and we think the chances are favorable for tolerably ready sales and a fair range of prices.

The value of our products received from the interior since 1st September, 1848, is \$81,989,692, against \$79,779,151 last year, and the value of the exports from this port from June 30th, 1848, to June 30th, 1849, according to the Custom House records, is \$65,393,571, against \$67,182,323, last year.

In view of the material falling off in the number of arrivals, as compared with last year, the remarkable depression in the rates of freight may not be quite intelligible to all parties, and we therefore venture to remark, by way of explanation, that the real deficiency of tonnage for commercial purposes is not near as great as the decrease in the arrivals would seem to indicate, and for this reason. Last year many vessels were employed for government purposes and their voyages being short the same vessels arrived several times during the season. This has not been the case during the year just closed, and the records of the Custom House show that the amount of tonnage entered at this port, for the fiscal year ended on the 30th June last, was 823,920 tons, against 900,448 tons to same date last year. Thus the actual supply of tonnage for commercial purposes was perhaps even greater than in the previous year; and although in some articles our exports have increased yet in cotton there is a falling off of nearly 40,000 bales. The total tonnage entered at this port for the year ended June 30th, 1849, was, as already stated above 823,920 tons. Of this amount 230,860 tons were American vessels from foreign ports, 201,196 tons, foreign vessels (mostly British) from foreign ports, and 461,899 tons American vessels from coastwise ports.

EXCHANGE ON LONDON, PARIS AND NEW YORK.

On the 1st of each month for three years past. (60 day bills.)

At New Orleans.	1848-9			1847-8			1846-7		
	L.	P.	N. Y.	L.	P.	N. Y.	L.	P.	N. Y.
	p. m.	Fcs.	dis.	p. m.	Fcs.	dis.	p. m.	Fcs.	dis.
September,	8½	5 20	1½	5½	5 35	1½	8	5 31	1½
October,	8	5 22	1½	6½	5 40	2½	8½	5 32	1½
November,	7½	5 27	1½	5	5 45	3½	7	5 41	1½
December,	9	5 27	1½	5	5 45	2½	5½	5 48	1½
January,	8	5 27	1½	8	5 32	2½	4½	5 50	2
February,	7	5 32	1½	8½	5 32	2½	5	5 45	2½
March,	5	5 35	1½	7½	5 35	2½	3	5 50	2½
April,	4	5 37	1½	7	5 37	2½	2	5 55	2½
May,	6	5 35	1½	4	5 35	2½	5	5 45	1½
June,	7	5 30	1	6	5 30	2½	4½	5 40	2
July,	8	5 25	1½	7	5 20	1½	5	5 36	2
August,	8	5 27	1½	8	5 17	1	4½	5 38	1½

BANK ITEMS.

BANK DEFALCATION.—On the 11th August last a discrepancy was discovered in the specie funds of the teller of the Bank of the State of Missouri at St. Louis, which led to a rigid examination of all the boxes and bags of coin on hand. The directors discovered that \$121,000 had been abstracted from the foreign gold of the bank. The paying teller, Mr. N. Childs, Jr., was arrested, on the affidavits of the President and Cashier of the Bank, and was held to bail for his appearance at his trial, which will take place before the Criminal Court during the present month. (October 1849.)

STATE BANK NEW JERSEY.—Lambert Norton, Esq., formerly of the Canal Bank, Albany, has been elected President of the State Bank at Morristown.

FARMERS BANK OF MARYLAND.—Richard Thomas, Esq. has been chosen Cashier of the Easton Branch of the Farmers Bank of Maryland, in place of Mr. Smythe.

CONNECTICUT BANKS.—The stock of the Farmers Bank at Bridgeport has been subscribed, amounting to two hundred thousand dollars, out of which a bonus of \$5,000 is payable to the State for the benefit of the General Hospital Society of Connecticut. Stephen Tomlinson, Esq. has been elected President by the Board of Directors of the Bank.

CONNECTICUT RIVER BANK.—John A. Butler, Esq., at present Cashier of the Meriden Bank, has been elected Cashier of the Connecticut River Bank, at Hartford, in place of Edwin Spencer, Esq., deceased.

 MISCELLANEOUS.

PHILADELPHIA MONEY MARKET, 22ND SEPTEMBER.—The money market is, if any thing, easier than at any time since last spring. The remittances from the country have exceeded the expectations of our merchants, and have enabled them to get along with very moderate accommodation from the banks. Foreign exchanges for the last steamer have not advanced, the supply of both sterling and francs being equal to the demand.

The public mind appears unduly agitated by rumors of difficulties with France, without reflecting on the deep interest that both nations have in the maintenance of friendly relations with each other. Under this powerful influence, nothing short of extreme rashness, on either side, can prevent matters from being satisfactorily arranged. But we readily admit, that until it be actually done, a wide field remains open for the contentions of the bulls and the bears in the money market. We look forward for material fluctuations for weeks to come, as the consequence of the varying rumors that may reach us. It seems not improbable at the same time that capitalists, proverbially the most timid of men, may continue their late course of lending fully on sufficient collaterals for short periods, and at low rates of interest, in preference to making permanent investments on their own account. We have frequently found this to be the case, when the foreign exchanges have remained, for any length of time, at prices nearly approaching those at which specie can be exported to advantage. In this instance we see the steady increase of coin in the sub-treasury, slow but regular, not calculated to assist in a rise of monied securities. In our plethora of bullion it is not yet felt, but it does not escape the notice of farsighted financiers. (*Philadelphia Price Current.*)

THE AMERICAN SYSTEM.—The American Institute has issued a pamphlet programme of their approaching Fair to be held at Castle Garden, New York, on the 2nd of October. They expect to make it one of the most attractive and interesting witnessed for many years.

In the following paragraphs the Managers state the views and doctrines of the Institute in regard to a Tariff, Protection and Free Trade :

"We hold, emphatically, to the doctrine of self-preservation; that this country should create its wealth, its supplies, and consequently secure its own happiness and entire independence. We are *not* the advocates of a *high tariff*. We advocate the encouragement of domestic industry, domestic production.—We maintain the expediency of ample remuneration for, and an improved condition of home labor, over the depressed labor of Europe. As means to accomplish these great objects, we claim that the measures of our government should be *defensive*, and to *countervail* the encroachments of other countries, so as to *secure* to our own citizens *equality* in commerce, in rights and privileges, and by a just *distinction* between the raw material and the *manufactured* articles, imported, to *lay duties for revenue* on the manufactured articles so as to encourage our own labor in the production of like articles, and thus to protect the domestic industry of our own people, and develop the resources of our country. Such are the doctrines of the American Institute."

BANK OF THE U. S.—The undersigned, Assignees in trust of the President, Directors and Company of the Bank of the United States, under and by virtue of certain Indentures of Assignment bearing date respectively the 4th and 6th days of September, 1841, and recorded at Philadelphia, in Deed Book G. S., No 29 p. 690, &c., and in Deed Book G. S. No. 30, p. 395, &c., hereby give notice that it is their intention to make and declare a dividend of the moneys they have in hand, rateably and equally in and towards the payment of all and every the remaining debts of the said bank, agreeably to the terms and provisions of the said indentures of assignment. All claimants are hereby requested to come forward and prove their debts at the office of the said Assignees, No. 70 Walnut street in the city of Philadelphia, between the hours of 9 A. M. and 3 P. M., on or before the first day of October 1849.

JAMES ROBERTSON, RICHARD H. BAYARD, JAMES S. NEWBOLD.
HERMAN COPE, THOMAS S. TAYLOR,

BANK ROBBERY—VAULT LOCKS.—The Halifax Chronicle of Aug. 14, contains some particulars of the robbery of the Halifax Banking Company, which took place on the Friday night previous. The robbery first became known by the discovery of two bags of specie behind a pillar of a granite building in Water street. Two other bags were afterwards found under some rubbish near the Ordnance Gate, which it is supposed the robbers meant to return for. The robbery appears to have been of a very skilful character. The doors were not forced, but opened by skeleton keys. Not a lock was injured, and no less than nine locks had to be picked before the robbers could reach their booty. On retiring, they locked up the vault, locked all the doors, and left every thing as they found it, with the exception of the money they abstracted. The actual amount stolen has not been made known. One paper says that nine out of eleven bags of specie in the vault were taken, and that four have since been found, leaving five still in possession of the thieves. The money stolen was all in silver, and cannot have amounted to a very large sum. The rogues attempted to force the gold vault, but the lock was too much for them, and gave it up in despair.

THE POST OFFICE.—The returns moved for by Mr. Villiers, M. P., give some details respecting the Post Office and the business of that establishment. It is shown that the number of letters which pass through the General Post Office during the four weeks ending 20th of January, 1849, amounted to 8,989,253, and during the month ending 17th of February, 1849, to 9,268,457, of which 492,085, were unpaid, 3,100,510, paid, and 5,675,862, stamped. The number of letters which passed through the Post Office in January and February 1848, amounted, respectively, to 8,536,432 and 8,769,209; and in the months of January and February, 1847, to 8,411,769, and 8,664,719. The total number of letters which passed through the London District Post Office during the four weeks ending 20th of January, 1849, amounted to 2,601,951, and during the four weeks ending 17th of February, 1849, to 2,814,799; whereof 94,333 were unpaid, 973,481 paid, and 1,746,965 stamped. The net revenue of the Post Office, during the year 1848-49, amounted to £740,429, against £964,496 in 1847; £825,112 in 1846; £761,982 in 1845; £719,967 in 1844; £640,217 in 1843; £600,641 in 1842; £561,249 in 1841; £500,789 in 1840; £1,633,764 in 1839; £1,659,509 in 1838; and £1,652,424 in 1837. The cost of management in 1848 was £1,403,250, which amount has been gradually and regularly increasing since 1847, when it amounted to £687,918 only. The total number of money orders issued in 1848 was 128,691, to the amount of £258,837, and the total number of orders paid 264,435, to the amount of £546,997.

REDUCTION OF INTEREST ON DEPOSITS.—The Union Bank of London has issued the following notice:—"The directors of this bank beg to announce to you that, in accordance with the recommendation of the proprietors at the last annual general meeting, the following modification of the arrangement on which interest has hitherto been allowed on current accounts, will come into operation on and after the 1st August 1849:—On all accounts where the balances shall at no time during the preceding six months have been below £500, interest at the rate of 2 per cent. will be allowed on the minimum monthly balance, as heretofore. On all accounts where the balances shall at no time during the preceding six months have been below £200, interest at the rate of 1 per cent. will be allowed on the minimum monthly balance. On accounts which at any time during the preceding six months shall have been below £200, no interest will be allowed. This arrangement for the current half-year will apply to the *five months* commencing 1st August, 1849."

IMPORTATIONS OF SPECIE.—Returns have been prepared, exhibiting the total amount of specie imported from foreign countries for the half-year ending the 30th of June, by the various lines of royal mail steamers arriving at Southampton. It appears that the West India steamers for the six months in question, have brought to Southampton the enormous amount of gold and silver, in dust, bars, coin, &c., to the value of Ds. 10,570,655 (or say, in sterling, £2,114,183), the product of the mines in Mexico, California, Chili, Peru, Bolivia, and other South American States. Of this amount about Ds. 950,000 have been received from California, either direct or *via* Valparaiso, Lima, &c., at which ports the dust had been melted into bars. The Peninsular and Oriental steamers have brought from Alexandria, during the same six months, gold and silver coin value £498,591 sterling, the majority of which has been specie remittances from India, for account of the Hon. East India Company. The Constantinople steamers have brought, within the same time, gold and silver coin valued at £540,000 sterling, and the steamers from Spain and Portugal, specie, value £360,000 sterling; so that the total amount of specie received at Southampton by the several lines of steamers from all parts of the world, from the 1st January to 30th of June, inclusive, reaches £3,512,724 sterling—an amount which, if consisting entirely of silver, would weigh upwards of 400 tons, and in gold would weigh nearly 85 tons.—[*London Bankers Mag.*]

Notes for the Month of September.

NEW YORK, 25 SEPTEMBER, 1849.

Bills on London, 60 days, 1.09 a 1.09½

Business in the large cities is now exceedingly active, and promises well for every branch of trade. Stocks, generally, command fair prices. The Dry Goods Trade is extensive,—and the Book Trade is larger than at any former period.

Money is easy at 5 a 6 per cent. on short paper, and 7 to 8 per cent. on long paper of the best character. There has been some fluctuation on the New York stock exchange, in consequence of the publication of the correspondence between our government and the French Minister. M. Poussin has been informed that his passports are ready, in other words, that he is no longer accredited as the French Minister. Upon this fact becoming known, the U. S. loans fell off about one per cent., but have since revived.

The Commissioners of the Canal Fund of New York having advertised for offers for a special loan of \$50,000, redeemable in 16 years, at six per cent., the following bids were received.

From Rufus H. King,	Albany,	\$50,000	prem.	8 78	a	9.03
" J. Thompson,	N. York,	50,000	"	7.55		
" D. W. Tomlinson,	Batavia,	10,000	"	11.00	a	12.50
" Cammann & Whitehouse,	N. Y.,	50,000	"	10.03	a	10.76
" George W. Cuyler,	Palmyra,	2,000	"	8.20		

Total amount offered one hundred and sixty-two thousand dollars. The loan was awarded to D. W. Tomlinson and to Cammann & Whitehouse; the aggregate premium being \$5,407.

The U. S. Loan of 1868 was quoted in our last No. at 114.75: it is now held at 111.62. There is a slight improvement in bank stocks; and New York State sixes of 1865 have attained 111½ a 112.

New York stocks must maintain high prices while they are required in large amounts, as at present, as a basis of bank circulation in the State. The aggregate State debt is in round numbers twenty-three millions of dollars, and the annual interest \$1,300,000. One year since the Comptroller of the State held about \$7,600,000, as deposits by the banks. This is no doubt at present increased to nine millions.

There is renewed activity in the internal trade of the State, as is evinced by the returns of Tolls on the Canals, for 1848-9.

From 1 May to 12 September, 1848,	Tolls,	. . . . .	\$1,869,181
From 1 May to 12 September, 1849,	Tolls,	. . . . .	1,876,379

The aggregate receipts of breadstuffs at Albany, by the Erie Canal, up to the close of the second week in September, 1848 and 1849, were as annexed:

	Flour, brls.	Wheat, bushels.	Corn, bushels.	Barley, bushels.
1849,	1,473,692	1,083,285	3,958,353	117,415
1848,	1,324,853	1,148,661	1,766,149	156,654

The aggregates, to the 14th September, inclusive, from the opening of navigation, for the two years 1847 and 1849, are as follows:

	Flour, brls.	Wheat, bushels.	Corn, bushels.	Barley, bushels.
1847,	2,535,404	2,680,194	4,932,169	314,150
1849,	1,473,692	1,083,285	3,958,353	117,415

The exports of breadstuffs to Great Britain for the past year have been much larger than usual, amounting to at least thirteen millions of dollars in value, as will appear by the following table.

From	Flour, bbls.	Meal, bbls.	Wheat, bush.	Corn, bush.
New York,	778,189	34,932	555,946	6,593,104
New Orleans,	161,027	5,703	127,651	2,647,469
Philadelphia,	76,113	25,493	209,154	1,393,928
Baltimore,	75,043	7,407	120,300	872,305
Boston,	15,649	4,520	9,723	530,084
Other Ports,	12,095	8,003	38,606	702,736
Total 1849,	1,118,116	86,059	1,091,385	12,729,626
Total 1848,	183,533	105,350	251,622	4,581,367

An additional impetus has been recently given to the California fever. The intelligence from that quarter is highly favorable to the gold seekers, and has recently induced large numbers of our citizens to remove thither. The steamship Empire City arrived during the present month at New York, with the following consignments of gold dust, amounting to about \$600,000.

Bowland & Aspinwall,	\$92,094	Hayden and Coale,	\$6,710
Livingston, Wells, & Co.	120,400	John De Witt & Co.	17,608
F. Wood and H. Shelden,	3,000	Sherman & Stark,	9,500
P. I. Farnham & Co.	4,789	Suydam, Reed & Co.	25,000
Shepherd Knapp,	4,634	E. B. Clark, Dodge & Co.	32,078
D. Barnett,	10,000	Grinnell, Minturn & Co.	64,208
A. R. Eno,	10,721	Meyer & Stucken,	2,000
Howard, Son & Co.	4,000	Miscellaneous,	300,000

The public treasury held on 29 August last not less than \$5,100,000. The receipts at New York are larger than ever before known, and the aggregate in the Sub-Treasury, in this city alone, at this time, is about \$3,800,000—of which not less than \$550,000 was received last week. This over-burdened treasury cannot be

looked upon as a favorable symptom. On the contrary, it is the indication of excessive imports, which is confirmed by existing rates for foreign bills. Remittances were made for the steamer of 19th inst. at 110 in some instances, and at 109 a 109½ in others, according to the character of the bills. Bills for the steamer of the 26th may be quoted at 109 a 109½.

In the face of 2,200,000 bales of cotton exported during the year, ending 1st inst. to Europe, and in the face of breadstuffs valued at thirteen millions, shipped to Great Britain, exchange has been recently at an actual premium. Great Britain exhausts about 30,000 bales of cotton per week; but of her exports of cotton, linen, woollen and silk goods, the U. States take a large proportion, viz:

Exports for Six Months of 1849.

	<i>Cotton goods.</i>	<i>Linen goods.</i>	<i>Woollens.</i>	<i>Silks, value.</i>
To United States,	yds. 44,981,000	yds. 15,148,000	yds. 882,000	£107,000
All others,	" 597,796,000	" 23,791,000	" 2,008,000	245,000
Total exports, 6 months,	642,677,000	38,939,000	2,890,000	£355,000

Here we see how important the U. S. market is for the export of manufactured goods of Great Britain. We take seven per cent. of their cotton goods, thirty per cent. of their woollens; thirty per cent. of their silk goods, and *forty!! per cent.* of all their exported linens. These returns are from late parliamentary documents, and account in some measure for the unfavorable balance of trade at this moment.

The fluctuations in the rates of foreign bills for six months past, viz:

26 March	106½ a 107	27 June,	108½ a 109
26 April,	107¼ a 107½	23 July,	108 a 108½
23 May,	108½ a 109	25 August,	109½ a 109¾

The credit of the American States is now high in Europe, and a fair demand exists in the London market for our securities. Massachusetts 5 per cents, 105. New York, 97½. Pennsylvania, 80—and the only Continental stock above par on the 1 September was Russian, 109, while Spanish bonds had fallen to 18½. Bank of England stock, paying eight per cent. usually, was 200, (100 per cent advance:) and Consols, the true criterion of the London money market, 92 a 93.

Banking.—Our readers are now furnished in our present No. important information touching the *law of demand and protest*. It is sufficient for us to bring to the notice of our numerous banking friends, between Thomaston on the north east and Galveston on the south west, the legal decisions bearing upon the protest of bills and notes. The usages of different States and different cities, in reference to this subject, vary widely. Professional views also, of legal men of the highest standing, differ widely. Usage, in some places, is presumed to over-ride law; but in this is the dangerous point maintained by some banking institutions. Now, what is law in Massachusetts and New York one would suppose would be law in other States; yet their decisions upon banking law are at variance.

We have sought to place before our readers the decisions of the Supreme Court of New York and Massachusetts, because they have a weight in other courts. When the case of *Dole v. Gold* was published, the first volume of Comstock's New York Reports, containing the case of the *Cayuga County Bank v. Warden & Griswold*, was not known to us, and had just been issued from the press. The positions laid down in the former case by the Supreme Court of New York, appeared so unusual that we readily copied the opinion of the Court, *as law in New York*, and as important information which should be in the possession of every banking institution.

For publishing this case and for a remark in our last No. that Notaries Public would in *some instances* be found at fault, we are accused in an anonymous article in the *Courier and Enquirer*, of making "unwarrantable charges against that abused body, the Notaries Public."

Our remark was to the effect that, in some instances, Notaries Public were not posted in the law of protest. It was not a sweeping charge. For that body we have a high respect, as being composed generally, of persons of competent legal at-

tainments. We undertook to say that "by the decisions of the highest English Courts, and the Supreme Courts of Massachusetts and New York," the ordinary forms of notarial notice were invalid.

Whether these decisions are law, and entitled to the earnest consideration of the Banks, is for the Banks and their counsel to consider. The publication and notoriety given to these cases by our work, can, in no degree, we think, affect injuriously corporate institutions. Assuming the decisions to be sound, no time should be lost in placing them before our readers, and we cannot suppose that any parties will more readily avail themselves of the defences thus pointed out, because published in our Journal. Bank counsel and the profession at large are already furnished with these cases, through their ordinary channels of information, viz: law books and law journals. In fact, the decisions in question had already been discussed by a prominent law journal in New York, before they had been made known by us.

It is the bankers, as a profession, to whom we seek to convey legal information upon banking. The Bench and the Bar do not look to the "Bankers' Magazine" for law cases and law points. As far as we know there are not three lawyers among our subscribers.

That there is a difference of opinion upon the subject of *notice of protest*, among the Notaries Public, is evident. The communications inserted in the early part of this No. will, we think, confirm this. Their practice is not uniform and their forms of notice vary in essential points. Thus on page 200, we gave the form adopted by one of the Wall street notaries, and we have now before us the form used two years since, if not now, by the notary of the Phenix Bank, at New York, viz:

"Please to take notice that a promissory note for \$.....made byendorsed by you, *having been duly presented and payment thereof demanded, WHICH WAS REFUSED*, is therefore protested for non-payment, and that the holders look to you for payment thereof.

..... Notary Public.

This notice, although it omits the date of the note, contains *expressly*, the requisites which Judge Story maintains should be communicated to an endorser "either expressly or by just and natural implication," viz:

- 1st, A true description of the note, so as to ascertain its identity.
- 2d, An assertion that it has been *duly presented* to the maker at its maturity and *dishonored*.
- 3d, That the holder looks to the endorser for payment and indemnity.

Now that the subject is before our readers, and the banks may be inclined to examine it thoroughly, we recommend the form adopted by the Richmond notaries, as on page 254. This form was adopted *after a laborious investigation of the subject*, and of course with a knowledge of those defects which the courts of England, Massachusetts and the Supreme Court of New York, have decided to be fatal.

The communications in our present No. will also serve to show that a demand of payment on a foreign bill should *invariably* be made by the notary himself: also, of payment on a promissory note where the certificate is to be used as evidence in a court of law. In other words, as our legal correspondent says, "I regard it as settled that a demand by the clerk of the notary is, within this State (New York) invalid to bind an endorser, either upon a bill of exchange or a note, so far as the certificate of the notary is relied upon, as the evidence of the demand."

We learn that the Baltimore banks, in some instances if not in all, have instructed their notaries, in cases of foreign bills, to make a demand of payment in person. This course is deemed a measure of *prudence* if not of *law*.

Our Virginia correspondent (p. 315.) seems to think that the publication of such decisions as those contained in our September No., "may produce much mischief and give rise to much litigation, by encouraging endorsers to dispute claims where they are really liable." We differ with him. Our subscribers have a right to look to our Journal for late decisions from competent sources. Among these the Supreme Court of New York may be certainly included, and if these cases were not published

in our Journal, the mass of our readers would not hear of them for years to come, or perhaps not until some cases upon similar points were decided against them.

More especially should these decisions be made known to bankers, when we find they conform substantially to those of several State courts, and that they are in accordance with forms long used at Richmond, Boston, Philadelphia, and in some cases at New York. It is better, likewise, for notaries to be too diffuse in phraseology, than to omit any words which are deemed, *by any respectable State court*, an essential requisite to a notice of protest. Whether the decisions of the Supreme Court of New York be law, or not, they are certainly entitled to consideration: and the adoption of words or requisites in a notice of protest, as suggested by that court, can do no harm, but may obviate much loss. Our Virginia correspondent will therefore arrive at the same conclusion that we have, when he finds that, in his own State, the notarial notices are made to agree with the decision in our September No.

Some attention is due to the law of Grace on Sight Bills. In a few States only has the subject come before their courts.

IN MASSACHUSETTS—Grace on Sight Bills has been uniformly allowed for some years past in Massachusetts.

IN INDIANA—the following law was passed at the last session of the legislature:

“Be it enacted by the General Assembly of the State of Indiana, that three days grace be, and the same is hereby allowed on all bills of exchange payable in this State, as well sight as time bills.”

IN ALABAMA—The Supreme Court has recently decided that sight drafts and bills are entitled to three days grace. Their decision asserts [contrary to long usage] that if not paid or accepted on presentation, bills at sight must be formally protested for non-acceptance, and after three days grace, protested for non-payment.

IN MICHIGAN—Days of grace are allowed on bills drawn, payable at sight.

IN MARYLAND—No statute exists upon the subject; but it is proposed to bring the matter before the next legislature, at its session, in January, 1850. At present the banks generally in purchasing sight bills insist on their being drawn *at sight, without grace*; or if at one or more days sight, grace will, of course, be allowed wherever payable. The banks generally have also required their correspondents to give instructions as to whether grace shall, or shall not, be allowed on their remittances of sight bills, payable in the State of Maryland.

It is a matter of much importance to banking institutions to have a generally uniform system as to the protest of bills and notes, and to transfers of stock. *Usage will not supercede law*. Our aim has been to place before our readers the latest cases upon these topics. We do not attempt to express any opinions as to their soundness. Our subscribers will, of course, form their own conclusions after a careful reading of the different decisions, and confirm or alter their usual course, as prudence may dictate.

DEATHS.

IN LONDON,—On the 30th July, Jacob Perkins, Esq., a native of the U. S., in the 83d year of his age. Mr. Perkins distinguished himself by the invention of the process for engraving on steel and the method of transferring engravings to steel plates for making bank notes. He had resided for some years at Boston, Massachusetts, previously to his removal to London.

AT RICHMOND,—Virginia, on the 18th July last, Hon. Philip N. Nicholas, one of the Judges of the Circuit Superior Court of Law and Chancery for the county of Henrico and city of Richmond, Virginia, and formerly for several years President of the Farmers Bank of Virginia at Richmond.

AT HARTFORD,—Connecticut, on the 17th September, Edwin Spencer, Esq., aged fifty years, Cashier of the Connecticut River Bank.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

Vol. IV.

NOVEMBER, 1849.

No. V.

REPUDIATION.

ITS ORIGIN.—ITS PROGRESS.—ITS CONTINUANCE.

Remarks on the letter of the Hon. Jefferson Davis.—Form of the State Bonds of Mississippi.—Correspondence with Hope & Co.—Veto Message.—Letter of Senator Henderson.—Final extinction of the Banks of the State.

OUR readers will find in our present No. the letter of the Hon. Jefferson Davis, defending the course of Mississippi in reference to her State Bonds. Assuming the statement of the Honorable Senator to be correct, and there can be no question as to the knowledge of the writer upon the subject, the enquiry arises; *how could the State of Mississippi, its executive officers and agents, permit an issue and a sale of the State's Bonds, knowing them to be illegal?* And if illegal, why were not the public cautioned not to negotiate for them, before any negotiation or hypothecation could take place. How could the State, or its agents, permit these bonds to go abroad with the taint of usury?

The charter of the Bank prescribed the form of the bonds, which was as follows:

Know all men by these presents, that the State of Mississippi acknowledges to be indebted to the Mississippi Union Bank, in the sum of two thousand dollars, which sum the State of Mississippi promises to pay in current money of the U. S., to the order of the President, Directors and Company, in the year ———, with interest at the rate of five per cent. per annum, payable half yearly at the place mentioned in the endorsement hereto; *viz:* on the ——— of every year, until the payment of the said principal sum.

In testimony whereof, the Governor of the State of Mississippi has signed, and the Treasurer of the State has countersigned, these presents, and caused the seal of the State to be affixed thereto, at Jackson, this ——— in the year of our Lord ———

Governor.
Treasurer.

The bonds were transferable by the President and Cashier of the bank, to order or to the bearer. The charter of the Union Bank was passed in 1838, providing for a capital of \$15,500,000, divided into shares of \$100 each, the capital to be "raised by means of a loan to be obtained by the directors of the institution." To facilitate the establishment of the bank, the faith of the State was pledged "for the security of the capital and interest," and the Governor was authorized to issue 7,500 bonds for two thousand dollars each, at five per cent. interest, redeemable in 12, 18 and 20 years.

In pursuance of this authority, Governor McNutt delivered to the bank, between the 5th and 9th days of June, 1838, twenty-five hundred bonds of \$2,000 each, payable in 12 and 20 years from the 5th February preceding. The bank appointed three commissioners to negotiate a sale of the bonds, under sealed instructions not to sell them "for less than their par value in current money of the United States."

Mr. Nicholas Biddle contracted with the commissioners for the purchase of the whole issue. The contract made the bonds payable at the agency of the Bank of the U. S. in London, in sterling money, at the rate of four shillings six pence to the dollar, and the purchase money was payable in five equal instalments, viz: on the

1 November, 1838,	\$1,000,000	1 May, 1839,	\$1,000,000
1 January, 1839,	1,000,000	1 July, "	1,000,000
1 March, "	1,000,000		

The Bank of the U. S. became a guarantee of the payment by Mr. Biddle, and the money was duly paid to and received by the aforesaid Union Bank of Mississippi.

Of the 2,500 bonds thus issued by the State and purchased of the commissioners by Mr. Biddle, 1543 amounting to \$3,086,000, were afterwards deposited by the Bank of the U. S. as collateral for loans in Europe; a portion of which bonds were held by Hope and Co. of Amsterdam. In less than two years after the Union Bank was chartered, it became insolvent—upon the five millions of dollars realized from Mr. Biddle the Bank prosecuted business for that short period, in "making advances upon cotton, *issuing post notes* and loaning the principal portion of its capital to *insolvent* individuals and companies."

In the annual message of the Governor to the legislature, in January, 1841, he furnishes the following statement of the condition of this bank:

Suspended debts in suit,	\$2,689,869 20
Do. not in suit,	1,777,337 78
Resources chiefly unavailable,	8,034,154 28
Specie on hand,	4,349 06

Liabilities.

Capital Stock,	\$5,008,000
Immediate Liabilities,	3,034,154

adding "not more than one-third of the debts due the bank, will ever be collected, and the whole of its capital is irretrievably lost. It advanced to the planters, in the fall of 1838, sixty dollars per bale upon seven thousand bales of cotton."

The Governor at the same time recommended "placing the bank in liquidation for the benefit of all concerned, and **REPUDIATING** the sale of five millions of the bonds of the year 1838, *on account of fraud and illegality.*"

We do not learn that the Commissioners of the bank were arrested or tried for a participation in this fraud, in realizing five millions of dollars for the use of the institution. It would seem, however, that the whole sum was paid in and very soon exhausted in the legitimate (?) operations of the bank.

In reply to the recommendations of the Governor, joint resolutions were adopted by the two houses of the legislature, in the following words:

First.—"That the State of Mississippi is bound to the holder of the bonds of the State of Mississippi and sold on account of the Planters' and Mississippi Union Bank, for the amount of the principal and interest due thereon."

Second.—"That the State of Mississippi will pay her bonds and preserve her faith inviolate."

Third.—"That the insinuation that the State of Mississippi would repudiate her bonds and violate her plighted faith, is a calumny upon the justice, honor and dignity of the State."

Such was the depreciation of Mississippi bank paper in April, 1838, that it was then selling in Nashville, at 25 or 30 per cent discount.

The banks of the South and West were then in a state of suspension and their prospects of redemption were gloomy. The important bearing which the negotiation of the State Bonds of Mississippi had upon resumption, may be seen by the annexed communication of Mr. Grayson, the then Cashier of the Union Bank. This loan at once enabled Mississippi to accomplish, with little comparative difficulty, the desirable measure of resumption. The friendly aid of a sister city and her capitalists, enabled Natchez to assume a firm position; and one that might long have been maintained, if more judgment and experience had accompanied the management of the banks of the Cotton State.

JACKSON, MISSISSIPPI, September 26, 1838.

To the Editor of the *Mississippian*:

Sir:—Please publish the following resolutions, passed at a meeting of the Directors held this day, viz:—

Resolved, That the resolutions of the banks of New Orleans fixing the first Monday in January next, for the resumption of specie payments, meets the cordial approbation of this Board.

Resolved, That the Mississippi Union Bank, having negotiated its bonds for five millions in GOLD AND SILVER, is prepared to commence and continue its operations as a specie paying bank.

Resolved, That this bank, experiencing the inconvenience of issuing its notes payable on demand, whilst the banks of this and the surrounding States are not deeming their notes in specie, invites the co-operation of the other banks of this State in fixing as early a day as practicable for the general resumption of specie payments.

Resolved, That the post notes of this bank will be received at this counter for all dues to the bank, in the same manner as if payable on demand.

Resolved, That the post notes of this bank will be received in all exchange operations at the same rates as if payable on demand.

Resolved, That the president of this bank open a correspondence with the banks of the State of Alabama, Tennessee and Arkansas, as well as the banks of this State, for the purpose of meeting in convention on the first Monday of December next, at the city of Vicksburg, that harmony and concert of action may be secured in bringing about a general resumption of specie payments, simultaneously with the banks of the city of New Orleans.

W. P. GRAYSON, *Cashier*.

The New Orleans banks, being pretty well fortified, commenced specie payments on the 24th December following; and in the same week the Commercial Bank, the Agricultural Bank, the Mississippi Rail Road Co. and the Planters' Bank, of Natchez, all resumed specie payments.

The Union Bank, not to be behind its neighbors, adopted the following resolutions:

JACKSON, MISSISSIPPI, *December 14, 1838.*

Resolved, That this bank will commence, on the first Monday in January next, to issue notes payable on demand, and will redeem the same in specie or its equivalent.

Resolved, That this bank will check on New Orleans at three per cent. and on Philadelphia at four per cent. (premium) for its post notes; and from and after the first Monday in January next, will continue to check on the above cities for its post notes, as well as notes payable on demand, at the current rates.

WILLIAM P. GRAYSON, *Cashier*.

In the adoption of the resolutions of September, 1838, will be seen the means by which the Union Bank was enabled to carry out the measure of resumption. The sale of State Bonds to the amount of five millions, *in gold and silver*, was the well known and acknowledged lever for this end.

The sale of the bonds had then become a matter of notoriety,—the people of Mississippi were congratulated upon the accomplishment of this *fraudulent* (!) negotiation. To show the estimate in which it was held, and the credit which was given to Mr. Biddle for his agency in the transaction, may be gathered from the following paragraph in the New York Express of September, 1838.

Col. Wilkins and the other commissioners from the State of Mississippi, have returned home, after having effected the sale of their State Bonds for \$5,000,000, by the aid of the United States Bank. The success of their mission is a gratifying evidence of the confidence placed in the inhabitants, and of the vast resources of that State, and reflects credit on Mr. Biddle, *for pursuing a course having a tendency to strengthen the ties that unite the interests of the South with those of the North.*

No State suffered more from pecuniary embarrassment than Mississippi, *yet the sale of the State Bonds, the loan of some \$3,000,000, and the coming cotton crop, will place its affairs on a favorable footing.*

A few months only, however, sufficed to throw a gloom over Mississippi bank credit. In June following, upwards of \$300,000 of Planters' Bank post notes, payable at the Bank of America, were protested for want of funds. These notes had been issued in 1838, payable twelve

months after date, and were held in large sums by merchants of New York and Philadelphia, having been taken in liquidation of claims existing in 1837-8, against Mississippi merchants.—Being payable to order they were endorsed and negotiated, with full confidence in their final liquidation, and the endorsers were consequently compelled to take them up.

A rapid and unnecessary increase of bank capital had taken place in Mississippi, following the refusal by president Jackson to approve the renewal of the U. S. Bank charter. The capital *nominally* increased in that State was about as follows :—

1833, Charters passed,	\$6,000,000
1836, “ “	21,400,000
1837, “ “	10,300,000
1838, The Union Bank,	15,600,000
	53,200,000

The Agricultural Bank, being the depository of the public funds, placed in the hands of the District Attorney of the U. S. negotiable paper to the amount of one million of dollars, as collateral security for the deposits to the credit of the Treasurer U. S. in January, 1840. The general government lost largely by these public depositories, and it has since had cause to regret the untoward change in the bank policy of the country.

The second suspension of specie payment took place at Philadelphia on the 9th October, 1839; at Baltimore on the 10th; at Washington on the 11th, and at Richmond on the 12th. New York and New England maintained specie payments, notwithstanding the course pursued at the South. The Nashville Banks suspended on the following week. The news of suspension at Philadelphia reached New Orleans on the evening of the 18th, after an interval of nine days, and the banks of that city followed suit on the next day, having adopted a resolution to suspend, “until the Northern banks shall have resumed.”

The sudden accession of bank capital, real and nominal, had been too great for Mississippi. The influx of bank paper was enormous—fostered by the general suspension throughout the South and West in 1839-40. The Union Bank had already, in March, 1840, (only eighteen months after the passage of the resolutions of September, 1838) got into discredit. Its anticipated liabilities for the following May, were four millions of dollars, without any hope of meeting them. The *Natchez Courier* of March, 1840, says, in reference to this subject :—

“The credit of the State has been *banked* to death. Insolvency is now our name. Never was a State in such an awful condition. The cry of *Relief* is heard on all sides; but what can a State do that is unable to pay its legislature and the current expenses of the government.”

Brandon money was selling at nine cents on the dollar. According to the report of Judge Guion, the liabilities of Mississippi on her State Bonds, in 1839-40, were as follows :—

MISSISSIPPI STATE BONDS.—The amount of liabilities of the State for bonds already negotiated, is as follows: on account of stock in the Planters' Bank, \$2,000,000, payable in instalments, as follows:

In 1841,	\$125,000	1861,	\$500,000
1846,	125,000	1866,	500,000
1851,	125,000	1871,	500,000
1856,	125,000		

which bear interest at the rate of six per cent. per annum, payable semi-annually in the city of New York. On which bonds the United States Bank have paid a balance of interest due on the last instalment, the sum of \$1,710 00

Interest for the year 1840; one-half due January next, and the other half due July next, 120,000 00
Principal instalment due on the 1st of January next, 125,000 00

Making an aggregate of \$246,710 00

of liabilities on account of the bonds issued for Planters Bank stock, which must be paid before the termination of the present fiscal year. To meet this liability, the only resource of the State is in the sinking fund, which amounts to the sum of \$525,765 00, loaned out to 195 individuals; and of which, in the opinion of your committee, not more than \$200,000 can be realized in the course of four years.

The liabilities of the State, on account of bonds sold for the use of the Union Bank, are as follows:

In 1850,	\$1,250,000	1856,	\$1,250,000
1853,	1,250,000	1858,	1,250,000

which bonds bear interest at the rate of five per cent. per annum, payable semi-annually, in the city of London, and the second and third instalments of which, amounting to \$250,000, will become due and payable before the end of the present fiscal year, making an aggregate amount of \$496,710.

Differences of opinion arose in August, 1840, as to the management of the Union Bank. Governor McNutt was yet in the executive chair, and Ex-governor Runnels held the presidency of the bank. Governor McN. had issued a proclamation, declaring the charter of the bank forfeited, on the ground that it was unconstitutional.

It was not until this period that the constitutionality of the bank law had been brought forward—not until the five millions had become exhausted, and the bank steeped in hopeless insolvency.

Governor Runnels resigned the presidency in the summer of 1840, and was succeeded by Dr. John B. Morgan, who, upon his accession, refused to regard the proclamation of Governor McNutt, and also refused to appoint a commissioner to wind up the affairs of the bank.

The House of Representatives of Mississippi had, at the preceding session, passed a law for the infliction of fines and imprisonment on all persons who should pass small notes. This law was defeated in the Senate. The people having become involved in extravagant expenditures, were not prepared to forego any temporary relief, arising from the circulation of excessive bank issues.

When the Bank of the U. S. was in operation, and its branches at the South and West contributing, by a healthy and restricted system of banking, to the business of the cotton region, no difficulty was experienced in the circulation of notes, then at par from Bangor to New Orleans: nor did solvent merchants experience any difficulty in obtain-

ing appropriate loans, based on legitimate business. The consequence of the suicidal policy of General Jackson's administration, in regard to banks, was fully disclosed at the period we now speak of—viz: January to October, 1840. Where one bank had existed in Mississippi in 1836, with a moderate capital, and with issues based upon the credit of the Union, large State institutions, with millions of nominal capital, were now substituted.

The currency, which had been for many years at par or at a premium, and at any moment convertible into specie, was now superseded by an irredeemable circulation, worth 10, 20, 50 or 70 cents per dollar. Exchange on the East, which, in the primitive days of 1825 to 1833, was about one per cent. premium, was in these latter days *four per cent. premium* for specie paying notes, and 25 to 50 per cent. premium for State bank issues.

Philadelphia, the Quaker city, so cautious in former days, and so sound, had invested largely in Mississippi bank capital. Not contented with loaning that State (through its Union Bank) five millions upon State Bonds, the time-honored merchants of Philadelphia had invested at least one million of dollars in the stock of the Agricultural Bank of Natchez. This institution becoming deeply involved, and holding government deposits to a large amount, was on the high road to ruin. Its stock is now, [1849,] quoted on the Philadelphia Exchange at two dollars and a-half per share.

At the instance of the Philadelphia stockholders of that institution, Mr. Clay presented a memorial to the Senate of the U. S., in March, 1840, stating that they held one moiety of its stock, amounting to two millions of dollars—that they had been induced, by the policy of the government, to become stockholders in it; and they asked for indulgence from the government as a large creditor of the bank. The State bank system which had followed the veto of the U. S. Bank bill, led to the employment of numerous pet banks or depositories of the public funds. The possession of these funds was the foundation of enlarged issues, and of a much larger line of discounts by the banks used by the government, while others were seized with the same desire to extend their operations, and the general result was an inflation, which few could eventually sustain. Even Governor McNutt had become fully aware of the extraordinary state of things existing in his own State. To put a stop to any further inroads upon the rights of the people, he transmitted to the legislature in February, 1840, a veto message, which for brevity, if not for clearness, might serve as a model for his successors, viz :

To the House of Representatives :

VETO MESSAGE.—I return to the house for further action, a bill entitled "an act to amend an act to confer the power of justices and notaries on the president of the board of police and for other purposes," with the following objections:

1st, It is unconstitutional. 2d, It is inexpedient. 3d, It is unnecessary.

A. G. McNUTT.

Executive Department, City of Jackson, February 22, 1840.

Governor McNutt also issued a proclamation against the Union Bank,

to prevent that institution from any further negotiation or hypothecation of the State Bonds held by it: warning all persons and corporations not to advance money or credits on such securities, and declaring all hypothecation or sale of them to be null and void.

A committee of the legislature had, in March, 1840, reported upon the condition of the Union Bank, and had ascertained that the losses on cotton would be immense—that no funds could be provided for \$3,000,000 of the bank's post notes, due in May following: and that the extension of 1, 2, 3, 4 and 5 years credit, granted by the bank to its debtors, would preclude the bank from meeting its own engagements.

Such was the scarcity of funds in the Treasury of the State in May, 1840, that the public printer refused to publish the official documents unless good money could be had in payment. The ordinary currency, receivable for taxes, had depreciated eighty per cent.; and in July, the post notes of the best banks were selling in Natchez at fifty to sixty per cent. discount.

The banks of Mississippi never recovered from the discredit into which they had fallen in 1840. Their paper gradually fell in public estimation—and finally, one by one, they fell through, an almost total loss to their stockholders.

In this general extinguishment of bank capital, not only the State of Mississippi was the sufferer;—the holders of its bank paper, in the adjoining States, likewise sustained severe losses by the utterly valueless condition it soon assumed: while Philadelphia, which had so largely and so freely participated in the "confidence placed in the inhabitants," and in their confidence, "in the vast resources of Mississippi," lost her millions. The failures of the Pennsylvania Bank of the U. States, the Girard Bank, the Natchez Banks, and the Union Bank, all fell heavily upon the city of brotherly love. We doubt whether Philadelphia has recovered at this day from these severe losses. An extinction of twenty-five millions of bank capital within its own limits, superadded to misplaced investments in foreign bank capital to the extent of millions more, cannot be readily recovered from.

In May, 1841, the Union Bank came to a determination to wind up its affairs as speedily as is "consistent with the condition of the country."

In May, 1841, Messrs. Hope and Co. of Amsterdam addressed the Governor of Mississippi, stating the non-payment of the interest due on the Bonds of the Union Bank, and hoping that the State would adopt measures to prevent "irregularities so prejudicial to American credit in general, and to that of the State of Mississippi in particular." To this communication the Governor replied, that "this State will never pay the five millions of dollars of State Bonds issued in June, 1838, or any portion of the interest due or to become due thereon."

The reasons assigned by the Governor to the legislature in 1841, for his opinion in reference to the Union Bank bonds were substantially as follows:—

1st. The Bank of the U. S. is prohibited by its charter from purchasing stock, either directly or indirectly.

2nd. It was fraudulent on the part of that bank, inasmuch as the cou-

tract was made with an individual, when it was for the benefit of the bank and payment was made with its funds.

3rd. The sale was illegal, as the bonds were sold on a credit.

4th. Interest to the amount of one hundred and seventy thousand dollars, having accrued on these bonds before the purchase money was stipulated to be all paid, the bonds were, in fact, sold for less than their par value, in direct violation of the charter of the bank.

Now 1st. The contract was made between Mr. Biddle as an individual and the agents who were duly appointed by the bank. They raised no objection at the time to the validity of the contract: nor was any objection urged as to the character of the funds realized.

2nd. The grounds urged by the Governor, as to the transaction being between the Bank and Mr. Biddle, might properly have been stated by the Bank in case of its own default; but inasmuch as the contract was faithfully executed on their part and the State suffered no delay, surely the latter makes a sad figure in such a defence.

3rd. If the sale was illegal, why did not the State's properly constituted agents, or the bank, acting under the eye of the executive, refuse to receive the funds arising from the negotiation. The State had its own directors in the bank, who were, or should have been, fully aware of the transaction with Mr. Biddle. They urged *then* no illegality, but on the contrary assented to the reception of the money and participated in the meetings for the loans afterwards made to the people of Mississippi, of these identical funds.

4th. There seems to us no doubt that had the contract been submitted to the executive, the legislature, the bank, and the people of the State at large, for their approval, as a condition precedent to execution, and before the money had reached the vaults of the bank and the pockets of the people, no voice would have been raised against it. On the contrary, so glad was the Union Bank to avail themselves of the liberal offer of Mr. Biddle and so ready was the State to carry out the contract, that a loan was shortly after made to the State, we are informed, to the amount of \$175,000; the State thereby becoming a *particeps criminis* to the *illegal transaction*, so termed.

5th. If the Mississippi Bank did actually part with the Bonds at a price which may be deemed under par, inasmuch as the funds for their payment were not realized for some months, yet it appears that the premium charged by the Bank for its bills on Philadelphia were sold at an actual premium of four per cent. The exchange may be fairly considered as an offset against the delay in the receipt of the funds.

In order to place the matter fully before our readers we now insert the letter of Hope and Co. and the reply of Governor McNutt.

To the Governor of the State of Mississippi.

The undersigned, as trustees for the holders of debentures of the Bank of the United States at Philadelphia, on deposit of American state stocks, and amongst others, of a considerable amount of bonds of the State of Mississippi, bearing five per cent. interest, issued through the Union Bank of Mississippi, and made payable to the agency of the United States Bank of Pennsylvania, in London, the principal in 1850 and 1856, and the dividends semi-annually in May and November, having

been refused payment of the interest due the first of this month, on said bonds, are compelled to address themselves to the government of the State of Mississippi; and from their confidence in the faith of that government, they feel convinced, that the simple mentioning the fact of the non-payment will be a sufficient stimulus for the government of the State of Mississippi to take immediate measures for the payment of the interest now due and which will further successively become due on those bonds, and to prevent irregularities or demur so prejudicial to the interest of American credit in general, and to that of the State of Mississippi in particular.

Amsterdam, 22nd May, 1841.

HOPE & Co.

Executive Department, City of Jackson, July 13, 1841.

GENTLEMEN:—I have received your letter, dated Amsterdam, 22d May, 1841, post marked Washington city, June 21st, 1841, and bearing the official frank of the Honorable Daniel Webster, Secretary of State of the United States. I have duly considered the contents thereof. Those bonds were not sold in accordance with the constitution and laws of this State—they were delivered by me as *escrows*, to be sold at not less than their *par value*, and for cash, as the statute of this State required. The charter of the Mississippi Union Bank prescribes not only the substance, but the form of the bonds; and provides that they shall be in the sum of two thousand dollars each—"which sum, the said State of Mississippi, promises to pay in *current money* of the United States," to the order of the bank, with interest at the rate of five per cent. per annum, payable half yearly at the place named in the endorsement of the bonds. The act further provides, that "said bonds shall not be sold under their *par value*." The bonds having been delivered to the managers of the bank to be sold on certain conditions, the State cannot be bound for their redemption, unless the terms prescribed were complied with in the sale. The constitution of this State expressly provides, that "no law shall ever be passed to raise a loan of money upon the credit of the State, or to pledge the faith of the State for the payment or redemption of any loan or debt, unless such law be proposed in the senate or house of representatives, and be agreed to by a majority of the members of each house and entered on their journals, with the yeas and nays taken thereon, and be referred to the next succeeding legislature and published for three months previous to the next regular election, in three newspapers of this State; and unless a majority of each branch of the legislature so elected after such publication, shall agree to and pass such law; and in such case, the yeas and nays shall be taken and entered on the journals of each house: Provided, that nothing in this section shall be so construed as to prevent the legislature from negotiating a further loan of one and a-half millions of dollars, and vesting the same in stock reserved to the State by the charter of the Planters Bank of the State of Mississippi."

Five millions of State Bonds, dated the 5th, 6th, 7th, 8th and 9th days of June, 1838, were sold by the commissioners appointed by the Mississippi Union Bank, to N. Biddle, Esq., on the 18th day Aug. 1838, for five millions of dollars lawful money of the United States, payable in five equal instalments, of one million dollars each, on the first day of November, one thousand eight hundred and thirty-eight, and on the first days of January, March, May and July, in the year one thousand eight hundred and thirty-nine, and made "payable at the agency of the Bank of the U. States in London, in *sterling money of Great Britain*, at the rate of four shillings and sixpence to the dollar, with interest payable semi-annually, at the same place and rate." No authority was ever given by an act of the legislature of this State, to change the currency in which said bonds were made payable. By selling the bonds on a credit, and changing them from dollars, current money of the United States, to pounds sterling of Great Britain, the following sums were lost:

Interest on five millions State Bonds, from 7th June, 1838 to 1st November 1838,	\$100,000 00
Interest on four millions 2 months,	838,338 8
Interest on three millions 2 months,	24,999 96
Interest on two millions 2 months,	16,666 64
Interest on one million 2 months,	8,333 32
	\$183,338 80
Difference between five millions dollars, principal of State Bonds, in current money of the United States and sterling money of Great Britain, at four shillings and sixpence to the dollar,	478,750 00
Difference of interest on \$1,250,000 of State Bonds, payable in twelve years, between current money of the United States and pounds sterling of Great Britain, at four shillings and sixpence to the dollar,	59,625 00
Difference of interest on \$3,750,000 of State Bonds, payable in twenty years, between current money of the United States and pounds sterling of Great Britain, at four shillings and sixpence to the dollar,	363,038 00
	\$1,084,781 30

From the above statement, it will be perceived that one hundred and eighty-three thousand three hundred and thirty-eight dollars and thirty cents, were lost by selling the five millions dollars of bonds on a credit and paying interest thereon from their respective dates; and the further sum of nine hundred and one thousand three hundred and forty-three dollars, was lost by changing the bonds from dollars, current money of the United States, to pounds sterling of Great Britain. These two items amount to the enormous sum of one million eighty-four thousand seven hundred and eighty-one dollars and thirty cents. Surely, such a sale cannot be binding on the State of Mississippi. The faith of this State was pledged for the payment of those bonds only on one condition, that they were not sold at less than their par value. The State expected the full amount of those bonds to be paid into the vaults of the Mississippi Union Bank. If the full amount had been received and the currency in which they were made payable not have been changed, the bank would have been better enabled to indemnify the State.

It appears that the bonds were endorsed in blank by the officers of the bank and delivered to the commissioners charged with the sale. Neither their power of attorney nor letter of instructions authorized those gentlemen to fill up said endorsement by making the bonds and coupons payable in pounds sterling of Great Britain at the rate of four shillings and sixpence to the dollar. If such a change had been made on the face of the bonds after their execution and delivery to the bank, the parties making the alteration would have been guilty of forgery and could have been immured in the penitentiary for the offence. It will be no answer to the argument to allege that the endorsement could only bind the Mississippi Union Bank. That institution has undertaken to pay both the principal and interest of the bonds. If the bank is compelled to pay the one million eighty-four thousand seven hundred and eighty-four dollars and thirty cents, for the loss sustained by the credit sale of the bonds and the change in the currency in which they were made payable, her means will be reduced that amount, and the risk of the State thus greatly increased. The State was willing to intrust her credit to the bank on the conditions prescribed in the charter. The faith of this government has never been pledged for the illegal and fraudulent sale of those bonds.

This is a constitutional government and all its officers take an oath to support the constitution of the State, and faithfully to discharge the duties of their respective

offices. Her chief magistrate is required to take care that the laws be faithfully executed. He would be recreant to his trust and violate his official oath, were he to suffer the laws of the land to be trampled upon and the constitution disregarded.

The contract for the sale of the State Bonds, shows that the statutes of the State in relation to the bonds, were made a part of the contract. The purchaser was well aware of the conditions on which they were issued, and knew that the purchase was neither sanctioned by the constitution and laws of this State nor of Pennsylvania. The contract was guaranteed by the Bank of the United States. The whole of the purchase money was paid by that institution. The name of Mr. Biddle was merely used in the contract as a *device*, to get round that clause in the charter of the Bank of the United States, which prohibits her from dealing in State Stocks. The currency in which the bonds were made payable, was changed from dollars to pounds sterling to give a false coloring to the transaction, and make it appear that the bonds were sold at par value. The principle is universal that fraud vitiates all contracts. The commercial law of this State relative to negotiable paper, is different from that of most other countries. The transfer of bonds and notes, does not prevent the drawer from setting up any defence against an innocent purchaser which could be more available against the original payee.

The State therefore, denies all obligation to pay the bonds held in trust by you, for the following reasons :

- 1st. The bonds were sold on a credit.
- 2d. The currency in which the bonds were made payable, was changed from current money of the United States to pounds sterling of Great Britain, at the rate of four shillings and sixpence to the dollar.
- 3d. The contract of the sale was fraudulent.
- 4th. The Bank of the United States was not authorized to make the purchase.
- 5th. The bonds were sold at less than their par value, in violation of the charter of the bank.

The money paid for those bonds did not come into the State Treasury. The officers of this government had no control over its disbursement.—The bonds were disposed of in August, 1838, by collusion and fraud, in violation of the constitution and laws of this State. The Mississippi Union Bank, and the Bank of the United States were parties to this unlawful transaction. You have the endorsement of both of these institutions, and to them you must look for payment. *This State never will pay the five millions of dollars of State Bonds issued in June, 1838, or any portion of the interest due, or to become due thereon.*

When I ascertained in January, 1839, the terms on which the bonds had been sold, I communicated the same by message to the legislature and denounced the sale as illegal. At that time only two millions of dollars had been paid on the bonds by the Bank of the United States. By a proclamation I subsequently issued, the sale of the second five millions of dollars of State Bonds delivered to the Mississippi Union Bank, was prevented. I absolutely refused to execute the last five and a-half millions of dollars of State Bonds demanded by that institution. These decisive measures prevented the illegal disposal of ten and a-half millions of dollars of State Bonds and will convince you that the government of this State never has countenanced, and cannot be made responsible, for the fraudulent acts of the Mississippi Union Bank.

I have forwarded to your address, the journals of the legislature of this State, for the years 1840 and 1841. It will afford me much pleasure to forward you such other documents as you may desire. I am anxious that the bond-holders should be possessed of all the facts in relation to the issuance and disposal of the bonds held by them. Your great experience in commercial affairs, no doubt has made you familiar with the principle that parties contract with reference to the law, and that in a con-

stitutional and free government every act of a public functionary is merely an exercise of delegated power intrusted to him by the people for a specific purpose, and that his acts are the acts of the people, only while within the powers conferred upon him.

I am, gentlemen, very respectfully, your obedient servant,

A. G. McNUTT.

Messrs. Hope & Co. Amsterdam, Holland.

As an offset to the views entertained by the Governor, we add extracts from a letter of the Hon. John Henderson, then a member of the U. S. Senate, and published in November, 1841.

Mississippi now surpasses four of her sister states of the old thirteen, and three of the new states, in representative population. We grow the largest agricultural export of any state in the union, and the largest for its population, of any state in the world—besides growing as much corn for home consumption as all the New England states together. If, therefore, we had all our bonds to pay without assistance from the banks that owe them, and this payment were assessed equally upon a full cotton crop of a single year, it would only diminish the year's product as left for enjoyment of our citizens to an ordinary short crop. I, of course, will be understood in this proposition as using it only to expose the exaggerated fallacies of those who would cheat our citizens out of their good sense and good faith, by alarming their apprehensions with the imagined burdens of taxation and ruinous consequences they must encounter to support the honor and integrity of the State. No one supposes our debt is to be paid in a single year. The contract does not authorize it, and no financial prudence would justify or require it. But it is clear, if our citizens could survive one short crop without ruin, they could, if necessitated, pay this whole debt in a single year from the proceeds of a full crop, with no greater distress than a failure of less than half of a single export crop would cost them. As a question of policy then, how mistaken and mischievous is that which proposes to our citizens the repudiation of our State Bonds? All will agree our debt is a large one, and requires good economy to pay it without some inconvenience. All will concur in condemning the causes which devolved this debt upon us. But to justify or excuse the principle of repudiation, we exaggerate the debt—we exaggerate the respective burdens necessary to discharge it—we give to ourselves the worst reputation abroad, in exaggerating the moral delinquencies of our citizens and public functionaries, in contracting the debt and wasting the proceeds. Every matter of apprehension, of obloquy, or censure, is exaggerated for the purpose of nerving the people with a spirit of bitterness and exasperation, requisite to adopting the desperate and fatal policy of dishonoring the bonds and plighted faith of the State.

In this state of things, the several communities abroad and around us are watching this singular contest with astonishment, derision, pity or reproach.—Its tendency is to check emigration to the State, and promote that of our citizens from the State. It diminishes the price of our real property and its citizens; and none of us, in the estimate of strangers, can or do escape a portion of the moral blight which this question inflicted upon us. I doubt much, if those who for months past have been engaged in this strife, excited by party violence and prejudiced by their pecuniary interest which this question involves, apprehend its consequences and perceive its bearings with unbiassed judgment. Most of you, my fellow citizens, are emigrants from the States of Virginia, North and South Carolina, Georgia, Kentucky and Tennessee.

Your former friends and acquaintances in those States can have no interest in this agitating subject, aside from your honor and prosperity. Have you deemed it of sufficient importance to ascertain how these impartial judges regard the question?

You cannot be indifferent to their good opinion nor to the honor of the State of your adoption. Now, as for months past, I have heard much more of this subject without than within the State, I will pledge you my best judgment and information that not one in twenty of the citizens of those States, who have noticed the subject, but condemns the anti-bond policy urged for your adoption. No evasive plea in abatement, even if temporarily successful, will justify us in the judgment of our peers. The moral sense of communities and of mankind will condemn us.

Suppose then, you who urge the measure, achieve that disastrous majority against the payment of these bonds—what then? How long can the position be vindicated? Suppose you were to maintain that position five years—beside the dishonor, which a score of years could not efface, I verily believe as a question of dollars and cents, the State would lose more in consequence of its position in that time than would be sufficient to pay the debt. And what finally, after all? Does any one suppose, if the banks are unable to pay these bonds, they are to remain forever unpaid? Trust no such counsellors. No, after we shall have run the round of dishonor and humility, and greatly diminished or retarded the resources of our State, either from coercion or a constrained choice, we shall at last pay the bonds. Honesty, therefore, is still the better policy. Not more honorable merely, but in this instance a great deal cheaper. For if we cripple the credit and resources of the State by a vote of repudiation, each dollar we shall afterwards pay will have cost us two. Every incentive, then, save the temporary success as a party, urges us to the public recognition of our State Bonds—the prompt payment of the interest thereby due, and a renewed pledge to maintain our public faith untarnished for the future.

The Vicksburg Sentinel, of the same period, thus recorded the recent decision of that State with regard to State Bonds :

“The people of Mississippi have repudiated the illegal bonds now held in the name of the State by a band of stock gamblers in Europe, fraudulently obtained through the agency of Nicholas Biddle. This is only the commencement of that mighty *political MORAL AND SOCIAL revolution* commenced in this State, and which is destined, before many years, to sweep over Florida, Maryland, Pennsylvania, New York, Michigan, Indiana, Illinois, and Louisiana. Two years ago last September, we announced the principle of repudiation, and now the people of a sovereign state have decided the question. We hope that engine of popular oppression—borrowing on the faith of the State—is at an end.”

We have done all that justice required towards the State of Mississippi. We have given the views of her own executive officers, of her Senators of 1840 and 1849 : with such concurrent facts as will elucidate the bank history of that period.

The results of the banking policy of Mississippi are known.

Some few of the bank stocks of Natchez and Grand Gulf are still kept on 'Change at Philadelphia. Their quotations in August last were as follows :

Commercial and Rail Road Bank of Vicksburg,	. . . . .	14 a	15	per share
Planters' Bank of Mississippi,	. . . . .	1½ a	1¾	“
Agricultural Bank of Natchez,	. . . . .	2 a	2½	“
Grand Gulf Bank,	. . . . .	2 a	3	“

Mississippi maintains the position once taken, to repudiate the bonds issued and negotiated through Mr. Biddle. In this position, the State is defended by one of her own Senators in Congress. Repudiation is a by-word and reproach to Americans abroad, for no hair-breadth distinctions are made among many in Europe, between the State of Mississippi

and the State of New York. No creditor will undertake to go through a process of law to compel payment by one of the United States.

Well has it been said by Vattel, "justice is the basis of all society, the sure bond of all commerce. Human Society, far from being an intercourse of assistance and good offices, would be no longer any thing but a vast scene of robbery, if no respect were paid to this virtue, which secures to every one his own."

And well has it been added by a cotemporary,—“a healthy tone of moral sentiment; well regulated public opinion; the influence of the natural and innate sense of justice, are the only securities on which creditors can depend, in their dealings with States.

“Between individuals, justice may be well enough administered by the courts; but where a sovereign community is concerned, an adherence to the unavoidable subtleties and necessary refinements of the law, are inconsistent alike with its dignity and its faith.

“The relation between debtor and creditor, in all cases involving the repose of confidence, is pre-eminently a fiduciary relation, when the debtor is a sovereign state. It should be distinguished by that *uberrima fides*, which scorns the strict letter of the contract, and regards its spirit and intentions. We place the obligation of Mississippi, to redeem her bonds, upon the broad and immutable principles of justice. The question is not whether by nice distinctions of law she be able to escape her liabilities, but whether she be not IN JUSTICE bound to redeem them, because the purpose of issuing her stock, was substantially answered.

“Yet the fraud of the Union Bank, by which the State has been deprived of many anticipated advantages, is the motive cause of that greater fraud upon its creditors which Mississippi undertakes to perpetrate. The consideration of State dignity and faith; the tremendous moral influence of such an example; the deep blow it inflicts upon AMERICAN CREDIT, whether of individual citizens, of corporations, of sovereign commonwealths, or of the federal government; the indelible and fatal stain upon our NATIONAL HONOR, are all disregarded. Resort is had for justification, not to enlarged considerations of national justice, but to the narrow technicalities of municipal law; not to the comprehensive reasoning of an enlightened statesman, but to the cunning refinements of a pettifogging attorney; and the grave question of State honor is discharged by the governor, as if the commonwealth were an insolvent client, whom he was laboring to save from a jail.

“The voice of condemnation will swell in louder and more unequivocal tones against a State, which, resting upon its sovereign community, declares itself above compulsion and deaf to the voice of JUSTICE.

“We have sufficient confidence in our countrymen to believe that their foreign debt will be paid. Boundless wealth, exhaustless resources, are at their disposal; activity and enterprise, without parallel in the history of the world, stand ready to develop them. Time and determination to do justice are all which are required, and the blessing of Heaven must attend their righteous labor.”

The vital importance of an observance of public faith in a Nation or in a State, is so forcibly elucidated by our first Secretary of the Treasury, Alexander Hamilton, that we cannot omit the adoption of his language, in connection with the preceding quotations:

To attempt to enumerate the complicated variety of mischiefs in the whole system of the social economy, which proceed from a neglect of the maxims that uphold public credit, and justify the solicitude manifested by the House on this point, would be an improper intrusion on their time and patience.

In so strong a light, nevertheless, do they appear to the Secretary, that, on their due observance, at the present critical juncture, materially depends, in his judgment, the individual and aggregate prosperity of the citizens of the United States; their relief from the embarrassments they now experience; their character as a people; the cause of good government.

If the maintenance of public credit, then, be truly so important, the next inquiry which suggests itself is, by what means is it to be effected? The ready answer to which question is, by good faith; by a punctual performance of contracts. States, like individuals, who observe their engagements, are respected and trusted; while the reverse is the fate of those who pursue an opposite conduct.

Every breach of the public engagements, whether from choice or necessity, is, in different degrees, hurtful to public credit. When such a necessity does truly exist, the evils of it are only to be palliated by a scrupulous attention, on the part of the Government, to carry the violation no further than the necessity absolutely requires; and to manifest, if the nature of the case admit of it, a sincere disposition to make reparation whenever circumstances shall permit. But, with every possible mitigation, credit must suffer, and numerous mischiefs ensue. It is, therefore, highly important, when an appearance of necessity seems to press upon the public councils, that they should examine well its reality, and be perfectly assured that there is no method of escaping from it, before they yield to its suggestions. For, though it cannot safely be affirmed that occasions have never existed, or may not exist, in which violations of the public faith, in this respect, are inevitable; yet there is great reason to believe that they exist far less frequently than precedents indicate, and are oftenest either pretended, through levity or want of firmness; or supposed, through want of knowledge. Expedients often have been devised to effect, consistently with good faith, what has been done in contravention of it. Those who are most commonly creditors of a nation, are, generally speaking, enlightened men; and there are signal examples to warrant a conclusion, that, when a candid and fair appeal is made to them, they will understand their true interest too well to refuse their concurrence in such modifications of their claims as any real necessity may demand.

While the observance of that good faith, which is the basis of public credit, is recommended by the strongest inducements of political expediency, it is enforced by considerations of still greater authority. There are arguments for it which rest on the immutable principles of moral obligation. And in proportion as the mind is disposed to contemplate, in the order of Providence, an intimate connection between public virtue and public happiness, will be its repugnancy to a violation of those principles.

To justify and preserve their confidence; to promote the increasing respectability of the American name; to answer the calls of justice; to restore landed property to its due value; to furnish new resources, both to agriculture and commerce; to cement more closely the union of the States: to add to their security against foreign attack; to establish public order on the basis of an upright and liberal policy;—these are the great and invaluable ends to be secured by a proper and adequate provision, at the present period, for the support of public credit.

It was urged by Governor McNutt in one of his annual messages, and a similar argument has been urged in other quarters, that the State bonds having passed to third hands, and in progress of time, by depreciation, to parties who had paid a merely nominal sum for them, that the State was not bound to pay the full price of the bonds.

"The bank, I have been informed, has hypothecated these bonds, and borrowed money upon them, of the Baron Rothschild. The blood of Judas and Shylock flows in his veins, and he unites the qualities of *both his countrymen*. He has mortgages upon the silver mines of Mexico and the quick-silver mines of Spain. He has advanced money to the Sublime Porte, and taken, as a security, a mortgage upon the holy city of Jerusalem and the Sepulchre of our Saviour. It is for this people* to say whether he shall have a mortgage upon our cotton fields and make serfs of our children."

Such notions of mortgages, hypothecations, and sales at largely depreciated prices to remote parties, are well met in the able remarks of Secretary Hamilton, as adopted in his message to Congress sixty years ago, twenty-seven years before Mississippi had become a State. In that able "view of the origin and the terms upon which the public debt has been contracted, with plans submitted for the restoration of the public credit," that eminent statesman used the following language, which we find so peculiarly and unfortunately applicable to the condition of a portion of our States' finances—language which should never be forgotten by the legislators and financiers of this Union. The sentiments of that writer may well be adopted as a text or model for future statesmen, and should be especially engrafted upon the public policy of those States whose finances are dilapidated or verging on repudiation.

The Secretary has too much deference for the opinions of every part of the community, not to have observed one which has more than once made its appearance in the public prints, and which is occasionally to be met with in conversation. It involves this question: Whether a discrimination ought not to be made between original holders of the public securities and present possessors by purchase? Those who advocate a discrimination, are for making a full provision for the securities of the former at their nominal value; but contend that the latter ought to receive no more than the cost to them, and the interest. And the idea is sometimes suggested, of making good the difference to the primitive possessor.

In favor of this scheme, it is alleged, that it would be unreasonable to pay twenty shillings in the pound to one who had not given more for it than three or four. And it is added, that it would be hard to aggravate the misfortune of the first owner, who, probably, through necessity, parted with his property at so great a loss, by obliging him to contribute to the profit of the person who had speculated on his distresses.

The Secretary, after the most mature reflection on the force of this argument, is induced to reject the doctrine it contains, as equally unjust and impolitic; as highly injurious, even to the original holders of public securities; as ruinous to public credit.

It is inconsistent with justice, because, in the first place, it is a breach of contract—a violation of the rights of a fair purchaser.

The nature of the contract, in its origin, is, that the public will pay the sum expressed in the security, to the first holder or his assignee. The intent in making the security assignable, is, that the proprietor may be able to make use of his property, by selling it for as much as it may be worth in the market, and that the buyer may be safe in the purchase.

Every buyer, therefore, stands exactly in the place of the seller; has the same right with him to the identical sum expressed in the security; and, having acquired that right by fair purchase, and in conformity to the original agreement and intention of the Government, his claim cannot be disputed without manifest injustice.

* The people of Mississippi.

BANK STATISTICS.

OHIO.

Quarterly Report of the Banks of Ohio, 6th August, 1849.

RESOURCES.	Eleven Independent.	Forty State Branches.	Five Old Banks.
Notes and Bills Discounted,	\$1,883,991	\$9,168,025	\$3,391,827
Specie,	300,940	2,496,980	412,000
Notes of other Banks,	236,025	930,870	644,172
Bank Balances,	198,960	420,545	180,282
Eastern Deposits,	261,856	942,246	303,100
Cash Items,	35,272	48,646	69,606
Bonds Deposited,	1,154,456	821,044	.....
Real Estate,	50,610	131,888	125,356
Miscellaneous,	104,726	156,434	280,067
Total Resources,	\$4,226,736	\$15,116,678	\$5,406,410
LIABILITIES.	Independent Banks.	State Branches.	Old Banks.
Capital paid in,	\$670,650	\$4,347,311	\$2,011,226
Circulation,	1,036,156	7,624,306	1,203,217
Safety Fund,	1,074,817	68,302	.....
Bank Balances,	158,601	312,574	820,116
Depositors,	1,064,070	2,229,241	1,087,324
Surplus Fund,	115,230	193,344	232,302
Time Drafts,	23,650	147,862	10,840
Profits,	44,240	195,660	14,604
Dividends Unpaid,	8,610	8,972	22,229
Miscellaneous,	40,712	3,106	4,552
Total Liabilities,	\$4,226,736	\$15,116,678	\$5,406,410

Comparative View of the Ohio Banks, 1847, 1848, 1849.

RESOURCES.	May, 1847.	Nov. 1848.	August, 1849.
Notes and Bills Discounted,	\$10,936,661	\$13,678,848	\$14,443,843
Specie,	2,026,551	2,900,700	3,209,920
Notes of other Banks,	1,081,561	1,259,437	1,811,067
Bank Balances,	619,863	920,162	799,687
Eastern Deposits,	1,262,166	1,586,584	1,507,202
Cash Items, . . . . .	.....	.....	153,524
Bonds with State Treasurer,	1,170,270	1,799,451	1,975,500
Real Estate, . . . . .	.....	.....	307,854
Miscellaneous,	1,331,642	833,744	541,227
Total Resources,	\$18,328,719	\$22,978,926	\$24,749,824
LIABILITIES.			
Capital paid in,	\$5,071,729	\$6,654,418	\$7,029,187
Circulation,	7,281,029	9,166,680	9,863,679
Safety Fund,	806,000	1,091,212	1,143,119
Bank Balances,	1,051,860	980,170	1,291,291
Depositors,	3,356,837	4,170,360	4,369,635
Surplus Fund,	269,004	485,430	530,876
Time Drafts, . . . . .	.....	.....	182,352
Profits, . . . . .	.....	.....	254,504
Miscellaneous,	492,260	430,650	85,181
Total Liabilities,	\$19,328,719	\$22,978,926	\$24,749,824

GEORGIA.

Bank of the State of Georgia and Branches, 1845-49.

LIABILITIES.	Oct. 1845.	April, 1846.	Oct. 1847.	1 Oct. 1849.
Capital,	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Deposits,	398,453	464,137	336,019	411,040
Bank Balances, . . . . .	.....	57,952	56,270	.....
Do. between Bk. & Branches,	5,774	472,732	264,650	12,497
Surplus Fund, &c.,	80,128	89,242	86,910	67,424
Circulation (Nett)	518,823	733,509	866,853	897,764
Total,	\$2,503,178	\$3,217,572	\$3,260,702	\$2,879,715

RESOURCES.	1845.	1846.	1847.	1849.
Discounted Notes,	\$1,212,050	\$1,317,147	\$1,322,474	\$1,377,090
Bills of Exchange,	172,872	419,524	276,032	367,819
Stocks, Bonds, &c.,	363,185	333,776	369,306	304,321
Specie on Hand,	466,567	395,246	466,347	419,384
Bank Balances,	57,593	96,363	217,133	235,046
Real Estate,	163,141	156,103	149,970	141,810
Expense Account,	18,979	20,356	19,204	12
Balances between Branches, . . . . .	.....	474,009	353,694	.....
Notes of other Banks,	34,907	93,473	82,442	33,233
Miscellaneous,	13,883	11,574	5,100	.....
Total Resources,	\$2,503,178	\$3,317,572	\$3,260,702	\$2,879,715

<i>Bank and Branches, Oct. 1849.</i>	<i>Capital.</i>	<i>Loans & Stocks.</i>	<i>Circulation.</i>	<i>Deposits.</i>
Savannah,	\$800,000	\$951,123	\$427,193	\$183,303
Augusta Branch,	400,000	439,066	256,659	58,640
Washington "	100,000	172,711	75,989	65,814
Easton "	100,000	162,004	84,000	21,549
Athens "	100,000	175,060	102,472	52,302
Macon " . . . . .	.....	130,640	2,584	14,436
Milledgeville " . . . . .	.....	5,352	2,750	.....
Griffin " . . . . .	.....	13,274	.....	10,458
Total Bank and Branches,	\$1,500,000	\$2,049,230	\$951,932	\$406,493

Mechanics Bank, Augusta, Georgia.

LIABILITIES.	April, 1846.	Oct. 1847.	Oct. 1849.
Capital Stock,	\$500,000	\$500,000	\$500,000
Circulation,	665,039	565,570	523,590
Individual Deposits,	91,638	164,965	184,970
Bank Balances,	69,933	43,218	6,814
Undivided Profits,	122,156	114,013	152,908
Miscellaneous, . . . . .	.....	1,232	4,908
Total Liabilities,	\$1,448,765	\$1,389,018	\$1,378,190

RESOURCES.	April, 1846.	Oct. 1847.	Oct. 1849.
Notes, Discounted, &c.,	\$*724,664	\$363,560	\$340,393
Bills of Exchange,	*446,092	372,313	417,102
Georgia and Augusta Bonds, . . . . .	.....	128,720	97,275
Stocks, . . . . .	.....	13,670	14,296
Real Estate, . . . . .	.....	70,132	72,793
Bank Balances, . . . . .	.....	115,347	40,095
Notes of other Banks,	124,914	23,970	109,060
Specie on Hand,	152,698	239,781	254,500
Miscellaneous,	407	61,525	32,676
Total Resources,	\$1,448,765	\$1,389,018	\$1,378,190

*Loans, Real Estate, &c., included.

Planters' Bank of the State of Georgia, Savannah.

LIABILITIES.		Oct. 1845.	April, 1846.	Oct. 1847.	1 Oct. 1849.
Capital Stock,		\$535,400	\$535,400	\$535,400	\$535,400
Circulation,		191,620	218,200	254,496	272,200
Deposits,		265,205	335,635	210,792	174,463
Profits Undivided,		127,844	113,497	144,045	155,182
Bank Balances,		5,706	46,608	69,271	89,795
Total Liabilities,		1,125,775	1,249,340	1,213,994	1,226,990
RESOURCES.		Oct. 1845.	April, 1846.	Oct. 1847.	1 Oct. 1849.
Notes Discounted,		\$492,915	\$587,927	\$540,435	\$499,875
Suspended Bills,		146,955	123,890	105,411	55,391
Real Estate,		51,615	51,615	49,515	50,579
Bills of Exchange,		65,375	122,022	59,073	101,540
Bonds and Stocks,		167,200	169,803	171,226	157,276
Specie on Hand,		133,896	127,324	146,990	154,138
Northern Funds,		37,351	47,572	115,581	173,935
Bank Balances and Notes,		36,664	15,050	21,912	26,828
Expense Account,		3,804	4,147	3,551	4,423
Total Resources,		1,125,775	1,249,340	1,213,994	1,226,990

Central Rail Road and Banking Company, Savannah.

LIABILITIES.		5 Oct. 1847.	1 Oct. 1849.
Rail Road Capital,		\$2,343,665	\$2,438,927
Bank Capital,		205,500	205,790
Circulation,		44,811	76,640
Bank Balances,		13,763	16,744
Individual Deposits,		38,690	100,110
Bonds Issued,		213,060	215,482
Profits Undivided,		174,733	243,374
Miscellaneous, . . . . .		.....	6,670
Total Liabilities,		\$3,034,221	\$3,353,737
RESOURCES.		Oct. 1847.	Oct. 1849.
Notes and Bills Discounted,		\$258,450	\$291,764
Bonds and Stocks,		20,000	203,500
Real Estate,		43,436	18,812
Rail Road,		2,600,000	2,599,564
Do. Expenditures,		77,834	95,037
Specie on Hand,		11,144	30,770
Bank Balances,		16,430	89,350
Bank Notes,		6,925	17,455
Miscellaneous, . . . . .		....	7,455
Total Resources,		\$3,034,221	\$3,353,737

Recapitulation, 1 October, 1849.

	Capital.	Circulation.	Deposits.	Coin.
Bank of the State of Georgia,	\$1,500,000	\$887,000	\$411,000	\$419,000
Planters Bank,	535,400	272,000	174,000	154,000
Marine and Fire Insurance Bk.,	578,750	494,000	180,000	201,000
Central R. R. and Banking Co.,	206,790	76,000	100,000	30,000
Mechanics Bank, Augusta,	500,000	523,000	215,000	254,000
Total 1 October, 1849,	\$3,319,840	\$2,257,000	\$1,080,000	\$1,068,000
Total 5 October, 1847,	3,140,900	2,206,000	961,000	1,060,000

Marine and Fire Insurance Bank, including Agencies at Macon and Griffin.

LIABILITIES.		April, 1846.	Oct. 1847.	1 Oct. 1849.
Capital Stock,		\$400,000	\$400,000	\$579,750
Circulation,		673,442	477,650	494,206
Deposits,		241,613	161,941	180,626
Bank Balances,		85,266	36,027	55,975
Undivided Profits,		86,546	108,794	126,054
Total Liabilities,		\$1,486,867	\$1,184,412	\$1,435,611
RESOURCES.		April, 1846.	Oct. 1847.	1 Oct. 1849.
Notes Discounted,		\$382,224	\$384,578	\$409,323
Bills of Exchange,		551,067	179,891	407,130
Suspended Paper,		38,443	35,981	31,700
Bonds and Stocks,		114,941	103,623	74,380
Real Estate,		22,910	27,763	22,297
Bank Balances,		93,461	61,770	79,458
Specie on Hand,		220,473	197,943	201,683
Northern Exchange, . . . . .		.....	164,995	187,756
Notes of other Banks, &c.		63,348	27,968	21,554
Total Resources,		\$1,486,867	\$1,184,412	\$1,435,611

MASSACHUSETTS.

Dividends of the Boston Banks, April and October, 1849.

Name.	Location.	Capital.	Dividend.	Octo., 1849.	April, 1849.
Atlantic Bank,	8 Kilby Street,	\$500,000	4	\$20,000	\$20,000
Atlas Bank,	60 State "	500,000	3½	17,500	17,500
Boston Bank,	48 " "	900,000	4	36,000	36,000
Boylston Bank,	Wash'ton "	200,000	4	8,000	8,000
City Bank,	61 State "	1,000,000	3½	35,000	35,000
Columbian Bank,	34 " "	500,000	3½	17,500	20,000
Eagle Bank,	70 " "	500,000	3½	17,500	17,500
Exchange Bank,	28 " "	500,000	4	20,000	20,000
Freeman's Bank,	29 " "	200,000	4½	9,000	9,000
Globe Bank,	22 " "	1,000,000	4	40,000	40,000
Granite Bank,	61 " "	500,000	3½	17,500	17,500
Grocers Bank,	70 " "	250,000	4	10,000	10,000
Hamilton Bank,	66 " "	500,000	3½	17,500	17,500
Market Bank,	Merchants Exch.	560,000	5	28,000	28,000
Massachusetts Bk.	66 State "	800,000	3	24,000	24,000
Mechanics Bank,	South Boston,	120,000	4	4,800	4,800
Merchants Bank,	28 State "	3,000,000	4	120,000	120,000
New England Bk.	67 " "	1,000,000	4	40,000	40,000
North Bank,	Merchants Exch.	750,000	3½	26,250	22,500
Shawmut Bank,	39 State "	500,000	4	20,000	17,500
Shoe & L. Dealers,	65 " "	500,000	4½	22,500	22,500
State Bank,	40 " "	1,800,000	3½	63,000	63,000
Suffolk Bank,	60 " "	1,000,000	5	50,000	50,000
Traders Bank,	91 " "	400,000	4	16,000	16,000
Tremont Bank,	41 " "	500,000	4	20,000	17,500
Union Bank,	40 " "	800,000	3½	28,000	28,000
Washington,	75 " "	500,000	3	15,000	15,000
Total Capital and Dividends, 1849,		\$19,230,000		\$743,050	\$736,900

Bank Dividends, 1845 to 1849.

BANKS.	1845.	1846.	1847	1848.	1849.	Total percent.
Atlas,	6	6	6½	6½	7	22
Atlantic,	6	6	6½	7	8	33½
Boston,	7	7	7	8	8	37
Boylston,	(new)	5	8	8½	8	..
City,	6	6	6	7	7	32
Columbian,	5½	6	6	7	7½	32
Eagle,	6½	6½	6½	7	7	33½
Exchange, . . . . .	..	..	(new)	8½	9	...
Freemans,	7	8	8	8½	9	40½
Globe,	6	6½	7	7½	8	35
Granite,	6	7	6½	7	7	33½
Grocers, . . . . .	..	..	..	(new)	8	...
Hamilton,	6	7	7	7	7	34
Massachusetts,	5 4-5	6	6	6	6	29 4-5
Market,	8	9	9½	10	10	46½
Mechanics,	7	8	8	8	8	39
Merchants,	7	7	7	8	8	37
New England,	6	6	8	8	8	36
North,	6	6	6	6	6½	30½
Shoe & Leather Dealers,	6½	7½	9	9	9½	39½
Shawmut,	6	6½	7	7½	7½	34½
State,	6	6	6	6½	7	31½
Suffolk,	8	9	10	10	10	46
Tremont,	6	6	6½	7	7½	33
Traders,	6	6	7	7½	8	34½
Union,	6	6	7	7	7	33
Washington,	5½	6	6½	6½	6	30½
1845,	\$17,490,000	\$1,112,100	1848,	\$13,330,000	\$1,373,100	
1846,	18,030,000	1,188,500	1849,	19,280,000	1,477,350	
1847,	18,030,000	1,269,300				

The bank dividends in April were the largest ever before paid in Boston;—the above exceed them over \$6,000. The Shoe and Leather Dealers Bank pay 4½ per cent. on the old capital of \$500,000. The directors divided among the stockholders, during the summer, ten per cent. surplus profits, in stock, allowing to every holder of two old shares the privilege of subscribing for one new share at eighty per cent. The capital is now \$750,000; and the interest on the first assessment of the new stock, amounting to \$2,000 in all, is payable with the forthcoming dividend of October 1.—*Willis' Bank Note List.*

MISSOURI.

Statement of the Bank of the State of Missouri.

In consequence of the abstraction of funds from the Bank of the State of Missouri, it is thought proper by the Board of Directors to make a full *expose* of the condition of the mother bank on the 15th August, after a careful and thorough examination of its funds to that date—and there is prefixed a minute statement of the condition of the mother bank and branches to the 30th of June last.—*St. Louis Republican.*

LIABILITIES.

Capital stock paid in,	\$1,208,751 83
Due Depositors,	1,447,859 29
Due on Dividends,	6,635 62
Surplus profits on 30th June, 1849,	\$240,659 90
Profits made since,	11,479 64
Outstanding circulation,	1,264,490 00
Due to Banks,	125,231 89
Total Liabilities,	\$4,305,097 17

MEANS.

Branches at Fayette, Palmyra, Jackson, Springfield and Lexington, each \$120,058 84 for their capital,	\$ 600,294 20
Notes discounted, maturing,	960,460 11
Exchange on the East and South, subject to draft,	322,412 72
Exchanges maturing,	200,716 31
Banking house and lot,	50,000 00
Due from State of Missouri (for interest paid)	100,842 25
Loan to State of Missouri (to pay volunteers)	4,276 93
Bills receivable, (for sale of real estate)	31,310 78
Suspended debt,	83,241 48
Suspense account,	1,208 17
Protest account,	90 31
Expenses since 30th June, 1849,	1,536 33
Due from Banks,	33,785 17
Certificates Bank of Illinois,	191,533 33
Warrants on the State Treasurer of Mo.,	14,742 93
Gold and silver coin on hand,	1,577,734 53
Foreign gold coin deficient,	*120,921 62—1,693,656 15
Total Resources,	\$4,305,097 17

*The following are the sixteen boxes of foreign gold coin which were counted from the 16th to the 23d February last, inclusive, from each of which one bag of gold has been abstracted, to wit :

Box No. 2—original contents,	\$15,700 00—1 bag short, . .	\$ 7,850 00
“ 3 “	15,700 00 1 “	7,850 00
“ 4 “	15,700 00 1 “	7,850 00
“ 5 “	19,150 40 1 “	7,850 00
“ 6 “	15,700 00 1 “	7,850 00
“ 8 “	16,411 77 1 “	7,850 00
“ 11 “	13,970 97 1 “	6,171 62
“ 12 “	15,700 00 1 “	7,850 00
“ 14 “	17,968 44 1 “	7,850 00
“ 15 “	15,700 00 1 “	7,850 00
“ 16 “	15,700 00 1 “	7,850 00
“ 17 “	15,700 00 1 “	7,850 00
“ 18 “	17,550 00 1 “	7,850 00
“ 19 “	15,700 00 1 “	7,850 00
“ 30 “	21,701 32 1 “	4,850 00
“ 37 “	15,600 00 1 “	7,850 00

16 \$263,652 90 Short \$120,921 62
St. Louis, 15th August, 1849.

By order of the Board,

H. SHURLES, Cashier.

THE BANK OF THE STATE OF MISSOURI.—This bank, to-day, refused to redeem some five thousand dollars of their notes in the legal currency of the United States. The bank insisted upon the right to pay out foreign coin in the redemption of their own bills, at the same rates at which they receive them on deposits, and refused to pay them out by weight. The right of the bank to do this was questioned, and the notary making the demand refused to accept foreign coin in payment, except by weight, as established by the laws of Congress. It is well known that much of the foreign coin in circulation is received, and passes, in ordinary transactions, for more than its legal value by weight, which, in large cash operations, becomes an important item.—[St. Louis New Era, October 6.]

SOUTH CAROLINA.

Banks of Charleston, including branches of the Bank of the State of South Carolina, at Camden and Columbia.

LIABILITIES.	Six Banks.	Bk. of Charleston.
	August, 1849.	30 June, 1849.
Capital Stock,	\$5,992,782	\$3,160,800
Circulation,	2,008,787	1,594,850
Individual Deposits,	1,839,350	413,930
Public Deposits,	2,443,845	2,370
Bank Balances,	1,627,311	1,673,990
Profits Undivided,	435,077	756,965
Due Banks in the State,	1,504,425	.....
Due Banks not in the State,	122,886	.....
Miscellaneous,	26,438	10,007
Total Liabilities,	\$14,373,590	\$7,612,912
RESOURCES.		
Notes Discounted,	\$5,711,201	\$1,252,440
Specie on hand,	1,082,108	436,225
Foreign Exchange,	155,585	2,673,204
Domestic Bills,	751,355	1,062,770
Bonds,	1,248,355	831,726
Stocks,	1,265,158	.....
Real Estate,	283,258	63,508
Bills of other Banks,	390,050	71,046
Suspended Debt,	750,744	431,844
Due by State Treasury,	65,953	.....
Due by Agencies,	1,370,746	399,843
Charleston Bonds,	729,962	.....
Due by Banks in the State,	11,936	10,900
Due by Banks in other States,	274,945	230,052
Miscellaneous,	282,233	149,054
Total Resources,	\$14,373,590	\$7,612,912

Bank Circulation and Deposits.

July, 1849.	Deposits.	Circulation.	Specie.
13 Kentucky Banks,	\$1,747,000	\$5,869,000	\$2,686,000
56 Ohio Banks,	4,369,000	9,860,000	3,209,000
6 Missouri Banks,	1,785,000	2,336,000	2,226,000
Rhode Island Banks,	1,441,000	2,543,000	262,000
New York Banks,	35,000,000	21,000,000	10,571,000

NEW YORK.

The following synopsis was prepared for our October No., but was excluded by want of room. The amount of specie on hand at this period (October 24) will not vary much from the amount represented as on hand, on the 30 June.—Although there is a steady shipment of coin to Europe, it is fully compensated by receipts from the West.

The law of New York, making stockholders of "corporations and joint stock associations for banking purposes" liable for the debts of such institutions, will go into effect on the 1st January next. Every stockholder thereafter not only is liable for the loss of his own stock, in case of failure, but is *rateably* liable, beyond and to the amount of his own stock, for any loss that the bill-holders, depositors, &c., may sustain by the failure. Our readers will find this law in detail, in our No. for July last

Statement of the condition of the Banks of the City of New York on the morning of Saturday, June 30th, 1894.

ASSETS.	Loans.	Loans to Directors.	Other Liab. of Direc.	Due from Brokers.	Real Estate.	Stocks.	Loss and expense acct.	Specie.	Cash Items.	Ex. notes on hand.	Bank balances.
Bank of America,	\$4,119,538	\$74,500	\$84,400	\$77,100	\$188,140	\$	\$34,398	\$891,348	\$617,137	\$19,494	\$419,306
Bank of New York,	2,137,333	146,957	.....	.....	100,000	172,559	5,080	1,087,403	281,718	2,350	209,233
Bank of the State of New York,	3,633,222	242,738	175,825	.....	132,600	.....	98,901	482,134	348,669	29,910	728,141
Butchers and Drivers Bank,	1,148,013	92,221	8,326	1,500	65,473	.....	1,661	175,418	151,446	19,387	54,280
City Bank,	1,318,810	181,119	.....	.....	72,758	.....	1,835	379,483	209,434	19,042	348,359
Greenwich Bank,	498,801	14,892	9,933	14,000	33,776	34,150	772	42,830	63,335	7,302	96,969
Leather Manufacturers Bank,	1,347,550	40,936	63,880	8,000	800	11,977	7,849	172,609	100,711	35,396	219,146
Manhattan Company,	2,327,932	67,274	.....	255,300	492,453	341,097	10,706	385,590	343,973	57,418	482,744
Mechanics Bank,	3,321,959	144,699	16,200	91,000	87,216	13,350	2,751	688,206	308,917	.....	444,036
Mechanics and Traders Bank,	483,411	24,071	10,244	30,500	68,994	25,456	1,297	46,502	44,339	5,325	97,763
Merchants Bank,	3,674,269	175,130	.....	245,590	89,844	100,000	2,988	1,162,562	599,991	57,272	994,288
National Bank,	1,482,441	48,715	12,769	30,000	29,637	1,548	6,286	158,069	72,517	10,680	179,666
New York Dry Dock Company,	257,090	38,413	1,742	69,099	139,141	2,181	2,207	9,038	1,258	6,725	22,094
Phoenix Bank,	1,672,923	192,936	4,185	146,350	134,698	300,000	11,062	487,206	512,365	26,178	82,892
Seventh Ward Bank,	919,965	46,541	3,287	85,490	36,350	.....	7,663	98,529	57,165	13,532	85,673
Trademeans Bank,	929,594	99,412	.....	30,000	24,000	.....	4,667	110,481	122,084	11,307	54,591
Union Bank,	2,001,977	171,174	34,825	305,981	75,000	.....	2,830	517,395	389,879	46,551	171,667
BANKING ASSOCIATIONS.	31,790,798	1,801,628	425,576	1,398,910	1,730,880	1,013,688	202,980	6,990,803	4,224,928	366,869	4,619,577
American Exchange Bank,	2,925,402	21,979	.....	155,356	.....	480,666	37,187	879,184	592,688	68,522	412,388
Bank of Commerce,	4,463,765	403,790	.....	111,580	110,000	642,110	18,118	1,152,585	463,989	22,402	692,388
Bowery Bank,	667,712	72,466	.....	.....	20,000	207,735	1,440	64,125	40,324	9,344	53,762
Chemical Bank,	859,321	52,458	.....	.....	31,010	323,296	6,502	117,349	52,520	10,173	94,740
Fulton Bank,	1,091,170	249,123	.....	52,000	253,021	1,682	1,682	168,980	128,952	26,053	213,499
Mechanics Banking Association,	700,975	35,788	.....	7,246	104,148	445,766	298	123,614	86,061	29,461	176,096
Merchants Exchange Bank,	1,866,654	68,280	.....	.....	48,500	169,000	2,655	99,039	138,248	43,578	239,362
North River Bank,	903,797	64,919	.....	29,988	52,135	547,801	43,814	100,679	125,648	43,340	101,000
Totals, New York City Banks,	45,289,524	2,800,371	425,576	1,745,022	2,106,673	4,063,023	314,616	9,586,206	5,842,268	619,762	6,491,391

Bank Statistics.

Statement of the condition of the Banks of the City of New York on the morning of Saturday, June 30th, 1919.

Bank Statistics.

	LIABILITIES.											Total.
	Capital.	Profits, not retained.	Circulation.	Registered Due Taxes.	Due Deposits.	Due Ind. & Corp. Balances.	Bank Balances.	Miscellaneous.				
Bank of America,	\$2,001,300	\$307,092	\$15,703	\$183,960	\$2,030,114	\$6,445	\$1,892,829	\$	\$6,427,316			
Bank of New York,	1,000,000	174,743	61,530	361,646	2,103,150	. . . . .	442,346	. . . . .	4,143,421		
Bank of the State of New York,	2,000,000	206,915	3,387	227,905	1,399,845	. . . . .	1,869,105	. . . . .	6,068		
Butchers and Drovers Bank,	600,000	124,028	. . . . .	264,699	804,932	707	5,747,831	. . . . .	6,868		
City Bank,	720,000	145,113	12,601	141,350	1,092,054	3,105	417,665	. . . . .	2,532,119		
Greenwich Bank,	200,000	61,313	3,992	146,462	296,687	. . . . .	107,613	360	906,327		
Leather Manufacturers Bank,	600,000	99,554	6,579	184,033	827,785	1,651	185,323	. . . . .	1,944,976		
Manhattan Company,	2,050,000	141,338	46,668	123,036	909,639	. . . . .	386,291	212,597	5,267,763		
Mechanics Bank,	1,440,000	256,431	45,897	437,652	2,211,908	6,568	721,919	. . . . .	5,120,378		
Mechanics and Traders Bank,	200,000	39,300	6,919	131,781	363,410	228	91,036	. . . . .	832,575		
Merchant Bank,	1,490,000	194,055	43,145	207,125	2,230,632	9,990	2,549,066	. . . . .	7,024,004		
National Bank,	750,000	111,616	7,109	106,016	621,966	2,302	424,653	. . . . .	2,023,197		
New York Dry Dock Company,	200,000	2,463	3,919	18,745	32,394	372	11	290,000	647,805			
Phenix Bank,	1,200,000	136,107	2,667	235,313	1,156,772	1,929	862,967	. . . . .	3,635,797		
Seventh Ward Bank,	600,000	63,800	3,361	222,995	496,952	691	89,721	. . . . .	1,377,421		
Traders Bank,	400,000	118,927	7,095	229,629	687,231	. . . . .	53,834	764	1,397,452		
Union Bank,	1,000,000	294,337	14,051	377,107	1,375,517	7,107	615,430	. . . . .	3,683,651		
BANKING ASSOCIATIONS.	16,251,200	2,467,247	284,373	3,599,324	909,839	41,085	11,045,317	610,389	54,165,790			
American Exchange Bank,	1,155,400	293,672	. . . . .	245,361	. . . . .	. . . . .	1,943,600	2,022	6,563,165		
Bank of Commerce,	3,473,840	361,003	. . . . .	147,620	. . . . .	. . . . .	2,230,731	2,637	8,000,679		
Bowery Bank,	356,650	24,735	. . . . .	184,695	. . . . .	. . . . .	34,735	2,438	1,136,901		
Chemical Bank,	300,000	254,924	. . . . .	236,830	. . . . .	. . . . .	76,546	. . . . .	1,684,964		
Fulton Bank,	600,000	76,469	. . . . .	204,071	. . . . .	. . . . .	382,715	. . . . .	2,186,492		
Mechanics Banking Association,	633,000	42,201	. . . . .	291,652	. . . . .	. . . . .	147,906	3,735	1,710,309		
Merchants Exchange Bank,	1,233,900	29,423	. . . . .	1,395	. . . . .	. . . . .	375,896	221,286	2,665,365		
North River Bank,	655,000	4,431	. . . . .	344,331	. . . . .	. . . . .	160,069	683	2,067,749		
Totals, New York City Banks,	24,667,890	3,544,155	284,373	5,265,199	979,967	37,227,124	60,456	16,296,664	743,240	79,081,995		

MISSISSIPPI REPUDIATION.

LETTER OF COL. JEFF. DAVIS IN RELATION TO THE UNION BANK BONDS.

BRIERFIELD, *Miss. Aug. 29, 1849.*

Editors Mississippian:—The "*London Times*" of July 13th, 1849, contains an article, which most unjustly and unfairly attacks the State of Mississippi and myself, because of a statement I made in refutation of a former calumny against her, which was published in the same paper. Some allowance is due to a foreigner, who misconceives the character of our institutions; some toleration to the national prejudice, which may cause him to depreciate them; but what can excuse the gross perversion of language which characterizes the article to which I have referred? The English editor might have misunderstood the nature of our government, and may have been ignorant of our constitution, but could not honestly have so misconstrued my statement as he pretends. Yet bad as his conduct is in this particular, the offence is small when compared to that of the editor in our own State, who has republished the calumny, thus aiding in the circulation of a foreigner's slander against the government, the judiciary, and people of Mississippi.

To prevent the calumny from working evil to our State, and to the public position which I occupy, is my purpose in making this reply.

To you, who know how entirely this bond question has, for years past, disappeared from public discussion, it will appear ridiculous to see my statement, which was published in the *Washington Union*, ascribed to the "signs of awakening sensitiveness in Mississippi." The facts, in relation to that statement, are these:—That true hearted American, the venerable editor of the *Union*, Mr. Ritchie, showed me an article in the *London Times*, abusive of several States, among them Mississippi; and told me that he desired the information necessary to answer the accusations. I sent him the statement which has appeared, and referred him especially to the message of Governor Brown to the legislature in 1846, for more minute information in relation to the Union Bank Bonds. That brief and imperfect explanation of the position of our State, upon a question which I have for years past considered definitely settled, so far as popular opinion is concerned, has led to the article which I now propose to notice.

The claim which is asserted for the bondholders, that of "appealing to the verdict of the civilized world" rather than to the courts of our own State, is one which we have no wish to dispute. It is usually the only appeal which an individual has against a sovereign. Mississippi, conscious of her rectitude, has voluntarily thrown her courts open to suitors against herself, and those who refuse to take advantage of the grant, must come before the tribunal of public opinion with diminished claims to consideration. The insinuation against our legal officers is gratuitous and wholly unfounded. Our judicial officers are elective; but that the people have not made this bond question a test, appears by the fact, that whilst they have by large majorities decided in their legislative elections, against the Union Bank bonds, their Chancellor and

Chief Justice have been known to be individually in favor of their payment, and with that feeling have been elected and re-elected whilst this question has been pending. If, then, our courts are avoided as it is fair to suppose, because of the unconstitutionality, the legal nullity of these bonds, how idle must every one consider the clamor which is raised against our government for not violating its constitution, to satisfy the claim of the bondholders. The movement which was made two years ago to attempt an arrangement with the Union Bank bondholders for their indemnification, was not based upon the idea of State liability and the consequent duty of the government to meet it, but upon voluntary contributions of individuals. And if an arrangement had been completed for that purpose, I think its success would have depended upon a disclaimer of the denunciations which have been heaped upon our State, a surrender of all claim against the government as a legal right, and a submission of the case to the generosity of the people, by whose agents the act had been done. If I am correct in this view, the article under consideration, though very well for the high tory paper, as an attack upon our republican government, is not likely to advance the interest to which it was apparently devoted, that of the holders of the Union Bank bonds.

The main positions of the writer are these. After noticing the message of Governor McNutt to the legislature, "recommending them to repudiate" the Union Bank bonds, he concludes: "Hence though Mississippi had received the money for the bonds, it was thus proposed to refuse to repay it, on the ground that the purchaser had no right to buy them."

And referring to the report of the joint committee of the legislature in 1842, against the constitutionality of the bonds he says: "Since although the provision that no loan should be raised, unless sanctioned by a law passed through two successive legislatures had been complied with, and the bonds had been legally authorized, the act also prescribed certain conditions regarding the Bank of Mississippi, which conditions had been altered by a subsequent act that had only passed through one legislature."

It is asserted then, 1st. That Mississippi received the money. This is untrue: the Union Bank, not the State, received the money. 2d. That the bonds were issued under authority of a law which had received the sanction of two successive legislatures; this is also untrue: the bonds were issued under a "supplemental act," passed by one legislature, and so unlike the law which had been submitted to the people, and received the sanction of two legislatures, as to be in effect a new and independent proposition. The writer speaks of the institution as the Bank of "Mississippi." Mississippi had no bank, and could not have a bank of issue, because forbidden by the tenth section of the first article of the United States Constitution, in these words: "No State shall * * * emit bills of credit." If then, any conclusion has been drawn from the supposition that the bank was a part of the State government, such conclusion is wholly erroneous.

I know that any thing which can be said on the subject of the Union Bank bonds must sound to the people of Mississippi like a twice told

tale. I do not propose to argue the question, but merely to state it, and make such references as will enable those less informed than ourselves to appreciate the true position of the State and people of Mississippi.

Our government rests upon a fundamental compact of the people; a written constitution, which is the shield of each citizen, protecting him equally against the exercise of unauthorized power by the officers of government, or by the people. The power of the State government has two species of limitation—the exclusive grants to the general government, and prohibitions to the States, as contained in the U. S. Constitution, and the limitations and prohibitions contained in our State constitution. Within the limit of its authority thus defined, the State government, as the agent of the people, can bind the principal to the performance of its obligations; beyond that limit, the legislature and governor has no more power than a town meeting and its chairman. If the legislature and governor should, in the exercise of a power which had been prohibited by the constitution, injure incautious or ignorant persons, there might be a claim upon the generosity of the people, because the injury had been the result of the confidence which attached to the official position of their functionaries; but no legal right could grow out of such act; and, therefore, no power in the government to redress it. The contrary doctrine would destroy the value of a written constitution, and deprive the minority of the security they enjoy under it. The officers of our government take a solemn oath to maintain the constitution inviolate; their inquiry, therefore, must be, not what as individuals they would do, but what the constitution permits, and their duty requires. The issue then is one of constitutional construction, and Mississippi has no other question with bondholders than that of debt or no debt. This we are willing to try at law, or in equity before our own courts—or, but for the question of sovereignty, before the courts of Great Britain herself. We do not fear “the verdict of the civilized world,” nor have we been “goaded by the force of public opinion throughout the Union,” as the writer asserts. Though truth has followed slowly after fiction, and justice has been delayed, a better comprehension of the merits of the case has removed much of the prejudice which was created against us; and as we respect the discrimination of our fellow-men, so we expect them, sooner or later, to do justice to us by condemnation of our slanderers for their baseless denunciations.

The constitution of Mississippi provides that—

“No law shall ever be passed to raise a loan of money upon the credit of the State, for the payment or redemption of any loan or debt, unless such law be proposed in the Senate or House of Representatives, and be agreed to by a majority of the members of each house, and entered on the journals with yeas and nays taken thereon, and be referred to the next succeeding legislature, and published for three months previous to the next regular election, in three newspapers of this State; and unless a majority of each branch of the legislature so elected, after such publication, shall agree to and pass such law: and in such case the yeas and nays shall be taken and entered on the journals of each house.”

So zealously was the power to pledge the faith of the State guarded, by requiring time, popular review, successive action, and a record of the vote of each member of the legislature. These requirements were so far complied with in the case of the charter of the Union Bank, that had the bonds been issued under it, their legality would unquestionably have been admitted; the fatal objection to their constitutionality, as the creation of the supplemental act, would not have existed. To the confounding of these two laws, much of the error which prevails is to be attributed: a brief recital of the facts connected with them will show their difference.

The law which established the Mississippi Union Bank originated in the House of Representatives, at the biennial session of the legislature, in 1836; at the adjourned session, in 1837, it was passed and approved by the Governor, "so far as the action of this legislature is concerned." At the next regular biennial session, in 1838, the bill again passed, received the sanction of the Governor, and became a law on the 5th of February, 1838. Ten days thereafter, a bill passed the legislature, and was approved by the Governor, which was entitled, "An act supplementary to an act to incorporate the subscribers to the Mississippi Union Bank." It was under this supplemental act which had not been submitted to the people, and which had not been enacted by two successive legislatures, that the bonds were issued, and the Union Bank came into existence. So far from these bonds having been issued by the authority conferred in the original charter of the Union Bank, this supplemental act repealed the power of the Governor to issue the bonds, according to the provisions and for the purpose of the original law. If the people had agreed that the legislature might pledge the faith of the State, in the manner and for the object which its discretion might select, the conditions being changed would not affect the constitutional question; but if the conditions constituted an essential part of the grant, those conditions could not be repealed without carrying the grant with them. The grant, connected with other and incompatible conditions, would be a new and distinct proposition. To show that such is the case in relation to the Union Bank bonds, I will compare the original law, which, after much deliberation and a reference to the people, passed two successive legislatures, with the supplemental act, the hasty creation of one.

The original law authorized the establishment of the Mississippi Union Bank, with a capital of fifteen millions five hundred thousand dollars, "to be obtained by the directors of the institution."

It provided for books of subscription to be opened, divided the stock into small shares, and directed that none but owners of real estate and citizens of the State should be stockholders. Thus it was expected "to secure the loan of said fifteen millions five hundred thousand dollars," the capital stock of the bank.

It further provided, "That, in order to facilitate the said Union Bank, for the said loan of fifteen millions five hundred thousand dollars, the faith of this State be, and is hereby pledged, both for the security of the capital and interest; and that seven thousand five hundred bonds of two thousand dollars each," &c., "shall be signed by the Governor of the State, to the order of the Union Bank, countersigned," &c.

After guarding, with great care, against the allowance of more stock to any subscriber than was amply secured by mortgage, and requiring that each stockholder should "pay in cash," whenever required by the directors, ten per cent. upon his stock, it further provided, "That after the closing of the books, and when it shall appear that at least five hundred thousand dollars shall have been subscribed, and paid in, on the original stock of the capital of said bank, the said institution shall go into immediate operation."

It further provided, that when a board of directors, with a president, should be organized, that the same should be notified to the Governor of the State, "who will thereupon execute to the said bank, from time to time, bonds in amount proportioned to the sums subscribed, and secured to the satisfaction of the directors as required by the charter, until the whole amount of fifteen millions five hundred thousand dollars shall be furnished in bonds as herein before provided for."

The supplemental act provided, "That as soon as the books of subscription, for stock, in the said Mississippi Union Bank are opened, the Governor of this State is hereby authorized and required to subscribe for, in behalf of this State, fifty thousand shares of the stock of the original capital of the said bank; the same to be paid for out of the proceeds of the State bonds, to be executed to the said bank as already provided for in the said charter."

Under this supplemental act the bonds were issued. Will any candid, intelligent mind fail to perceive that it was not by the authority of the original law, but in violation of its most important provisions, and in direct contravention to the prohibition of the constitution which I have quoted? By the law which received, in the constitutional mode, the assent of the people, the faith of the State was to be pledged, to facilitate a loan to the Union Bank; by the supplemental act, bonds of the State were to be issued in payment for bank stock. By the original law, the State was to be secured by bonds and mortgages on real and personal estate before any liability should be incurred; by the supplement, the State was to become liable for five millions of dollars, without any security whatever, unless the stock for which she became a subscriber be so considered.

The legislature was authorized to pledge the faith of the State for a specific purpose, and under certain enumerated conditions. Could the authority so given be used for a totally different purpose, and without the fulfilment of the conditions? If not, then the supplemental act and the bonds issued under it, impose no legal obligation upon the State. As an independent act, by which the faith of the State was to be pledged, it was necessary that this supplement should be passed by the legislature—the yeas and nays entered on the journal—then be referred to the people by publication in three newspapers of the State, and be again passed by the next succeeding legislature, before it could become a law: these constitutional requirements were not complied with, and therefore we have held that the supplemental act, so far as it assumed to pledge the faith of the State, was, from the beginning, constitutionally void.

The State of Mississippi did not, as it asserted, receive the proceeds

of the sale of these bonds. As soon as they were issued, they were delivered to the managers of the bank, who appointed commissioners to sell them, received the money, and controlled its application. The argument, therefore, that those who received the money should refund it, cannot be justly applied to the people of Mississippi as an organized community. If the bonds have passed into the hands of innocent holders, the fact does not vary the legal question, as the purchaser could not acquire more than the seller had to dispose of.

As agents of the people, the officers of our government are bound by their letter of authority—the constitution; they hold power under it, and for its preservation. To maintain it inviolate is a duty against which no other consideration has an appreciable weight. It is the shield of each and every citizen; and the officers of the government are bound to interpose it for their protection. If there be State debt resulting from the Union Bank bonds, let it be properly established. If there be no such debt, as the people of Mississippi have decided, and have deliberately re-affirmed, there is no power to levy a tax to satisfy the claim, and denunciation, with extraneous appeals, will be found ineffectual.

In the article of the London *Times* above referred to, there is an egregious misrepresentation of the statement which I made, and which was published in the *Washington Union*.

In view of the case, as it has always been understood among us, *i. e.* that the Union Bank bonds were hypothecated by their purchaser, the U. S. Bank of Pennsylvania, to foreign capitalists, as additional security for a debt on which it had become unable to pay the interest, and in reference to the hypocritical cant of stockjobbers and pensioned presses, as connected with the question of these Union Bank bonds, I said:—

“The crocodile tears which have been shed over ruined creditors are on a par with the baseless denunciations which have been heaped upon the State. Those bonds were purchased by a bank then tottering to its fall—purchased in violation of the charter of the bank, or fraudulently by concealing the transaction under the name of an individual, as may best suit those concerned—purchased in violation of the terms of the law under which the bonds were issued, and in disregard of the constitution of Mississippi, of which the law was an infraction. To sustain the credit of that rickety bank, the bonds were hypothecated abroad for interest on loans which could not be met as they became due.”

The editor of the London *Times*, seemingly reckless of his own reputation, in his zeal to injure that of a United States Senator, thus presents the above:—

“Let it circulate throughout Europe, that a member of the United States Senate in 1849, has openly proclaimed that, at a recent period, the Governor and legislative assemblies of his own State deliberately issued fraudulent bonds for \$5,000,000, ‘to sustain the credit of a rickety bank;’ that the bonds in question having been hypothecated abroad to innocent holders, such holders have not only no claim against the community, by whose executive and representatives this act was committed, but that they are to be taunted for appealing to the verdict of the civilized world, rather than to the judgment of the legal officers of

the State, by whose functionaries they have been already robbed; and that the ruin of toil-worn men, of widows, and of children, and the crocodile tears which that ruin has occasioned, is a subject of jest on the part of those by whom it has been accomplished."

So far as this is directed against my statement, no answer could be more complete than that which every informed person will draw from a comparison of the two extracts, the original and its misrepresentation. Not only was no such statement made by me, as the *Times* proposes to circulate throughout Europe, but no one in any degree acquainted with the history of the transaction could say anything the least like it.

The legislature of Mississippi had no connection with the United States Bank of Pennsylvania, and could have had no such purpose as to sustain its credit. That bank purchased the bonds as it did other securities which were in the market. The reliance, as shown by the correspondence, was on the permanent value of the property by which the stock was to be secured. The claim of foreign holders is as good, but no better, than that of the first purchaser. And if it be true that these bonds were sent abroad by the U. S. Bank of Pennsylvania, as additional security for a loan which had been previously made, how were these creditors of that bank injured by receiving the Mississippi Union Bank bonds, and how have these bonds caused toiling age, destitute widowhood, and helpless infancy to weep? Have they been thrown into market, since public notice of their disputed legality was given, and is there no censure for such fraud, no sympathy with the aged, the widow, and the child, if their claims come in conflict with the interest of the money changers? Or are these manufactured cases gotten up to sustain the denunciations against the State, and to subserve the interests of capitalists? Is this an attempt to avoid scrutiny into the justice of the case, by invoking well known feeling for age and helplessness? And is this, not the weeping of real sufferers, but the crocodile tears of hired advocates of the *innocent* stock dealers of London 'Change.

Our judiciary is governed by the same general rules and principles as that of England, and as little likely as the bench of any other country to permit the channels of justice to be obstructed by popular prejudice. Such, I am sure, is the prevailing opinion of our people, although one of the Mississippi newspapers has aided in the circulation of this calumnious imputation upon our judges.

In relation to the Planters Bank bonds, it is stated that we make a distinction without a difference; and of the law which made them receivable for the public lands of the State, that "they are only so receivable upon land being taken at three times its current value." The price fixed on these lands is six dollars per acre: they are represented to have been selected with great care, and to be of the best character of our cotton growing lands. Our policy is to sell them so low as to induce immigration and hasten their occupation. The governor of our State, under whose administration they were principally selected, in his message to the legislature, at its biennial session of 1848, protested solemnly against using the lands to pay the Planters Bank bonds, whilst he strongly enforced a recommendation "to raise the money by taxa-

tion, and discharge the debt as rapidly as possible." In recommending the policy to dispose of the public lands at their "fair value," he said: "The legislature ought, in my opinion, to fix the minimum at eight dollars the first year, seven the second, and so on down to one dollar per acre." The present financial difficulties, and, above all, the short crops and low price which our staple has borne for several years, cause this to be a most unfavorable time to dispose of wild lands. Under ordinary circumstances, the price fixed by the legislature would not be considered the full value of lands such as these are represented to be. The distinction between the bonds of the Union Bank and those of the Planters Bank, is a constitutional distinction; the difference is, that the legislature, by the law above noticed, by establishing and guarding a sinking fund, and in other modes, have, from time to time, recognized the validity of the Planters Bank bonds, and evinced a determination to provide for their payment.

"Repudiation," in the true meaning of the word, cannot be applied to Mississippi. Where there has been no connection, there can be no repudiation. If the Union Bank bonds never were a debt of the State, then the State could not repudiate them. The agent of the State has failed to pay the interest on the Planters Bank bonds, and the principal of such as have fallen due, as was provided; but the State has not denied her liability—has not declared herself free from the obligation, and in this case has committed no act of repudiation. With far more propriety might repudiation be charged upon the English government, for the reduction of interest on her loans when she consolidated her debts; for the income tax which compels fundholders to return a part of the interest they receive on their evidences of public debt, for the support of the government, which is their debtor. But my purpose was to correct error, to repel slander, to defend the character of Mississippi, and I will not go beyond it.

Very respectfully, your friend,

JEFFERSON DAVIS.

LIFE INSURANCE.

ITS ADVANTAGES TO THE WORKING CLASSES.

A Lecture delivered to the Mechanics' Institute and Library Association of Quebec, by the Rev. Dr. Cook.

The subject of Life Insurance, which I have chosen to bring under your consideration this evening, admits of being treated with advantage in various ways. It might be treated historically—statistically—scientifically. And in each of these ways there would come out many interesting facts, and many important principles. My present object, however, does not require me, except incidentally and to a limited extent, to treat the subject in any of these ways. That object is of the simplest and most practical kind, and may be stated in a word. It is to

induce as many people as possible to insure their lives—or, in other words, by means of the facilities afforded by Life Insurance Companies, to insure for their families a pecuniary provision, in the event of their own death. It appears to me that their doing so is a way—and the only way—and a laudable, honorable and safe way, of preventing a very large amount of human wretchedness, and a moral evil connected with it and growing out of it. And so it falls to me—as is the most suitable to my professional habits and ways of thinking, to treat the subject morally, and with the view of bringing you to a correct and immediate decision and action, in the matter to be submitted to you.

On the most cursory view of society, we see it divided into two great classes: the few, either by inheritance, or by their own exertions, in possession of property which exempts them from the necessity of labor: and the many, compelled in some way or other, with the mind, or with the body, to labor for their support, and for the support of their families. This is a division which the constitution of society, and indeed, the unalterable arrangements of the Divine Providence render unavoidable. The security which law gives to the holders of property is essential, to a great extent, to the very creation of that which is held as property? Who would clear the waste land, or till or sow it, unless he had some security for reaping it, and enjoying the produce? Or who would employ his time or talent in mechanical labor, if the products of his skill and industry might at any moment be appropriated by others? And as the conviction of security in the possession of property, fairly acquired, has been necessary to the existence of such property, so any division of it, as it now exists, that could possibly be made, on the principle of an equal share to each, could not last a week, unless at the same time there could an equality be established, in the bodily strength, in the intellectual faculties and moral qualities of men, i. e. unless the whole plan of Providence in regard to our race could be entirely altered.

The division, therefore, as we have now stated it, of the *few* and the *many*, must continue to stand. Nor have the many, whose lot it is to labor, so much cause to complain of that lot, as they are sometimes disposed to think. There is the highest of all authority for holding that "a man's life consisteth not in the abundance of things which he possesseth." And certainly the amount of happiness enjoyed is never to be measured by mere exemption from the necessity of labor. It is greatly more on other circumstances that the happiness of life depends—a vigorous state of health—a contented temper—habits of temperance, sobriety and order—passions under the control of reason and religion—the exercise of the benevolent affections—the endearing relations of domestic life—tastes for the acquisition of knowledge—social converse and communion—the testimony of an approving conscience—and the hopes which religion gives of another and better life. And these are as free to the many, whose lot it is to labor, as to the few, who are exempted from it. Nay, it may well be doubted, whether they are not enjoyed by the former in a large measure. Certainly, there is nothing in the honest and industrious exertions of a man for his own support,

and the support of his family, to deprive him of any of them. Nay, in a well-constituted mind, there is superadded a feeling of satisfaction in the consciousness of the power to secure an independent support, and to provide the necessaries and comforts of life for a dependent, but happy, though humble household. In almost every society, and undoubtedly in this, in which we are placed, it is not difficult to point out individuals, gaining their subsistence by labor, and that of the humblest kind, whose condition it would be wrong to represent as other than independent, honorable, useful and happy.

It is not labor which degrades the state of man, or makes it wretched. It is only certain accessories too frequently to be found in connection with the state of labor, but which are by no means necessary or essential to that state, by which it is degraded and rendered wretched. And he does good service to the cause of our common humanity, who points out clearly to those concerned, that these are only accessories of the state in which they are placed, and out of which it is perhaps impossible that they should ever rise; who shows that these accessories can be removed—and who suggests motives and provides facilities for removing them. Ignorance degrades the state of labor. Intemperance degrades it. Wastefulness and want of cleanliness degrade it. The whole of them together, in close and not unnatural union, render it squalid, wretched and repulsive enough. But need any of them be found, or are they found where right principle prevails? The truth is, that each and all of these may be detached from the state of labor; and every man who exemplifies this truth in his own case, does not only elevate and improve his own condition, but he shows how the general condition of his class might be elevated and improved—and how, without attempting anything so hopeless as altering the constitution of society, a most beneficial change might be effected on the condition of a great majority of the members of society.

It is indeed, a great and good work, in which no true lover of his race should be slow to engage, thus to detach from the state of labor, in idea, and in actual fact, the miserable and degrading accessories with which it is too commonly connected, and to make it be, and appear to be, only what God hath made and intended it to be. In this work, the services of no really efficient auxiliary should be refused. It is a mistake to suppose that it can be accomplished by any one principle or class of influences. Undoubtedly, religious influences are the most efficient and important of all—because of the high sanction which religion possesses—because of the authority which it rightfully assumes over the whole conduct—because of the power and stimulus which it communicates to every good, and because of the restraint it lays on every evil principle. But there are other influences, which can also be brought to bear usefully and efficiently especially in removing obstacles to the very presence and power of religious principle itself. And whoever can furnish inducements to temperance, or introduce economy and cleanliness, and order into a family, or excite higher than mere sensual tastes, and create a desire for intellectual progress and improvement, should be hailed as an auxiliary to the cause of religion, as well as of the temporal happiness of mankind. There is a closer and more inti-

mate connection between a right economic and a moral and religious state, than is usually supposed or taken into account.

There can be no manner of doubt that if such influences were brought rightly to bear upon the state of labor—and in using this expression, I have special reference to the humbler class of laborers—there would be effected by them a great and beneficial change. And it would appear far more than it has ever yet done, that Providence in placing the great majority of mankind in the condition of laborers, has not been withholding from them their fair share of enjoyment, or depriving them of the means and opportunities of intellectual and moral improvement. When such evil result takes place, it is less to be ascribed to the condition itself than to the accessories which men have foolishly joined or permitted to be joined with it, and which, by the exercise of reason and right principle, they might readily dismiss and do away.

It is not to be denied, however, that there are evils in this state, which are not incidental, and that may be removed, but that are essential to it, and that must be met, therefore, with the best remedies that can be found. One of these evils, thus essential to the state of labor, is the danger, on the one hand, that there ceases to be a demand for the labor which the individual has to offer—or on the other hand, that the individual be unable, from sickness or the infirmity of age, to render that labor, even when there is a demand for it. It is plain that in either case, unless some previous provision has been made, a man must be reduced with his family to utter want, or else become dependent entirely on the charitable assistance which others may be inclined to render him. And no man should contemplate either of these, (nor will he, if he has any right spirit or principle,) without dismay. Charity *may* become a legitimate resource. And nature and religion call for the ready exercise of it, in such circumstances. But to be a legitimate resource, it should be the last resource. And they who can render, or who could by the use of means within their power have rendered application to it unnecessary, are not only wanting in independent spirit, but are really guilty of intrenching on the funds that belong, by the law of love, to other objects—and more proper objects of compassion. In every instance, therefore, in which it is possible, it is a moral duty to make provision for such contingencies, and to make such provision at the cost of immediate self-denial. Here comes in the duty of saving, and the use of Savings Banks. In a favorable season of the year, when trade is flourishing, when the demand for labor is great, and the price of labor is high, a man can make more than is necessary for the support of his family. What is he to do in these circumstances? Whatever he should do, there is unhappily but little difficulty in saying what is very often done. It is this. The workman making high wages either raises his expenditure to the full amount of them, or he diminishes the amount of his labor to the average amount of his ordinary wants. And the result is, when any change comes, he is at his employer's absolute mercy as to the wages he shall receive; and if any prolonged sickness comes, he is a beggar. It is as easy to state what he *should* do—that he should gain as much as possible, and lay it aside to meet the contingencies, which the most ordinary prudence must teach him, cannot but be in

store for him. And for doing this, the Savings Bank furnishes the most ample facility and encouragement. It is gratifying to find that advantage is taken to so considerable an extent among ourselves, of such facility and encouragement. But it is to be lamented, that such advantage does not extend over a larger number of persons, and of persons whose savings are smaller. The weekly investment in the Savings Bank, during the summer months, of what could then be well spared by the working classes, would both be providing comfort for themselves and their families in the winter, and be setting free a large amount of the funds of the well disposed, for the more legitimate objects of charitable assistance.

I have spoken in relation to these evils essential to the state of labor, of what it is competent for man to do himself—and without reference to the principle of combination by which such important results can be accomplished, at comparatively little cost to each individual. Combination in regard of such evils as those of which we have been speaking, has either not been attempted, or attempted on principles which have proved unsound and impracticable. It is very probable, however, that this will not continue to be the case. The statistics of all subjects are being now taken with a degree of minuteness, and over such extensive fields, that results of the greatest interest and importance, and which can be entirely depended on, may safely be expected from them. One result of these statistical inquiries which are now so common, is very remarkable indeed—that there is, in regard to almost all things which have been made the subject of such inquiries, an ascertainable average, which may be safely assumed, in any calculations which it may be necessary to make in relation to them: and this, even when those things are most removed from the operation of what we call the ordinary laws of nature, and depend, for anything that we can see, on the caprice of individuals or on ten thousand circumstances which have no necessary connection with one another, and the connection of which would, in common language, be termed purely accidental. Thus, the number of fires in London, one year with another, is much the same; and the number of suicides in Paris, one year with another, is much the same. And so it is with other matters, the least likely, as one might have supposed, to be capable of being subjected to any rule or average of tolerable accuracy. It is possible, that by a wide and at the same time minute and careful enough induction, the health statistics of a community might form as safe a basis for combination or for a company proceeding on the principle of combination, as the statistics in regard of the average duration of life are and have proved themselves to be, for Life Insurance Companies. Yea, and the very fluctuations of trade may yet be reduced to some such average of sufficient accuracy, to admit of the principle of combination coming into play, to meet the difficulties which are caused by them. The constitution of things, which the statistical inquiries to which I have alluded, indicate, and which seems to prevail generally, might, if this were the proper time or place for it, give rise to much interesting speculation, as to the method and extent and ends of the Divine Government. We shall only remark now, that it is a constitution which appears peculiarly fitted by that which may be ascertained to call for the exercise of forethought and

prudence, and by that which is left uncertain to prompt, to immediate and personal exertion.

We proceed, however—drawing nearer to the more immediate subject for our consideration—to another evil essential to the state of labor—the state of those, who maintaining themselves and their families by their own exertions of one kind or another, are without other means, when these exertions fail;—the state, therefore, of the great majority of mankind. That is, there being no provision for a family, that these exertions may be suddenly and prematurely terminated by death. This is a calamity—I speak not now in regard of individuals called away; to them it may be no calamity; it may be any thing rather than a calamity; but in regard of their families, left destitute by loss of them—this is a calamity which may come to any one, and which, in the very circumstances I have mentioned, must happen to many. We may bring the great fact on which Life Insurance depends and which statistical tables have demonstrated, to bear on this subject; i. e. “that life uncertain in the individual is determined with respect to a multitude, being governed like every thing else in nature, by fixed laws. It is found that out of any large number of persons, at a particular age, the deaths during the ensuing year will be a certain number. Suppose we take 10,000 Englishmen of the age of 52, we are as sure as we are of the times of eclipses, and the rising of the sun and moon, that the deaths among them next year, will be just about 150. This is learned from experience; that is, by keeping tables of mortality.—The number is liable to be different in different countries, and in different ages. Of course among ten thousand younger persons the deaths are fewer; and of older persons, more. Every age has its proportion.” At any age then, there must, according to fixed laws, be a certain number of deaths in a given time. And no one can have any security individually, that he shall not be among the number of those who die during such given time. There is the most positive certainty to every one, that death will come to so many of the very age he is himself. There is the most perfect uncertainty as to whom it shall come. The duty of contemplating it, and making provision for it, lies therefore on all. I speak, of course, now, of contemplating it, and making provision for it, in a worldly point of view, and with a view to the support and comfort of those who are to be deprived of their natural guardians and providers.

It is hardly possible to over-estimate the extent of the calamity, when the head of a family is struck down, and the members of it are left in helplessness and poverty. It is not enough, in such a case, that the affections are crushed and wounded by the loss of a beloved husband or parent. The miseries of destitution are forthwith felt also; there is dependence on the too often capricious and stinted assistance of others: there is an end of the independence and comfort of the whole household. Take such a case in the higher ranks, where a certain style and superior manner of living had been maintained—where certain luxuries had become by long use, almost necessities—where a higher education was being imparted to the children; and where the well-directed efforts of the parent who has been taken away, provided the means of elegance and comfort for all. In a moment—and by an event

in itself, and independent of circumstances, the most afflicting—the source of all this comfort and happiness is dried up. And the helpless mourners are made at the same time dependents—perhaps almost altogether beggars. In the breaking up of the household—in the division of the members of it,—in the parting with every superfluous article of furniture, however valued for the associations connected with it; in the feeble attempt to keep up something like former respectability—and the gradual descent to the lowest stage of poverty, there is perhaps as much misery experienced, as under more substantial privations. The heart in such circumstances—the heart of the widow and the orphan, knoweth its own bitterness, and none else. Surely it becomes him, to whom the affections of that heart have been most devoted, to anticipate the possibility of such a season of trial and privation, and as far as possible to provide the means of alleviating it and soothing its sorrows:—if he cannot ward off the stroke of death, yet by wise precaution, to ward off at least the evils of destitution and the miseries of dependence. I have spoken now of those in what are called the higher classes of society. The calamity is not the less grievous in what are called the lower. Usually the privation and the absolute want come close upon the very affliction itself, which has wounded and bereaved the loving hearts of an united and affectionate family. There is more direct and immediate suffering, with them, than with those who had been in better circumstances; and the loss of a father is almost immediately the loss of bread to eat—the loss of a husband, is the surrounding a sorrowing widow with children, crying for food which she has not to give, or which she must deal out with stinted hand. I declare to you nothing, to any thinking mind, can be more dreadful or deplorable than the state of wretchedness to which whole families are often thus reduced, both as respects their physical and moral nature. Any one can bear witness to this, who has had occasion to observe from day to day and from year to year, the privations of the wretched poor in this city. Such a one can tell of whole families crowded into one room; of the gradual degradation of intellect and feeling which the grinding poverty under which they suffer, produces with only too infallible a certainty. He can tell how the appetites and instincts of nature are at war with the state of misery in which they are placed, and plead that the nearest way should be chosen for their indulgence. Amidst the cravings of hunger; amidst the cries of famished children, while cowering over the half-consumed fuel which they have no means of replacing; while unable to go out even to beg, without borrowing the garment that is necessary to cover and to shelter them from others that are a degree less wretched than themselves—oh, should it not occur to us to think how difficult it must be to keep fast hold either of moral principle or of religious truth; how strong the temptation to the easy falsehood, which a careless world almost requires, in order to make it part with some of that superfluous abundance which the miserable petitioner does so much need; how strong the temptation to put forth an unobserved hand, to the unlawful attainment of that which is so little to its possessor, but would be so much to him who is in want: how strong the temptation to obtain, through intoxication, a temporary forgetfulness of the ever pressing evils

to which the poor sufferer is subject; how difficult it must be to engage in the exercises and contemplations which are essential to the vigor of moral and religious principle in the heart; how the very care of the body drives out all care of the immortal nature, with which it is connected—and a ready access is opened to the mind for the most hard and unworthy thoughts of God himself and his eternal Providence. I know not a fiercer or more formidable trial of principle than to be reduced to this state.—And is this the state to which any man would desire, or could bear to think that those he loves and cherishes should be reduced to? Can any thing be more atrocious than to neglect carelessly, or still more to neglect selfishly, the means in his power of rescuing them—at least humanly speaking, and if nothing occurs out of the ordinary course of things, from the chance of such a state. I look to the moral danger and degradation as much as to the physical wretchedness, when I say it is the lesson of natural affection, of moral principle and of religious duty, to take every competent means to prevent such a consummation.

But how prevent it? It is plain that the resource of saving, however strict an economy may be practised, cannot be effectual here. That, to be effectual, must be a work of time. And our very supposition is, that time is denied—that adequate time cannot be counted on. Here, then, comes in the principle of Life Insurance, and the facilities afforded by Life Insurance Companies. What cannot be effected by the individual, can be effected by the combination of individuals. The principle on which this may be done is illustrated very simply and intelligibly in the little work from which I have already quoted. “Suppose ten thousand persons at the age of 52 were disposed to associate for the purpose of making sure that the heirs of all those who died within the year, should have each a thousand pounds. It would only be necessary in that case for each person to contribute as much to a common fund as would make up the sum of £150,000—or a thousand times 150—(the number of persons that may be expected to die)—that is to say, each of the ten thousand persons would require to pay in £15. With a small additional allowance for the expense of transacting the business, the resulting sum of £150,000 nett, gives the representative of each deceased party the desired £1,000. This is still so far an ideal case. But it is easy to suppose a large number of persons at all ages or at least at certain ages determined on, say between 15 and 60, paying into a common fund, each according to his age and the sum he wished secured; and then we should have a Mutual Insurance Society at once; there being only this additional feature, that generally men do not insure for one year only, (though this is possible,) but for the whole remainder of their lives; for which reason an average is struck, and they begin paying at a rate which will continue the same to the end; the excess of payment in the early years, making up for its smallness in those at the close of life. Such being the common practice, life insurance societies necessarily accumulate large funds, which they require to improve at interest in safe investments in order that the most postponed engagements may be made good in time.”

I do not at all enter on the calculations, often exceedingly abstruse

and difficult, and in which the highest powers of science are required, to ascertain the average mortality at different ages and the rates of payment by individuals, in order to render safe the obligations under which Life Insurance Companies come. Even were I fully versed in these, which I do not at all profess to be, it would be quite impossible to make them either interesting or intelligible in a lecture like this. It is sufficient for our purpose—which, as I said at first, is not scientific, but practical—to assume the correctness of the results which have been attained by these calculations. That indeed is admitted by all who are competent, scientifically, to form an opinion;—and what is still better, a sufficiently extensive experience, which is the great and infallible test, has put its stamp upon them as trustworthy.—Changes may take place—as for example, the rate of mortality may fall—the average duration of life be prolonged—in which case the rate of payment should proportionally fall; or the general rate of interest to be obtained for money might fall, in which case the rate of payment should rise. But these are matters, when the great principles are correctly established, of the easiest possible calculation. And it is to be observed that any changes which have hitherto taken place, and which have been very cautiously introduced, have been in favor of the insurer—assuring, that is, the same benefit at a less cost.

The simplest view of Life Insurance is that of combination, in which, for certain specified ends, we have to make an annual payment. Considered simply as a pecuniary investment, this may turn out favorably or unfavorably. Should a man's life be prolonged, it is possible that he may pay in more than his representatives will receive after his death. Should he die soon, the pecuniary gain to his representatives would be large. This is the only point to which any uncertainty attaches, and the result alone can determine which shall be the case. But to reconcile us to this uncertainty, we have only to consider what is certainly gained and what is effected by that property, which it may turn out in the end, we have lost for our representatives. We gain from the moment the Insurance is effected, the satisfaction of thinking that a provision has been at least, to some extent, made for those dear to us, should they be prematurely deprived of our protection. We are freed from a load of anxiety, which cannot but be depressing. We are induced by the very circumstance that we should otherwise lose the benefit of all we have done, to persevere in the means necessary for making such provision; and so are, to a considerable extent, assured even against our own carelessness and caprice. Having made the necessary sacrifice for this future provision, we feel less also the necessity of a sordid and grinding parsimony, and can, with a more free and disengaged spirit, enjoy ourselves, or give to good and charitable purposes out of what remains. We have the satisfaction that always accompanies the voluntary exercise of self denial for the sake of what we account right, and of those in whom we are interested. And the loss, if loss there should turn out to be, there is a satisfaction in thinking, turns to the benefit of others, whose families have been earlier bereaved of their heads and guardians, than it has pleased Providence to bereave ours.

I see that, with the view of inducing people to effect insurances upon

their lives, stories are often told—and of course perfectly true for such cases must occur—of the great immediate benefits which are in some instances reaped by the families of those who do so. Thus, it is stated in the little work to which I have already referred, that an instance of death during the week following the payment of the first premium, once occurred in Edinburg; that in the records of one office, five hundred pounds was realized after the policy had run two hundred and sixty-two days; £800 after 330 days; £600 after 206 days; £500 after 74 days; £1,000 after four months, and a case is mentioned of an industrious man engaged in flax-spinning, who had sunk most of what he possessed in a concern of that nature, and who having insured £500 in the month of February, for which the usual comparatively small sum was paid by way of premium, in the ensuing April insured £500 more. Next month, after the second policy had run only twenty-two days, he died in consequence of a severe injury from his own machinery, and his family thus obtained the welcome sum of £1,000 to help them on in the world—a sum which they could not have had, if their parent's death had taken place a few months sooner. I have no doubt these anecdotes are often very effective; and I should be sorry in any degree to injure the effect of them. But I think the duty of life insurance can be performed under the impulse of better and higher principles than the sort of lottery feeling which such anecdotes are apt to produce: prudence—taking proper advantage of the means which Providence points out to us, in the combination of individuals, for making a provision for those dear to us, and setting us at rest from the reasonable anxieties we entertain in regard of them; self-denial—prompting us to sacrifice a portion of our present means of enjoyment, to secure such ultimate provision for our families; and benevolence and Christian charity—that in doing so, we are upholding a system which benefits most those on whom calamities fall most heavily.

There is something, I confess, in the principle and working of the Life Insurance system, which falls in better with my notion of the moral improvement of mankind, than in the principle and working of Savings Banks. In the former, self-denial is in exercise—in the latter, the principle of acquisitiveness, to speak phrenologically. Now, self-denial is ever noble and elevating to the character. And there is little risk of its going too far. But acquisitiveness grows—grows by imperceptible degrees—grows to a very commanding influence—grows often beyond any reasonable necessity for it—grows till it overmasters other principles, that are higher and better, and till it can spare nothing to be devoted to the purposes of a generous and Christian benevolence. Man becomes of the earth, earthly—a very poor, selfish, unreasoning and unreasonable creature indeed, when he becomes the slave of this principle. Yet it is a most important principle notwithstanding, and to be cherished, if not over-cherished. I think it is one great benefit of the Life Insurance system, that it does away the temptation, in a great measure, for so over-cherishing it, and giving it such a habitual hold and mastery, as is really degrading to the character, and injurious to the usefulness of the individual who is so enslaved. The two, however, are both necessary and useful; I mean the Life Insurance system

and the Savings Bank system ; and they do mutually assist each other and correct each other, and make up for what is deficient in each other. The Savings Bank provides for contingencies, for which the Life Insurance does not provide, and it provides the security for continuing even in unfavorable seasons, the payment of the rates of the Life Insurance. And the Life Insurance provides and provides at once, for what the Savings Bank could only do, in a long period of time—a period of time on which it is unsafe to calculate, while it also relieves and disengages the mind, and sets it free from the danger of acquiring such a habit of sordid parsimony as cannot be resisted effectually or rooted out.

If I were to treat fully of the benefits of Life Insurance, it might be proper to state the advantage to be derived in business transactions, from the possession of a Policy of Insurance—the facility which it affords for raising money, and the security which it gives for the ultimate payment of debts that have been incurred. It might be proper, also, to dwell on the various branches of Life Insurance business—in particular, the granting of annuities. This is done on the same principles as to the average probability of life. And it is desirable in the case of those, who have a large sum which they can sink at once, in exchange for a certain sum annually, this latter sum being larger than could be raised from ordinary interest. There can be no doubt that this can be often properly and advantageously done. Where the parties purchasing the annuities have none nearly connected with them or depending on them, they obtain during their lifetime a larger amount of comfort than they could otherwise have enjoyed. It is manifest, however, that this use of Life Insurance, however often perfectly justifiable, does, on the whole, minister to selfishness—to immediate personal gratification, in disregard of others. While that other, on which I have chiefly dwelt, calls for self-denial—postpones self to the claims of others—and only ministers to self, to the extent that happiness is bound up in the happiness of others. The prevalence of this latter kind of insurance is symptomatic of higher principle and a better state of the domestic affections. It is said to prevail very much more in Britain and in Holland ; the other in France.

On these, however, I do not dwell ; nor on the peculiar advantages of one class of offices over another—the Mutual or the Mixed over the Proprietary ; nor on the rates of individual offices, or the steps to be taken in obtaining policies. These things can all be easily learned, at the different offices in this city. My object is to make people visit these offices and especially to turn the attention of mechanics and laborers to the subject, for the purpose of their securing for their families the benefits which Life Insurance puts within their reach. This, indeed, is the only object which would have induced me, having such limited information on the subject, and having so little time at my disposal for increasing that information, to take up the subject at all. I have no idea that I can give to those who are in the habit of reading, even slightly and cursorily on the subject, any clearer views than they possess ; though even they may be stirred up by the very mention of the subject, to exercise a degree of prudence which hitherto they have not manifested or to feel ashamed of a want of immediate self-denial and

self-sacrifice, necessary to secure the future comfort of those that are dearest to them. But I do hope that, either directly or indirectly, the subject will thus be suggested to many who might not otherwise have thought of it, and that it will be explained to them, that the benefits of the Life Insurance system belong not to the higher classes of society only, but are within the reach of almost all.—Most of the Insurance Companies give policies for \$250. The annual payment of about six dollars, by a person beginning at thirty years of age, would secure that sum to his family at his death. But there is not a mechanic, and hardly a sober and industrious laborer, who could not set apart double the sum, if he were only duly impressed with a sense of the utility, the advantage, and the duty of doing it. Suppose the money wasted and worse than wasted, on tobacco and ardent spirits, were set apart for this purpose, in almost every instance the object would be gained, and multitudes of families would be preserved in comfort, and in favorable circumstances for their moral well-being and improvement, which upon the death of the husband and father would otherwise be plunged into destitution and wretchedness. It would be a good object to attain this by any retrenchment or self-denial. How much better by that to which I have alluded? *That* would involve no sacrifice of present comfort in a family, in lieu of the future advantage. It would be a great and immediate advantage in itself, to all concerned. It is surely a miserable proof of mean selfishness and unreasoning folly, if a man, for the sake of his own family, will not only not sacrifice some real *present* good, but will not even renounce a superfluity, frequently the cause of so much evil and misery to himself and all belonging to him.

There is, I am told, from week to week, a steady increase in the investments in the Savings Banks in this city, and in the number of those who open accounts with them. For the good of society, it is to be hoped that there will continue to be an increase in both. But I would hold it a vast additional security for the future improvement and well being of society, if the system of life insurance did equally progress; and if every mechanic and laborer, who is able to make an investment in the Savings Bank, had along with the book that records it, his Life Policy for £50, or £100 or £150; and to pay the rate of which regularly, is the first purpose to which his savings are applied.

Let not those who neglect this precaution, which prudence and affection, care for the bodily comforts, and even for the moral good of their families, should alike prompt them to take, say they *cannot*. They *can* if they *will*. They can, if they will exercise the requisite self-denial. They can often simply by renouncing the use of what is superfluous or mischievous. Let them rather say at once,—“Yes, we could, by this means there is no doubt, make provision against the future destitution of our families, and their dependence on the charity of others; we could leave enough to do all this, and to put them in a way of providing honorably for themselves; but the small annual sum that would be required to do this, we will not save from our own enjoyments; we will rather spend it in superfluities or in intemperance.” In so saying, they would only appear the selfish beings which they really are. At all events, let them not have the folly or the hypocrisy to say, as

is sometimes said by those who neglect this precaution, that they trust to Providence. What right has any man to trust to Providence to do for him, directly or through the mediation of others, what it has enabled him to do for himself? The wisdom and goodness of Providence appear, in giving him this power and placing him in circumstances in which he can exercise it. Not trust in Providence, but disregard of Providence and of its plain and manifest design, is shown by neglecting to use this power. Would a man put his trust in Providence by entertaining the expectation that though he neither ploughed nor sowed, somehow a crop might spring up which he should be permitted to reap? Is not the right trust shown by ploughing and sowing, planting and watering, and then after all, looking to Providence for the increase? All that our limited power and wisdom can accomplish, it behooves us to do; and after it is done, to whatever length it goes, there will still remain abundant scope for the exercise of trust in the goodness of Providence. The second causes which we can discern and over which alone we have any sort of influence, are connected with a long chain of others which are hidden in obscurity from us, and which are in the hand of God alone. The ultimate arrangement of these causes and so the ultimate disposal of us, and all that concerns us, must belong to Him. And the humble and trustful and thankful recognition of this, is surely consistent with the most energetic doing of all that he has put within the power of our hands to accomplish.

COMMERCIAL STATISTICS.

The following tables will form a useful series of reference, in addition to the details published in our October No.

Comparative prices of Sugar, at N. O., on the first of each Month, for 5 Years.

	1848-9 Cents.	1847-8 Cents.	1846-7 Cents.	1845-6 Cents.	1844-5 Cents.
September, . . .	2½ a 4½	5 a 7½	4½ a 7½	6 a 6½	5 a 6½
October, . . .	2½ a 4½	5 a 7½	6½ a 9	6 a 7½	5 a 6½
November, . . .	3 a 4½	3 a 5½	5½ a 7	5 a 7	4 a 5½
December, . . .	2½ a 4½	2½ a 5	4½ a 7	4 a 6½	3 a 5½
January, . . .	2½ a 4½	2 a 5	5 a 7½	4½ a 6½	2½ a 5½
February, . . .	2½ a 5	2½ a 5½	5 a 7½	4 a 6½	2½ a 5½
March, . . .	2½ a 5½	2½ a 5	5½ a 7½	4 a 6½	3 a 5½
April, . . .	2½ a 5½	2½ a 5	5½ a 7½	4 a 6½	5 a 6½
May, . . .	2½ a 5½	1½ a 4½	5 a 7½	4½ a 6½	5 a 6½
June, . . .	2½ a 5	1½ a 4½	5 a 7½	4 a 6½	4½ a 6½
July, . . .	2½ a 4½	2½ a 4½	5 a 7½	4 a 6½	4½ a 6½
August, . . .	3 a 5½	2½ a 4½	5½ a 8	4½ a 7½	5½ a 7

Arrivals of Flat Boats at New Orleans, for the year ending 1 September, 1849.

From Ohio,	298	From Mississippi,	30
" Indiana,	447	" Virginia,	13
" Kentucky,	148	" Missouri,	9
" Pennsylvania,	90	" Iowa,	9
" Tennessee,	61	" Arkansas,	1
" Illinois,	59	" Alabama,	31
		Total,	1,196

Comparative prices of Middling to Fair Cotton at New Orleans, on the first of each month, during a period of Five Years—together with the total receipts at New Orleans, and the total Crops of the United States.

	1843-49 Cents.	1847-48 Cents.	1846-47 Cents.	1845-46 Cents.	1844-45 Cents.
September,	5½ a ..	10½ a 12	7½ a 9	7¼ a 8½	6 a 7½
October,	5¼ a 7	10 a 11	8½ a 10	6½ a 8½	5½ a 7½
November,	5 a 6	7¼ a 8½	9 a 10½	7 a 8	5½ a 6½
December,	5½ a 6½	6½ a 7½	9 a 10½	6½ a 7½	4½ a 6½
January,	5½ a 6½	6½ a 7½	10 a 11½	6½ a 7½	4½ a 6½
February,	6½ a 7½	6½ a 8	11½ a 13	7½ a 7½	4½ a 6½
March,	6½ a 7½	6½ a 7½	9½ a 11	6 a 8½	5 a 6½
April,	6½ a 7½	6½ a 7½	10½ a 11½	6½ a 8½	5½ a 7½
May,	6½ a 7½	5 a 6½	10½ a 12½	6½ a 8½	5½ a 7½
June,	7 a 8½	5½ a 7½	9½ a 11½	6½ a 8	5½ a 7½
July,	7 a 8½	5½ a 7½	9½ a 10½	6½ a 8	6½ a 7½
August,	9 a ..	5½ a 7½	10½ a 12	7 a 8½	6½ a 7½
	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>	<i>Bales.</i>
Receipts at N. Orleans,	1,142,382	1,213,805	740,660	1,053,633	979,238
Crop of the U. States,	2,728,596	2,347,634	1,778,651	2,100,537	2,394,503

Comparative prices of Corn, in Sacks, at N. Orleans, on the first of each Month, for Five Years.

	1843-9 Cents.	1847-8 Cents.	1846-7 Cents.	1845-6 Cents.	1844-5 Cents.
September,	52 a 57	50 a 55	36 a 40	40 a 42	43 a 44
October,	48 a 53	50 a 75	60 a 65	35 a 38	40 a ..
November,	52 a 58	41 a 50	58 a 75	45 a 50	43 a 45
December,	42 a 51	45 a 50	60 a 70	90 a 92	34 a 37
January,	35 a 40	54 a 60	55 a 67	55 a 63	37 a 38
February,	34 a 43	40 a 55	80 a 90	40 a 50	38 a 40
March,	30 a 41	36 a 42	75 a 90	47 a 52	40 a 41
April,	20 a 40	30 a 38	80 a 95	42 a 50	35 a 36
May,	30 a 45	22 a 28	55 a 70	40 a 50	35 a 38
June,	50 a 55	32 a 36	65 a 80	35 a 40	28 a 32
July,	50 a 53	33 a 39	65 a 75	25 a 32	30 a 34
August,	50 a 56	36 a 42	40 a 50	30 a 35	34 a 36

Comparative prices of Molasses at N. Orleans, on the first of each Month, for Five Years.

	1843-9 Cents.	1847-8 Cents.	1846-7 Cents.	1845-6 Cents.	1844-5 Cents.
September,	15 a 20	28 a 32	15 a 22	24 a 27	26 a 28
October,	17 a 21	28 a 32	20 a 25	21 a 24	24 a 26
November,	23½ a 24	22½ a 23	26 a 26½	21 a 22	20 a 21
December,	19½ a 20	19½ a 19½	23 a 23½	20 a ..	20½ a 20½
January,	18 a 19½	17 a 17½	24½ a 25	21 a 21½	16½ a 17½
February,	20 a 21½	17 a 19	27 a ..	21 a 21½	14½ a 16
March,	15 a 19	15 a 21	29 a 29½	22½ a 23	20½ a 21
April,	15 a 19	15 a 21	25 a 29	25 a 25½	25 a 26
May,	12½ a 18	12 a 16	26 a 30	23 a 23½	24 a 27
June,	12 a 18½	15 a 20	26 a 30	18 a 22	18 a 27
July,	8 a 18	15 a 20	26 a 30	15 a 20	20 a 27
August,	10 a 20	16 a 20	28 a 31	15 a 21	26 a 28

Comparative prices of Mess and Prime Pork, at New Orleans, on the first of each Month, for Two Years.

	1848-9		1847-8	
	Mess. Dollars.	Prime. Dollars.	Mess. Dollars.	Prime. Dollars.
September,	11½ a 11½	9 a ..	15 a ..	12½ a 12½
October,	12½ a ..	10½ a ..	13½ a 13½	12½ a 12½
November,	10½ a 10½	9½ a 10	12½ a 12½	11½ a ..
December,	10 a 10½	9 a 9½	10½ a 11	8½ a 9
January,	11 a 11½	9½ a 9½	9 a 9½	7 a 7½
February,	10½ a 11½	9½ a 10	9½ a 9½	7 a 7½
March,	10½ a 10½	9 a 9½	9 a 9½	7 a 7½
April,	10 a 10½	9 a ..	8½ a 9	6½ a 7
May,	9½ a 9½	8½ a ..	8½ a 8½	6½ a 7
June,	9½ a 9½	8½ a 8½	9½ a ..	7½ a 7½
July,	10½ a 10½	8½ a 8½	10 a ..	7½ a 7½
August,	9½ a 10½	8½ a 8½	10 a 10½	7½ a 8

VALUE OF PRODUCE OF THE INTERIOR.

The following comparison of the value of the principal products of the Interior, received at this port from 31st August to 1st September, 1847, 1848 and 1849, is compiled from a series of tables, which we have yearly prepared for our Annual Statement.

	1848-9	1847-8	1846-7
Cotton,	\$30,844,314	\$35,200,345	\$32,589,436
Sugar,	8,800,000	9,600,000	9,800,000
Tobacco,	3,938,290	3,430,544	3,552,340
Flour,	4,559,926	3,574,790	8,897,213
Pork,	6,366,648	3,934,047	4,511,162
Lard,	4,970,113	4,611,050	3,804,515
Lead,	1,542,763	1,711,796	1,807,219
Molasses,	2,288,000	1,920,000	1,440,000
Bacon,	2,989,385	2,098,788	2,935,349
Corn,	1,923,464	1,497,768	5,454,553
Whiskey,	875,203	947,331	1,265,530
Wheat,	447,822	269,559	1,917,392
Bagging,	1,167,056	1,009,866	640,311
Beef,	1,050,437	493,418	670,490
Hemp,	436,832	410,096	903,670
Bale Rope,	1,119,864	743,240	337,206
Butter,	132,740	249,195	274,360
Hay,	162,723	170,317	285,693
Hides,	38,212	59,575	122,927
Coal,	157,500	192,000	267,375
Potatoes,	365,290	303,782	285,776
Staves,	152,000	80,000	50,000
Tallow,	223,062	78,426	133,160
Feathers,	98,475	64,800	87,450
Oats,	213,247	350,415	529,503
Corn Meal,	30,242	95,086	308,505
Other Articles,	7,096,094	6,682,837	7,162,221
Total,	\$81,989,692	\$79,779,161	\$90,033,256
1845-46	\$77,193,464	1843-44	\$60,094,716
1844-45	57,199,122	1842-43	53,782,054

From the above table it results that the total value of all the products received at this port from the interior, from September 1, 1841, to September 1, 1849—a period of eight years—amounts to \$545,730,500.—*N. O. Price Current.*

A Table showing the receipts of the principal articles at N. Orleans, during the year ending 31st August, 1849, with their estimated average and total value.

ARTICLES.	Amount.	Average.	Value.
Apples, barrels	54,987	\$3 00	\$174,961
Bacon, assorted, hhds. & casks	32,056	40 00	1,282,240
Bacon, assorted, boxes	32,156	25 00	803,900
Bacon, Hams, hhds. & tierces	19,831	45 00	892,395
Bacon, in bulk, pounds	217,000	5	10,850
Bagging, pieces	72,941	16 00	1,167,056
Bale Rope, coils	93,322	12 00	1,119,864
Beans, barrels	13,157	3 00	39,471
Butter, kegs & firkins	57,972	5 00	89,860
Butter, barrels	2,144	20 00	42,880
Beeswax, barrels	481	40 00	19,240
Beef, barrels	44,473	11 00	489,203
Beef, tierces	36,117	15 50	569,813
Beef, dried, pounds	20,300	7	1,421
Buffalo Robes, packs	23	70 00	1,610
Cotton, bales	1,142,882	27 00	30,944,314
Corn Meal, barrels	12,097	2 50	30,242
Corn, in ear, barrels	295,711	45	133,070
Corn, shelled, sacks	1,705,138	1 05	1,790,394
Cheese, boxes	54,289	3 00	162,867
Candles, boxes	28,262	4 50	127,629
Cider, barrels	1,189	3 00	3,567
Coal Western, barrels	315,000	50	157,500
Dried Apples and Peaches, barrels	2,964	2 50	7,400
Feathers, bags	3,939	25 00	98,475
Flaxseed, tierces	1,188-	9 00	10,692
Flour, barrels	1,013,177	4 50	4,559,296
Furs, hhds. bundles & boxes	200	....	300,000
Hemp, bales	19,856	22 00	436,832
Hides,	30,570	1 25	38,212
Hay, bales	54,241	3 00	162,723
Iron, pig, tons	413	30 00	12,390
Lard, hhds.	790	60 00	47,400
Lard, bbls. & tierces	214,362	18 00	3,859,516
Lard, kegs	275,485	3 50	1,064,197
Leather, bundles	3,976	25 00	99,400
Lime, Western, barrels	10,401	1 50	15,601
Lead, pigs	508,557	3 00	1,525,671
Lead, bar, kegs & boxes	949	13 00	17,082
Molasses, (estimated crop) galls.	14,300,000	16	2,288,000
Oats, bbls. & sacks	266,559	80	213,247
Onions, barrels	6,893	2 00	13,796
Oil, Linseed, barrels	1,409	25 00	35,225
Oil, Castor, barrels	2,628	60 00	157,680
Oil, Lard, barrels	8,842	24 00	212,208
Potatoes, barrels	146,116	2 50	365,290
Pork, barrels	550,643	9 50	5,231,108
Pork, boxes	18,279	20 00	365,580
Pork, hhds.	18,499	40 00	739,960
Pork, in bulk, pounds	10,273,680	3 $\frac{1}{2}$	286,263
Porter and Ale, barrels	1,838	8 00	14,704
Packing Yarn, reels	2,211	8 00	17,688
Skins, Deer, packs	1,301	25 00	32,525

Skins, Bear,	packs	8	\$15 00	\$120
Shot,	kegs	4,377	20 00	87,540
Soap,	boxes	6,520	3 00	19,560
Staves,	M.	3,800	40 00	152,000
Sugar, (estimated crop)	hhds.	220,000	40 00	8,800,000
Spanish Moss,	bales	1,922	6 00	11,532
Tallow,	barrels	10,622	21 00	223,062
Tobacco, Leaf,	hhds.	44,335	70 00	3,103,450
Tobacco, Strips,	hhds.	8,000	100 00	800,000
Tobacco, Chewing,	kegs & boxes	2,315	15 00	34,725
Tobacco,	bales	33	3 50	115
Twine,	bundles & boxes	2,067	15 00	31,005
Vinegar,	barrels	37	5 00	185
Whiskey,	barrels	125,029	7 00	875,203
Window Glass,	boxes	575	5 00	2,875
Wheat,	barrels & sacks	238,911	2 00	477,822
Various other Articles—estimated at	.....	.....	.....	5,000,000

TOTAL VALUE—Dollars \$51,939,692

Statement of the Receipts and Exports of Cotton and Tobacco at the Port of New Orleans in each year, from 1822-3 to 1848-9, a period of 26 years.

Years.	COTTON.		TOBACCO.	
	Receipts.	Exports.	Exports.	Receipts.
1822-23,	161,959	171,872	16,292	28,624
1823-24,	141,524	143,843	25,262	25,910
1824-25,	206,358	203,914	17,759	16,849
1825-26,	249,881	259,681	18,242	19,231
1826-27,	336,573	326,516	29,681	26,540
1827-28,	295,852	304,073	29,443	35,098
1828-29,	268,639	367,736	24,637	25,388
1829-30,	362,977	351,237	32,438	28,028
1830-31,	429,392	423,942	32,098	33,872
1831-32,	345,646	353,104	31,174	35,056
1832-33,	403,833	410,524	20,627	23,637
1833-34,	467,984	461,026	25,871	25,210
1834-35,	536,172	536,991	35,059	33,831
1835-36,	495,442	490,495	50,558	41,604
1836-37,	605,813	588,969	28,501	35,821
1837-38,	742,726	738,313	37,588	35,555
1838-39,	578,514	579,179	28,153	30,862
1839-40,	954,445	949,320	43,827	40,436
1840-41,	822,870	821,288	53,170	54,667
1841-42,	740,155	749,267	67,555	68,058
1842-43,	1,089,642	1,088,870	92,509	89,891
1843-44,	910,854	895,375	82,435	81,249
1844-45,	979,238	984,616	71,493	68,679
1845-46,	1,053,633	1,054,957	72,996	62,045
1846-47,	740,669	724,508	55,588	50,376
1847-48,	1,213,805	1,201,807	55,882	60,364
1848-49,	1,142,382	1,167,303	52,335	52,896
Total,	16,276,973	16,044,716	1,131,070	1,138,667

Upon the supposition that the average value of Cotton and Tobacco for the twenty-six years above stated, may be fairly estimated at \$40 per bale for the former, and \$70 per hogshead for the latter, it would give a total value for these two articles alone of \$730,253,820.

Cotton Crop of 1848-9.—Consumption in the United States.

Total crop for 1848-9,	2,728,596
Add stock on hand 1 September, 1848,	171,468
	2,900,064
Makes a supply of bales,	
Deduct foreign exports from Southern Ports,	1,957,911
" " " Northern "	268,811
	2,226,722
Deduct stocks on hand 1 September, 1849,	154,753
" Burnt at Charleston and Mobile,	550—2,382,025
	Bales 518,039

ENGLISH COTTON GOODS TRADE—CALICO EXPORTS.

The great increase of exportation of British cotton goods appears to be one of the most surprising commercial facts that can be recorded. We give, from the official returns, the following statement of the quantities of printed and dyed calicoes exported from Great Britain during the first six months of 1845, 1848, and 1849, respectively.

	1845.—Yards.	1848.—Yards.	1849.—Yards.
Brazil,	14,328,661	14,969,683	16,651,850
Buenos Ayres, Montevideo, &c.	3,684,247	2,274,769	7,198,699
British West Indies, . . . . .	.....	4,625,956	8,345,644
British North America,	9,255,961	4,589,811	5,701,867
Foreign West Indies,	9,184,716	4,206,330	7,371,860
Belgium, . . . . .	.....	372,099	1,347,696
Coast of Africa,	1,289,968	3,593,949	5,852,447
Chili and Peru,	12,873,751	7,355,529	17,864,491
Colombia,	3,703,705	3,383,377	6,694,951
Hanse-Towns,	16,301,078	.....	11,536,405
Holland, . . . . .	.....	6,453,556	7,499,790
India,	12,742,695	5,306,996	10,984,105
Malta and Ionian Isles,	1,385,728	.....	3,008,598
Mexico,	3,275,922	4,630,789	8,616,613
Naples and Sicily, . . . . .	.....	1,777,518	3,120,067
Sardinia, Tuscany, &c.	7,339,000	2,626,589	5,900,957
Trieste, Austrian Ports, &c. . . . .	.....	1,504,401	3,722,517
Turkey and the Levant,	14,965,232	22,376,244	24,220,585
United States,	8,802,634	19,220,121	24,724,232

In 1845 the total amount of exports of printed and dyed cottons during the first six months was 153,338,502 yards. In 1849, during the same period, 196,395,897 yards; an increase of more than twenty-five per cent. The increase to the United States was nearly 16,000,000 yards; that to Turkey more than 9,000,000. In the exports of plain calicoes, the increase has also been very great. During the first six months of last year, 252,845,726 yards were exported. During the same period of this, 345,760,822 yards, showing an increase of 92,915,096 yards, principally in shipments to Brazil, Buenos Ayres, Egypt, India, China, Trieste, Turkey, and the Levant. Of cotton yarn, the quantity exported from January 1st to July 1st, 1849, was 58,606,904 lbs., an increase over last year of 11,832,091 lbs.

The annexed summary of the exports of the chief articles of British manufacture, which have been shipped during the six months, ending on the 30th June last, from London, Liverpool, Bristol, Hull, and the Clyde, to the various markets of the world, has been made up with great care from the tables published by the Board of Trade, and will show the high position which the United States holds among our commercial friends, and justify our preliminary observation. There have been shipped as follows:

	Cotton Goods. Yards.	Linen Goods. Yards.	Woolens. Value.	Silks. Value.
British America and West Indies,	32,168,540	3,715,559	£145,838	£38,185
East Indies and Ceylon,	119,552,374	152,073	66,943	5,998
Australasia,	5,055,092	48,908	62,180	16,160
Cape of Good Hope and Mauritius,	5,099,365	11,035	24,752	3,171
Gibraltar and Malta,	24,667,297	395,462	25,002	790
France,	4,289,047	11,946	52,288	49,190
Holland,	22,099,213	202,216	180,251	11,653
Belgium,	7,752,209	57,185	118,978	14,362
Germany,	35,902,603	616,512	235,896	16,062
Denmark and Sweden,	2,130,172	58,903	51,082	852
Russia,	2,050,680	9,542	35,650	1,949
Spain and Portugal,	*21,249,787	619,468	45,566	896
Italy and Sicily,	21,029,423	766,494	22,285	2,938
Austria,	13,273,483	193,005	107,754	946
United States,	44,581,704	15,148,394	882,283	107,827
Mexico,	11,623,856	2,628,034	48,041	8,423
St. Domingo, Cuba, &c.	14,359,318	7,278,771	27,297	6,192
Brazil,	46,804,734	2,334,308	92,193	4,553
Other parts of South America,	68,783,468	3,832,968	386,011	42,314
Turkey and Greece,	53,791,901	400,259	29,763	222
Egypt and Syria,	22,104,494	170,800	3,310	.....
China,	36,041,699	19,259	214,348	59
Java and Singapore,	16,763,986	252,707	18,479	703
West Coast of Africa,	6,416,606	10,777	3,576	1,888
Azores and Teneriffe,	1,614,425	4,900	2,238	44
Algeria,	2,259,840	.....	3,427	.....
Cape Verde Islands, . . . . .	.....	.....	2,133	.....
Other places,	912,497	.....	3,273	.....
Total,	642,677,803	38,939,375	£2,890,837	£335,377

*Portugal, more than 20,000 of this, nine-tenths of the linen goods, and nearly two-thirds of the woolens.—[London Correspondent National Intelligencer.]

Prices of Flour, at New Orleans, on the first of each Month, for Five Years.

	1848-9 Dollars.	1847-8 Dollars.	1846-7 Dollars.	1845-6 Dollars.	1844-5 Dollars.
September,	4 a 4½	4½ a 6	3½ a 4	3½ a 4½	. . a 6
October,	5 a 5½	4 a 5	4 a 4½	3½ a 4½	3½ a 4½
November,	4½ a 5½	5½ a 5½	5 a 5½	4½ a 5½	4 a 4½
December,	4½ a 5	5½ a 6	4½ a 5½	7½ a 8½	4 a 4½
January,	4½ a 4½	5½ a 6	4½ a 5½	5½ a 7	4½ a 5½
February,	4½ a 5	4½ a 5½	6 a 6½	5 a 6½	3½ a 4½
March,	4½ a 5½	5 a 5½	5½ a 6½	4½ a 5½	4 a 4½
April,	4½ a 5	5½ a 5½	6 a 6½	4½ a 5	3½ a 4½
May,	3½ a 5	4½ a 5½	5½ a 6½	4 a 4½	3½ a 4½
June,	4½ a 5½	4½ a 4½	6½ a 7½	3½ a 4½	3½ a 4½
July,	3½ a 5	4½ a 5	6 a 7	3 a 4	3½ a 4½
August,	6 a 7½	4 a 4½	4 a 5½	3½ a 4	4 a 4½

THE COTTON CROP OF 1848-9.

Exports to Foreign Ports from 1st September, 1848, to 31st August, 1849.

FROM	To Great Britain.	To France.	To North of Europe.	Other For. Ports.	Total.
New Orleans,	645,018	154,647	61,062	100,765	961,492
Mobile,	290,383	61,597	16,822	27,539	396,341
Florida,	62,734	5,721	6,836	4,448	79,739
Texas, . . . . .	.....	750	1,745	.....	2,495
Georgia,	195,443	18,458	3,764	.....	217,665
South Carolina,	206,109	49,768	26,242	17,663	298,782
North Carolina, . . . . .	.....	.....	.....	.....	.....
Virginia,	242	108	1,056	.....	1,406
Baltimore,	106	.....	.....	.....	106
Philadelphia,	2,819	.....	.....	484	3,303
New York,	132,612	78,037	44,893	5,101	260,643
Boston,	2,435	173	3,038	226	5,872
Grand Total,	1,537,901	368,259	165,458	156,226	2,227,844
Total last year,	1,324,265	279,172	120,348	134,476	1,858,261
Increase,	213,636	89,037	45,110	21,750	369,593

Growth and Consumption of Cotton in the U. States, from 1826 to 1849.

Year.	Entire Crop.	Consump'n in U. S.	Year.	Entire Crop.	Consum'd, U. S.
1823-4	509,158	.....	1836-7	1,422,930	222,540
1824-5	569,249	.....	1837-8	1,801,497	246,063
1825-6	720,027	.....	1838-9	1,360,532	276,018
1826-7	957,281	149,516	1839-40	2,177,835	295,198
1827-8	720,593	120,593	1840-1	1,634,945	297,258
1828-9	857,744	118,853	1841-2	1,633,574	267,850
1829-30	976,845	126,542	1842-3	2,378,875	325,129
1830-1	1,033,848	182,142	1843-4	2,030,409	346,744
1831-2	937,477	173,800	1844-5	2,394,503	389,006
1832-3	1,070,438	194,412	1845-6	2,100,537	422,597
1833-4	1,205,394	196,413	1846-7	1,778,651	427,967
1834-5	1,254,328	216,888	1847-8	2,347,634	531,772
1835-6	1,360,725	236,733	1848-9	2,729,596	518,039

It will be seen from the above table, that the growth and consumption, from year to year, have kept pace with each other: the domestic consumption, or home market, generally absorbing from fifteen to twenty per cent. of the entire crop of the year.

LOWELL MANUFACTURES.

Yards of Cotton, and of Woollens, produced weekly in Lowell. Yards printed and dyed. Lbs. of Cotton and Wool used weekly.

Jan.	Yds. Cotton per Week.	Yds. Woollens per Week.	Yds. printed and dyed.	Lbs. Cotton used per week.
1842,	1,435,450	7,800	280,000	457,000
1844,	1,425,800	10,800	273,000	440,000
1846,	1,594,000	14,100	325,000	527,000
1847,	1,762,000	20,000	331,500	591,000
1848,	1,920,900	21,291	1,615,000	637,000
1849,	1,703,996	21,291	2,395,000	559,000

AMERICAN COTTON FABRICS.

Progress of Manufactures at Lowell, from 1842 to 1849.

	Capital.	Spindles.	Looms.
January, 1842,	\$10,500,000	192,276	6,018
" 1844,	11,050,000	201,076	6,194
" 1846,	10,550,000	278,858	6,306
" 1847,	11,490,000	253,456	7,566
" 1848,	12,110,000	310,000	8,749
" 1849,	12,110,000	310,000	9,359

	Females employed.	Wages weekly.	Males employed.	Wages per day.
January, 1842,	7,430	\$2 00	2,297	80 cts.
" 1844,	6,295	1 75	2,345	70 "
" 1846,	6,905	1 75	2,690	70 "
" 1847,	7,915	2 00	3,340	80 "
" 1848,	8,655	2 00	3,994	80 "
" 1849,	7,644	2 00	3,629	80 "

[Washington Union.]

Summary Statement of Crops, Consumption, &c., of American Cotton for Thirteen Years in Great Britain.

	First Bloom.	Killing Frost.	Days from bloom To Frost.	Crop.	Consumed in U. S.	Stock.
1836—7	June 4	Oct. 14	132	1,422,930	222,540	109,036
1837—8	May 23	" 27	152	1,801,497	246,063	68,961
1839—9	June 14	" 7	115	1,360,532	276,019	69,963
1839—40	May 24	Nov. 7	167	2,177,535	295,193	78,780
1840—1	June 6	Oct. 16	132	1,634,945	297,258	72,479
1841—2	" 10	" 20	132	1,683,574	267,850	31,807
1842—3	May 17	Nov. 1	162	2,378,875	325,129	94,486
1843—4	June 9	Oct. 25	138	2,030,409	346,744	159,772
1844—5	May 25	" 29	157	2,415,448	399,006	98,420
1845—6	" 30	Nov. 3	157	2,100,537	422,597	107,122
1846—7	June 10	" 1	144	1,778,651	427,967	214,837
1847—8	May 29	" 27	182	2,347,634	531,772	171,468
1848—9	June 1	" 20	172	2,728,596	518,039	154,753

	Imports of American Cotton from 1st January to 31st Dec.	Am'n Cotton consumed in G't Brit'n.	Am'n Cotton in G't Brit'n Dec. 31.	Average quot. of uplands.
1837,	844,812	778,492	158,100	7 d
1838,	1,124,800	913,323	316,100	7
1839,	814,500	813,488	242,300	7½
1840,	1,237,500	1,018,784	403,000	6
1841,	902,500	809,900	344,600	6½
1842,	1,013,400	893,256	373,400	5½
1843,	1,396,800	1,110,046	593,200	4½
1844,	1,246,900	1,126,003	654,900	4½
1845,	1,499,600	1,289,808	808,100	4½
1846,	932,000	1,280,396	397,800	4½
1847,	874,100	867,516	296,200	6½
1848,	1,375,400	1,189,500	348,300	4½

ENGLISH VIEWS OF CALIFORNIA GOLD.

The Effects of Large Importations upon the Standard.

From the Money Article in the London Times.

Subjoined is a letter on the inferences to be drawn from the accounts hitherto received from California. There is in some quarters a disposition to regard our present experience of the mines as calculated not only to show that no sudden effect is to be apprehended, but also to upset all those ideas of their productiveness, and of their probable ultimate influence upon the monetary relations of the world, that were first entertained. We agree, however, with our correspondent that no facts have yet transpired to warrant such a conclusion. Every account still speaks of the gold as comparatively inexhaustible, and although this supposition may turn out to be a very erroneous one, it must always, so long as it is entertained, furnish ground for anticipating some important eventual changes in the standard of value. The only disappointments at present experienced, have arisen from the disagreeable nature of the labor by which the metal is extracted, the comparatively short season during which the workings can be uninterruptedly carried on, and the small supplies which have hitherto found their way to the coast. But as regards the first of these points, it will be seen that although the eager inhabitants of towns who expected to pick up wealth without trouble, will be likely to retire in disgust, it will only be to give place to those who are more suited for the work. Up to the present time, the average of a day's toil has been universally admitted to be from one to two ounces, and so long as a tenth part of this yield continues, so long will the certainty exist of a steady influx of additional labor. With respect also to the shortness of the working season, an adjustment of the periods of the arrival and departure of emigrants will take place, as inevitably as the harvest season in England brings also the requisite, although temporary, supply of hands; while, with respect to the third point, namely, the tardy arrivals of specie at the coast, it must be recollected that the miners have no facilities of transmission; that the probability is, they go on working and hoarding steadily through the season, until they can themselves return to San Francisco; and, consequently, that the chief portion of the gold which does actually at this time find its way down, is simply the amount which they are compelled to disburse for necessaries. The fact, likewise, of the high prices which prevail for labor, rent, storage, &c., must have the effect of causing a large amount to be retained for the ordinary wants of the territory itself. Under these circumstances, it is plain that if the Californian excitement should prove to be short-lived, so far from that event being a consequence of the statements which have thus far been reported, it can only arise from any future facts that may show these statements to have been grossly exaggerated. That such a result is still very possible no one will deny, and meanwhile, of course, there will be a constant tendency to anticipate it, since the safe side on all new questions is that of unbelief.

A LETTER UPON CALIFORNIA GOLD.

To the Editor of the London Times.

Sir :—Perhaps you will think it worth while to insert the following observations on the subject of California and its gold-teeming soil.

The want of correspondence between the magnificent reports of the produce of the workings and the actual arrivals of the precious metal, indisposes people to believe that these will ever reach a point to create any disturbance in the relative value of property in this country. I should be glad to entertain the same opinion, but with my eyes open to all the facts of the case, I cannot but believe that we are on the eve of a most important revolution in the value of our present circulating medium.

I give you the following observations for what they are worth. If they serve only to direct the attention of the public to this interesting subject so as to help us to form a just estimate of our future prospects in connection with it, they will have done some good.

I will observe, first, with regard to the small quantity of gold yet received, that this proves nothing. Last summer there were only 3,000 persons at the workings, many of whom are dispersed over the world with the produce of their labors in their pockets, not yet telling in a public way in the market; then winter came, and after it a long rainy season, so that up to the last date, although there were perhaps little short of 100,000 workmen ready to take the field, the waters had only subsided sufficiently to afford space for a few of the most enterprising to commence operations.

The next three or four months will see the whole host at work, and the aggregate produce of their labor must be very large; but great as it may be, it will probably prove insignificant, compared with what it will be when a systematic mode of working is introduced.

To understand the subject properly, it is necessary to study the *locale* on the only map which we have hitherto received, which is probably very imperfect. The Sierra Nevada is a long range of mountains, from which flow into the river Sacramento ten or more tributary streams, and into the river San Joachim, seven. In the beds and on the banks of every one of these streams are found gold deposits in strata of various depths.

This general distribution of the metal proves that the whole face of the Sierra is richly impregnated with it, and that by the disintegration of the Quartz Rock which forms its matrix, a fresh supply, forming a new stratum, is carried down with every winter's flood. Now, giving credit to Mr. Lyell's theory, that certain geological effects in parts of America which he explored, have required for their production the continued atmospheric influences and action of nearly 100,000 years, is it not possible that for a large portion of this term the Sierra Nevada may have been pouring its riches into the beds of the above named two rivers?

It may appear at first sight that the weight of the metal would arrest its course *in transitu*, but although this might be the case with the

heaviest lumps, as by far the greatest portion of gold is found in laminae or thin flakes, the bulk of these must have been carried down by the winter torrents into the beds of the great rivers, and thus an enormous deposit of this precious metal will probably be found where the tributary streams run into them.

And in this case how to get at it? This will easily be done by establishing screw-propelled iron steamers on the rivers, furnished with dredging apparatus to raise the soil where the gold is most likely to be found, and supplied also with every utensil and vessel necessary for separating the gold and melting it into ingots. These vessels might be constantly at work winter and summer; best in winter, as there would then be water enough to carry them a good way up most of the tributary streams. Can it be doubted that such an undertaking, in addition to the workings of 100,000 aspirants for wealth at the dry diggings, would produce enough to unsettle its relative value? And in addition to this apparently inexhaustible field, viz: in the vicinity of the two named rivers, gold has been found on the river Gila, at the head of the Mexican Gulf, 6,000 miles south of the present workings, and also in the neighborhood of Cape St. Lucas, 600 or 700 miles still further south, the extreme southern point of the Californian peninsula, in latitude 22 deg. (See 'Travels' of G. Shelvocke, in Kerr's edition of *Voyages and Travels*, vol. ii, page 4.) It may be said, that admitting the utmost success that could attend the Californian workings, the quantity of gold in circulation is so large, that such an addition could have no appreciable effect on its value. This is an egregious mistake, however. It will hardly be believed that the whole quantity of gold currency in the world, taking it at its usual estimate of 150 millions sterling, would only weigh about 1,150 tons, and that in bulk, a room 20 feet long, 12 feet wide and 10 feet high, would hold it all.

I have only one more observation to make. It may be asked, how it happens that the recent discovery of gold in California can be capable of producing an effect so different from anything that has yet been experienced. Gold mines have often been discovered before, and energetic measures taken to render them productive, and yet the world jogs on without perceiving any difference. But the present state of things is entirely without a parallel. Never has it yet happened, that a whole country side has been found strewed, as it were, with the precious metal, and attainable in abundance by individual enterprise and exertion. With the exception, I believe, of the gold dust imported from Africa, the only sources of supply at present are the product of mines for the most part deep in the bowels of the earth, and worked by the aid of powerful machinery, the veins meandering in threads and scales, and rarely extending themselves into sheets, through primitive rocks requiring to be blasted. I believe this to be the case with the celebrated mines in the Ural Mountains, where, notwithstanding that the power applied to their exploration is no doubt limited only by the extent and capabilities of the field, yet the average annual produce for the last ten years amounts, by official returns, only to £3,400,000 sterling.—*Wanderer's Common, Aug. 27.*

THE CUMBERLAND COAL REGION.

Correspondence of the *Pennsylvania Inquirer*.FROSTBURG, *Alleghany County, Maryland, August 22, 1849.*

I have just returned from one of the most instructive explorations in which it has been my fortune to participate. This is an intensely interesting region, fruitful in suggestions, not less to the manufacturer and man of business, than to the geologist. The town at which I am writing is situated on the national turnpike road, eleven miles west of Cumberland, and on a ridge of the Alleghany mountains, twenty-two hundred feet above tide water. The prospect from the terrace of the hotel is highly picturesque, commanding a view of Pennsylvania, Maryland and Virginia. It is eleven to twelve hundred feet above Cumberland, requiring a grade of upwards of one hundred feet to the mile. Its name was not, as many suppose, derived from its bleak atmosphere in winter, but from a Mr. Frost, one of the early settlers and land proprietors. It is a place of favorite resort by the scorched denizens of the Atlantic cities *below*; and, on referring to the different hotel registers, I discovered that it had been visited during the past summer months by families from Boston, New York, Philadelphia, Baltimore, Washington, and innumerable other places at all points of the compass. The occasion is here rare indeed, I am informed, when a night can be passed comfortably without the aid of a blanket. We have fires now, morning and evening, and the crowded state of the hotels by highly respectable gentlemen and their families, from the East and West, proves that a temperature requiring fire even in summer is preferred to the burning heat of the great cities. Aside from the pleasurable emotions which such a change never fails to produce, a cogent reason for the preference may be found in the healthy and invigorated appearance of all sojourners.

Nor is the place without its historical associations. It is through these mountains that the celebrated military road of the English was made in colonial times, the traces of which are still quite evident. It was on this spot that the youthful Washington halted, with the British army during the French and Indian war, and just before the lamentable defeat of Gen. Braddock. But the subject of greatest interest at present is the so-called "Cumberland or Frostburg coal basin." The north-eastern outcrop or termination of this coal field is found in Pennsylvania, about fifteen miles southwest of Bedford. Its eastern termination is about eight miles west of Cumberland. Passing entirely through Maryland in a south-westerly direction, it crosses the Potomac, and extends into Virginia. Its length is about thirty miles and its width about four. The town of Frostburg is within a few hundred yards of the centre of the basin. The portion lying in the State of Maryland, styled the Cumberland or Frostburg coal basin, is computed at one hundred and fifty square miles. The great vein, which is alone worked to any extent, is found in Pennsylvania to be thirteen feet thick; in Maryland, at or near Frostburg, fifteen feet; and at Westernport, on the Potomac, seventeen feet. There are several other strata, which together have

been variously estimated as capable of yielding from sixty to one hundred thousand tons per acre. The coal is all mined horizontally, and in no instance have miners been yet compelled to resort to shafting, except for ventilation. The dip is just sufficient for water drainage and to afford convenient inclination of the road-way, enabling one horse to bring out four miners' cars, containing about two tons each, with ease and entire safety.

This coal contains about *seventy four parts* of fixed carbon and *thirteen parts* of bitumen, whereas the New Castle coal of England contains but *fifty-four parts* of fixed carbon and *thirty-six parts* of bitumen. For the sake of comparison, and the better to enable us to define the relative peculiarities of the Cumberland or *semi-bituminous*, the New Castle or *highly bituminous*, and the *anthracite* coals, it is proper to remark that the Lackawana and other anthracite coals contain, according to the analysis of Professor Walter R. Johnson, made and published by order of Congress, and from which I derive the foregoing facts, about *eighty-eight parts* of fixed carbon, and but about *four parts* of bitumen. From these details it will be perceived how the title of *semi-bituminous* coal is derived. It may be added that to the same peculiarities is ascribable the incomparable value of the Cumberland coal for certain purposes.

With a view of imparting a better idea of the character of this region and its future influence on and participation in the coal trade of the country, it will not be deemed inappropriate, in this connection, to transcribe portions of the published opinions of several scientific gentlemen, whose names entitle what they utter to entire confidence.

Professor Forrest Shephard, of New Haven, in speaking of the Cumberland coal field, remarks that "here may be seen what I believe is *on earth without a parallel*; what one would imagine the vast treasures of coal and iron scattered over the wide spread regions of the West, profusely heaped up and confined by mountain walls within the narrow limits of a few miles. Besides the extraordinary coal seams and the altogether inexhaustible beds of iron ore, two prominent features of this coal formation deserve the highest consideration. One is the remarkable regularity and uniformity of the various strata, which include the coal seams and ore beds. Not a *dyke, fault* or *dislocation* is discoverable through its whole extent." The Professor states that his estimates "give to every acre nearly one hundred thousand tons of coal, remarkable for its purity and excellence."

Professor Charles W. Shephard, of the University of South Carolina, remarks that "the greatest advantage connected with the position of the coals of this region undoubtedly arises from their being level-free; i. e. from their requiring no mechanical power to effect their drainage. The expenses involved in the ventilation and drainage of a single mine in England often amount to \$300,000, the whole of which vast expenditure will be rendered completely superfluous in this highly favored district." The Professor adds: "But it is well known that the Atlantic towns are already beginning to direct their expectations to this district, for the supply of a better fuel than they now possess or can reasonably hope for, from any other quarter. I would not be understood as wishing to disparage the excellent fuel we already have in the Pennsylvania anthracite.

For many purposes it is quite unrivalled, such as for burning in close furnaces and for certain kinds of smith work. But the difficulty of kindling, the uncontrollable intensity with which its combustion goes forward when it is once lit, the strong draught it requires in chimneys, and the consequent liability of frequent returns of unwholesome gas across the fuel into the apartment, combine to render it far less desirable for open grate than a dry burning bituminous fuel, like that afforded by the Alleghany coal field."

Mr. Mushet, of Gloucestershire, well known as the most eminent and experienced iron master in Great Britain, says of this coal, in his report, "the specimen sent is the very best bituminous coal I have ever met with. I should consider it well adapted to iron making. It contains and will form as much weight of coke, from a given quantity of coal, as the best South Wales furnace coals."

Dr. Ure, of England, in his report says: "Your specimen, which comes from near the surface, resembles closely, in external appearance, coals of the Monkland and Calder district or field near Glasgow, so celebrated for making cast iron. The specific gravity of your specimen is 1,337, being exactly the same as that of the Welsh furnace coal."

Professor Daniel describes it as "a very beautiful coal, and perfectly adapted to the purpose of making iron. It is very soft and frangible, but makes an excellent coke. I have been unable to detect any pyrites or sulphur in it."

Major Douglass states, in his report:

The coal, thus independent in formation, is equally distinguished in quality from most other coal yet found in this country. Not adhesive, like most other bituminous coals; scarcely soiling the fingers in handling; burning without smoke, and of course depositing no soot; and, finally, with regard to the duration of the fire and the small proportion of ashes left, it resembles very nearly the cleanest and best of the anthracites. But in the ease with which it ignites; the comparatively low temperature at which it burns freely, the proportion of bitumen it contains, indicated by the clear, bright, voluminous flame; and, lastly, in the quantity and quality of the coke obtained from it, it ranks equally, at least, with the best qualities of bituminous coal. It seems, indeed, to combine many of the good qualities of both, while in some respects it is decidedly superior to either.

As an agent for the generation of steam, it is ascertained to be much more efficient than either the anthracites on the one hand, or the fat bituminous coal on the other; which confirms, in this respect, its analogy with the South Welsh, Slanelly, and Swansea coals.

According to the statement of Dr. Jackson, of Boston, it produces thirty-two per cent. more steam than the New Castle coal; and, by a more recent experiment in the anthracite locomotive engines of the Baltimore and Ohio Rail Road, it is shown to be forty per cent. more effective, as a steam agent, than anthracite. We learn, then, from a comparison of these results, that it must be at least three-and-a-half times more efficacious than dry pine wood.

Professor Ducatel, State Geologist of Maryland, in his report to the Governor of Maryland, says: "As an agent for the generation of steam,

it has been found much more effective than the ordinary English coal imported into this country, and of course infinitely more so than the anthracite, the use of which, it is presumed, it will almost entirely supercede."

Lieut. W. F. Lynch, of the United States Navy, in a letter to the Hon. Wm. Cost Johnson, published in a report to Congress, says, "That one ton of Cumberland coal is in mechanical effect equal to two tons of anthracite."

Mr. Brien, the proprietor of the Antietam Iron Works, says: "We have made a fair experiment of this coal, compared with the Richmond, and find it to be a much superior article. One bushel of Cumberland coal is worth two of Richmond or any other we have used."

The committee on the subject, of the Maryland Legislature, state in their report that "Commodore Perry, of the United States Navy, after subjecting this coal to critical tests, has declared it to be superior to the English coal."

Professor Renwick of Columbia College, New York, states that "the average quality of these coals will have an advantage in the generation of steam over charcoal of about fifteen per cent. They will possess an equal advantage over equal weights of anthracite coal, even were the whole of its carbon to be consumed, which is never the case."

I could multiply these extracts almost indefinitely, from the published opinions with which I have been kindly furnished by intelligent gentlemen here. I might add the authoritative names of Professors Silliman, Rogers and others, but prefer confining myself to the great work on coals of Professor Taylor, recently published in Philadelphia.

The Professor remarks, that "the representations and reports of interested parties, all strenuously advocating their individual or local claims on the attention of Congress and the public, must, of course, be received with a requisite degree of caution. At this distance of time we shall doubtless be pardoned this remark, while necessarily reviewing the statistical merits and details of the entire coal resources of the country. We continually meet with the unreserved and unqualified assertions of these claimants, that the coal of their particular mine or district, no matter where, is the best yet discovered for every practical use. Now, as these cannot all be the best, it follows that a good deal of exaggeration prevails in some of these cases. It is not inappropriate to state here, that there are probably a dozen or more of coal companies in England, Wales and America, who announce, through the press, that their particular coal has been decided by the agent of the Great Western Steamship Company, or some other steamer company, to be the best generator of steam of all coals yet tried. One gentleman has conclusively shown that one ton of the bituminous coal of Cumberland, Virginia, is, in mechanical effect, equal to two tons of anthracite. However, the test of science restores all things to their true value. The examinations of Professor Johnson, in 1844, have dispelled many illusions, and have assigned to all the principal varieties of American coals their appropriate place in the catalogue; and here the Cumberland (or Frostburg) coal takes the very highest place in the series, in the order of evaporative power."

But, for the present, I must conclude. Believing, however, that the subject is one of grave importance to Pennsylvania, as indicating the character of the rivalry to which her coal trade is destined in a few months, I cannot yet abandon it. As it is the part of wisdom in all such cases to be forewarned, I propose, also, to devote a few sentences to the iron establishments of this neighborhood.

To Philadelphians, this country has hitherto been an almost unknown and unexplored region.

The rail roads of Europe, as well in Great Britain as on the continent, use *coke* almost exclusively.—This can be made only of bituminous or semi-bituminous coal. But the Americans (always on the alert, though disappointed in the numerous attempts to introduce anthracite coal in locomotive use) have discovered that bituminous coal, without undergoing the expensive process of *coking*, is far better and more economical than *wood*, even at present prices.

Colonel William Young, a most intelligent gentleman, and large coal-land proprietor in the Cumberland coal field, (who was formerly at the head of the West Point Foundry, subsequently President of the "Ulster Iron Works" of New York, but more recently President of the great English Iron Company at Mount Savage,) has kindly shown me a letter addressed to him lately by Mr. Latrobe, Chief Engineer of the Baltimore and Ohio Rail Road. In this letter are given in detail the results of two years' practical tests and experience on that road, in the use of wood and Cumberland coal. One ton of this coal he pronounced equal to two and a half cords of wood for locomotive engines, aside from the advantage possessed by the former in the diminished space it occupies in the tenders. The consequence is, that the Baltimore and Ohio Rail Road Company have progressively adapted almost all their locomotives to the exclusive employment of this fuel.—The New York and New England Rail Road Companies pay \$4 25 per cord for wood. Estimating the sawing for locomotive use at thirty cents per cord, and it is shown that the wood necessary to perform the work of one ton of Cumberland coal costs \$11 37½, while the Cumberland coal can *now* be delivered in New York for \$5 37½ per ton; and when the Chesapeake and Ohio Canal is finished, in November next, for less than \$5 per ton.

But let me go nearer home. If my recollection is not at fault one report of the Reading Rail Road Company shows an expenditure of \$37,000 per annum for *wood* used in bringing *anthracite coal* to market. The wood costs that company about four dollars and ten cents per cord. According to the experience of the Baltimore and Ohio Rail Road Company, this item of expense can be diminished at least one-half.

Notwithstanding the extravagant accounts of bituminous coal being found near Panama, as well as a few miles from Monterey and on Vancouver's Island, the eminent house of Howland & Aspinwall are now supplying their Pacific steamers exclusively with Cumberland coal, which is taken around Cape Horn. The British West India steamers are also importing large quantities of it into Bermuda; and the Cunard line of steamers from New York to Liverpool consume no other on their return trips.—This may be regarded as a high compliment from

those companies, as, if they preferred it, they could obtain the drawback of duty on *English* coal at New York, and use it exclusively.

The abundance and proximity to the iron region of this coal has, naturally enough, caused a rapid increase of iron establishments along the Baltimore and Ohio Rail Road, and Chesapeake and Ohio Canal, east of Harper's Ferry, as well as in the immediate coal region. Four manufactories alone (Baker & Co's at Weverton, Brown's, at Antietam, McMurtrie's, at the Point of Rocks, and McCoy and McCullough's, near the latter place,) will consume in their furnaces a quantity of *coke* per annum equivalent to one hundred thousand tons of Cumberland coal. In addition to these, as well as many smaller furnaces at and near Cumberland, are the very extensive iron works at Mount Savage and Lonaconing. In charge of the latter is a German, named Detmold, who, as well as Dr. McMurtrie, and McCoy, and McCullough, has lately removed from Pennsylvania, and here taken up his permanent abode.

The charges, from the interior of the mines to the coal wharves at Baltimore, are at present as follows : Mining 28 cents per ton ; rail road to Baltimore \$2 91 ; placing on board of vessels 5 cents ; total \$3 24 per ton. On the completion of the canal to Alexandria and Washington, the second item of expense will be diminished to about \$2 per ton, which will enable the coal companies to place the coal on board the coasters, at a cost to themselves of about \$2 50 per ton. This will of course be independent of all charge for the coal itself.

THE BANKRUPTCY OF ENGLAND.

From the London Times, September 7.

Among the various speeches and documents elicited by the late Peace Convention, was one which possesses peculiar claims to attention, and happens also to contain some expressions of very startling import. Mr. Samuel Gurney, as a member of the Society of Friends, holds the doctrine of peace, and his opinions on this subject necessarily assume a dogmatic and controversial character. His objection to armaments is referred to his creed. But Mr. Samuel Gurney has another capacity, in which he is supposed to act and talk more by calculation than by theological bias. He is a banker and bill-broker, and is believed to be singularly prudent and successful in that business. That he has had an extensive experience is evident enough, nor is there the least doubt that he has turned it to the proper account. As to the only remaining point, whether he can be trusted when he offers to others the benefit of his judgment, probably there is no one in this metropolis who would venture to moot that question. It is, then, the first bill-broker in the land, and a man of his word, who says—

In respect to my own country, I more boldly assert, that it is my judgment that unless she wholly alters her course in these respects, bankruptcy will ultimately be the result. We have spent from fifteen to twenty millions sterling per annum for warlike purposes since the peace of 1815. Had that money been applied to the dis-

charge of the national debt, by this time it would have been nearly annihilated; but if our military expenditure be persisted in, and no reduction of our national debt take place at a period of our history certainly characterized by very fair prosperity and general political calm, how is it to be expected that the amount of revenue will be maintained in a time of adversity, which we must from time to time anticipate in our future history? *Should such adversity come upon us, I venture to predict that our revenue will not be maintained, nor the dividends paid, unless more efficient means be taken to prevent such a catastrophe in these days of prosperity and peace.*

This is a very grave prophecy, and it is no inconsiderable oracle which has pronounced it. Lombard street is the Delphi of commerce. Mr. S. Gurney has had to do with indebted men and estates. He knows the history of many incumbrances. He has seen the vast mortgage, lying like an incubus on the resources of nature and the energy of man. He has traced the slow but sure drain, of a fixed interest paid out of a fluctuating and perhaps a falling revenue. He has watched the debtor struggling for many years, and just keeping afloat, till there comes some extraordinary aggravation of his burdens, and then down he goes. He has noticed that the chapter of accidents is more fertile in disaster than relief, and in the long-run tells against the debtor. From what has come under his own observation, in the exercise of his private profession, he draws a political inference. Unless the nation pays off its debt while it can, the day will come when it cannot, and when it will find even the interest of that debt too much for its revenue. The prediction is so serious, and so ambiguously expressed, that if it were found in the lugubrations of a mere pamphleteer, it would be thought an exaggerated alarm, or a mischievous suggestion. There are those who think the mere mention of national bankruptcy, treason and rebellion, and who feel a patriotic shudder at the word "sponge." We own to a degree of this antipathy ourselves, and candidly confess that, had we read the passage above quoted without knowing its author, we should have conceived an unfavorable opinion not so much of his judgment as of his delicacy and tact. But the name at the foot of the letter is a sufficient reply to any such suspicions. It is Samuel Gurney who tells us that, if we persist in our present course, and do not avail ourselves of our comparative prosperity to pay off our debt, a time of adversity will come when we shall be bankrupt.

It is a hard saying, but nevertheless a true one; and however we may dislike the obtrusion of such unpleasant thoughts, we cannot dispel them. Indeed our readers will remember that we have repeatedly said the same in substance ourselves. Not to reduce debt, we have said, is to increase it. Debt is ultimate insolvency. Bankruptcy is revolution. These are topics we have often urged, and we applied them to France and her desperate finances, long before the starving inhabitants of the faubourgs set Europe in a flame. The French revolution is a very near event. *Proximus ardet.* It is evident that France has hitherto only aggravated her financial difficulties by revolution. She has only widened the gap between her income and her expenditure. She has "put on the screw" but in vain. A large military force, we read to-day, is employed in collecting the 45 centimes additional added last March twelvemonth to the direct taxation; while Government is endeavoring

voring to borrow on a high rate of interest. But France is only before us on the same path. Within three years we have added twelve millions to our debt, and have barely attained, if we have attained, an equilibrium between our incomings and our outgoings. At the present moment therefore, we are at a stand still, with a debt the interest of which is about £28,000,000 per annum. But is it reasonable, is it possible, to suppose that we can maintain this equilibrium? Any one of many very probable casualties may compel a sudden increase of expenditure, and hurl the state another step in the downward course to bankruptcy. War is not the only danger, nor is increased expenditure. There are other less violent changes, which might render the present taxation intolerable.

Of course there is a bright side, as well as a dark side, to the prospects before us. The embarrassed trader hopes for a god-send and perhaps it comes. We may have our windfalls. It has even been suggested that a great depreciation of the valuable metals would proportionately reduce the pressure of our debt, which is a metallic undertaking. After borrowing in a dear market we may pay in a cheap one. But such a result is much too problematic, not to say romantic, to be allowed a place in our financial speculations. The most rational supposition is, that the currency will remain all our time much as it is now, and that there will be no change of any kind in our favor. In other respects, experience teaches us to expect a change for the worse. Changes generally are for the worse. Should the year 1850 produce any great event, it will most probably be an expensive one. Even in private life, unexpected bequests, lucky windfalls, profitable discoveries, and sudden promotions are very rare, compared with the generally adverse tendency of events. States are still less in the way of luck. Theirs is an almost uniform pull against difficulties. It would therefore be as imprudent, as it would certainly be impious, to expect some extraordinary relief from our national burdens. For this relief we must look to ourselves, and unless we begin betimes to help ourselves and pay our debt like men, we shall be bankrupt. So says Samuel Gurney, and so say we also. May it not be in our time, that Pennsylvania shall be enabled to retort the charge of repudiation? But we cannot conceal from ourselves, that it is a species of repudiation to suffer our debt to outgrow our power of repayment, and to bequeath to our posterity a task which we thereby confess to be impossible.

Remarks on the Letter of Mr. Samuel Gurney.

By the London Correspondent of the National Intelligencer.

The letter of Mr. Samuel Gurney, the greatest money dealer in the world, to the Peace Congress at Paris, is really an important State document. He has been in the extensive business of almost national finance for fifty years. It is believed that he turns over nearly fifteen millions sterling of money every year. On 'Change, his word is law. To Ministers, his words are deeds. To the nation, this letter is an oracle. He states that two millions of the inhabitants of Europe, in the prime and strength of their lives, have been abstracted from useful and

productive labor, and are made consumers only of the good gifts of God and of national wealth. The maintenance of the armies and navies of Europe he calculates at £200,000,000 sterling per annum. Certainly, taking the subject in all its collateral bearings, it cannot well be much less. He adds that, unless a different policy is adopted, many of the European nations must become bankrupt in a very few years.

“ In round numbers, I presume that not far short of 2,000,000 of the inhabitants of Europe, in the prime and strength of their lives, have been abstracted from useful and productive labor, and are made consumers only of the good gifts of the Almighty and of national wealth. The cost of the maintenance of these armies and navies cannot be very much less than two hundred millions of pounds sterling per annum, taking into consideration the subject in all its collateral bearings; at least, it must amount to an enormous sum.”

Such words as these, from the pen of the brother of Joseph John Gurney and Elizabeth Fry carry a weight and force with them which, independent of the public standing of the writer as an enlightened man of business, impress them strongly on the public attention.

Your readers will, we hope, not be wearied with a brief statement of the progress and present state of our national debt. In 1736 the amount of debt was only £50,000,000, when it was said “ the vast load of debt under which the nation groans has led to such an increase of taxes as distresses the poor laborer and manufacturer, disables the farmer to pay his rent, and puts even gentlemen of plentiful estates under the greatest difficulties to make a tolerable provision for their families.” In 1749, when the national debt was less than £80,000,000, Lord Bolingbroke described it as a sum “ that would appear incredible to future generations, and is so almost to the present.” In 1756, when the debt was reduced to £75,000,000, Mr. Hanway said, “ it has been a generally received notion among political arithmeticians that we may increase our debt to £100,000,000, but they acknowledge it must soon cease, by the debtor becoming bankrupt.” In 1778, Mr. Hume said, when speaking of the national debt, “ the ruinous effects of it are now becoming apparent, and threaten the very existence of the nation.” These opinions are often quoted to show their fallacy, and in proof of the exhaustless resources of the nation; but we must bear in mind that there is a great difference between eighty millions and eight hundred millions; and also, that sources of wealth were brought into operation during the last century which cannot safely be looked for during the next. While, therefore, we may smile at the predictions of Lord Bolingbroke, Mr. Hanway and Mr. Hume, there are sufficient reasons why we should look very gravely upon the opinions of Mr. Gurney.

To continue the history of the national debt, we will observe that in 1793 it amounted to £261,735,000; in 1802 it was £637,000,000; and in 1816 no less than £885,186,323. There was, therefore, an addition in twenty-three years of no less than £623,451,323. On the 5th of January, 1849, the whole amount of funded and unfunded debt was £797,792,849. So that, while the debt increased during twenty-three years of war by £623,451,323, it diminished in thirty-three years of peace by only £87,393,474, even including all the terminable annuities

which became due during that period. It is not at all surprising that such a disclosure should produce a powerful effect upon Mr. Gurney, so much accustomed as he is to trace the consequences of such facts. It is, indeed, a staggering statement to all who fairly look at it.

The entire property of the kingdom, real and personal, has been estimated at £5,000,000,000, but this is a nominal estimate, made without any reference to a probability of its every being necessary to realize it. Were it possible by any concurrence of events that the national debt should be called in, it is quite probable that all the vendable property of the country would not raise £500,000,000. Again, if any emergency of war, or any other cause, should render it necessary that our revenue should be increased £10,000,000, it is by no means certain that we could raise it beyond a year or two. Within three years, says the *Times*, we have added twelve millions to our debt, and have barely maintained an equilibrium between our incomings and our out-goings. At the present moment we are at a stand-still, raising what we want, but with nothing to spare; with a debt of £800,000,000 in round numbers, and an annual interest to pay of about £28,000,000. The question is, can we maintain this equilibrium? We fear not. "So says Samuel Gurney, so say many other thinking men, and so say we," says the *Times*. Some papers regard these words of the *leading journal* as a sort of messenger balloon, sent up by Government to pave the way for some great financial movement. Mr. Cobden has proved that the *Reformed* Parliament squanders £10,000,000 more, annually, than the old Senate of Rotten Boroughs did. The French army was 200,000 strong in 1818, and it is 500,000 in 1849. The expenditure of the French Government is double what it was under Charles X. and his predecessor. These facts appear to have awakened the fears, both of English and French financiers. "We feel confident," says a leading London journal, "that the English Ministry is preparing to submit to the country a large and liberal measure of effective retrenchment. Retrenchment is the staple article of the political stock-in-trade of both the Cabinet and the opposition, and any great effort in that direction will undoubtedly receive the support of all parties in Parliament." The *Economist*, a high authority on questions of this kind, says: "From the habits and expenditure of the country now, compared with past times, and in every grade of life, we are bound to say, that there never was a period in English history when there were so many proofs of the ease with which taxation is borne, or when it would have been so practicable to reduce the amount of the national debt. The means which might be easily appropriated to such a creditable object are wasted in luxurious indulgences which detract from the purity and force of the national character." It is very evident that the golden times of peace were the period, when such a reduction of the national debt as bore some proportion between a war and a peace expenditure, might have been expected; yet we have seen that the war increase in twenty-three years was six hundred and twenty-three millions of pounds sterling; the peace decrease in thirty-three years only eighty-seven. Or, in other words, whilst war caused an annual increase of twenty-seven millions, the cessation from war produced an annual decrease of only two millions and

six-tenths. There is something very perplexing in this, for it is like saying that peace relieves a nation from only one-tenth of the burden which a previous war inflicts upon it. This is a view of the subject which gives a powerful and painful meaning to Mr. Gurney's warning, and calls the attention of all prudent and reflecting men to the subject.

A sample of cotton grown in Australia has lately been exhibited; it is said to be of very good quality, and superior to the average American cotton imported into Liverpool. Two varieties have been raised; one a white cotton, the other a light drab or brown cotton. The former is distinguished by a silkiness of texture, which is said to be very rarely noticed in American cotton. Admitting that a good article can be produced, the question has then to be solved, whether the price which could be obtained for it in England, would be sufficient to pay the expenses of culture and preparing for market, and freight, &c. to England; and upon this, and upon the relative worth and price of American cotton in England, turn the entire business. The cotton plant and cotton manufactures engross, as they must be expected to do, a great deal of attention in England, and a course of very popular lectures on these subjects is now in progress at the rooms of the Whittington Club in London, by Mr. F. Warren, of Manchester. In his third lecture he stated that the exports of cotton manufactures was in 1760 only £500,000, in 1848, it amounted to £25,592,895. The wages of the operative being at the former period 6s. per week, at the latter 11s. Wheat selling in 1760, at 38s. 4d. per quarter, at this time for 40s.

THE ANNEXATION OF CUBA

From the *London Athenæum*, Sept. 8.

A more than ordinary interest attaches at the present moment to the island of Cuba—that which gives dignity in most cases to a probable victim. The American eagle has it within its swoop. The stars are ready to arise and the stripes to descend upon it. To speak plainly, Cuba is evidently the next point of attack for those western republicans, whose constitution declares that all men are born free and equal, and whose policy is professedly that of peace and good will to nations. Even before their recent exploits in Texas, Mexico and California, the fate of the “chief jewel in the crown of Spain” was decided. By cession or revolution, with or without the consent of the mother country—its annexation was regarded by the men of the South as an event which must take place at no distant period; and with a view to hastening the crisis, measures were taken which would have delighted a Grecian statesman—and been denounced as Machiavellian in any nation of modern Europe. But the genuine Yankee is no more ashamed of his country's “smartness” than a Spartan would have been of his “craft;”

and so that he can contrive to "annex" the universe, he cares not whether it be done by force or by guile. The mania for territorial aggression, which seems to possess our trans-atlantic cousins, is one of the worst of the omens that cloud the future prospects of mankind. The fever appears only to "grow by what it feeds on." Copious draughts that should cool it, become stimulants. California, Texas, Oregon, fail to content the thirst for acquisition. The worst feature in the case is this: the disease is not confined to the government of the hour—it is deeply seated in the heart and brain of the people. So bent are they on seizing Cuba, that the government can hardly keep them in check, until the politic moment shall have come for the "acquisition." The latest despatches from Washington contain a proclamation by the President of the Republic, in which the fact is officially announced, that private parties are fitting out in the ports of the Union an armament to conquer or revolutionize Cuba—to compel it to separate from Spain and join the States. The project is disavowed by the central power: and the men who may be engaged in it are warned that Spain is in friendly relation with their country. In case of persistence in their criminal intention, they are threatened—with arrest and condign punishment? No; but with being left to shift for themselves should they miscarry!

The Spaniards are poor—the Americans rich. *The mere settlement of the latter race in the island brought with it a flood-tide of material prosperity. Estates "went up" in the market, and many of them passed into American hands. These latter have introduced a new order of civilization into Cuba. They have made new roads—and no less than ten lines of railway. They have carried with them all the arts and appliances of trade; new conveyances, new mills, newspapers, and habits of reading and discussion. All this was for good—had this been all; but the teaching of the newspapers and the quality of the discussion have to be taken into account. They have taught the natives that Cuba must depend for its prosperity on the continuance of slavery—on its being able to produce sugar on lower terms than the Jamaica planter, who must employ free labor—and that the American Union is the only nation in the world which can permanently secure to them this great blessing. Slavery has been abolished in civilized Europe—that it cannot long exist in colonies subject to European rule is a corollary apparent to all who reason. If Cuba wishes to maintain her property in human life, she must enter the Union of the States. The world is growing super-refined—but the Yankee sticks to his shrewdness.*

But Spain has reasons of her own for resisting the spoliation of her chief colony in the name and cause of the flesh-market. First, it is from Cuba that the *hidalgo* gets his segars. Without the soothing influence of the "gentle Havana" his blue blood would be unable to keep its accustomed course. The segar is to him meat, drink and lodging. No minister in the Escorial would dare to face the Cortes with a proposition for the surrender of the tobacco grounds. This is the public reason. There is a private one of equal weight. Queen Christina and her offspring have a settlement—in common it must be said with a large suite of creditors—upon the revenues of the island: and she is not a

lady, the world knows, to surrender a penny of her pin-money if she could protect it by setting the world in flames.

A curious state of things has arisen in the course of the gradual Americanization of the island. The Spaniards, with short-sighted intolerance, had a law by which no alien could settle in Cuba. When the Yankees came, the law did not recognize them—and did not offer them its protection. For this they cared nothing—as by their wit or by their wealth they felt quite equal to their own defence. But as the law ignored their existence, they escaped the heavy burdens to which natives were subject; and this freedom from taxation tempted great numbers of their countrymen to immigrate—so that some districts have already more of an English than of a Spanish appearance.

Dr. Madden's little book is of use rather as calling attention to a subject of interest, than as being a satisfactory exposition of it. His opportunities of gaining information are said to have been good; but his materials are very fragmentary, and ill put together. On one point, however, his personal experience serves to correct an error very generally prevailing in Europe, and put forth not long ago on high authority, (that of M. de Tocqueville,) to the effect that slavery in the Spanish colonies has a peculiar character of mildness. This delusion Dr. Madden explodes.

* * * * *

With all the faults of the civilization amid which we live, it is one result and proof of its comparative purity that we read such accounts as these, even when well authenticated, with a feeling of incredulity, or, at the least, a sense of exaggeration.

We will add one short note on the literature of Cuba, and the obstacles which it has had to contend with in its growth:—

“The white inhabitants have sought to accomplish, for the press, what they did for trade, in 1818, in spite of the laws, and they have been marvelously successful. From 1835 to 1839, they contrived to steal a march on the authorities, to circumvent, to defeat the vigilance, to resist the violence, and to wear out the energies of a triple censorship. I watched with no small interest the course of this war of mind, with a crazy despotism, clinging to ignorance as to its chief hold on the loyalty of the people of this colony. Small papers made their appearance from time to time, first professedly to publish accounts of markets, arrivals and departures of vessels, tide tables, decrees, and ordinances: and then a little political news crept in; small feuilletons were attempted. Creole questions were glanced at, doubtful allusions made to the disadvantage of the slave trade, and occasionally the Governor's assessors stirred; then the editors drew in their horns for a brief space, and put them out again when their appearance was least expected. Two scientific societies regularly published their proceedings. The *Memorias de la Sociedad* published monthly, contain a mass of information, industrial and literary, of the highest value. There are now five or six daily papers published in the Havana, and one, the *Faro Industrial* is superior, in size and matter to any daily journal in the capital of Spain. The most eminent literary men of Cuba are lawyers. Amongst these, pre-eminent for ability and worth, in my time, were Senhores Jose de la

Luz and Domingo Delmonte. The former was the principal of the College of Carraguac. From it the most distinguished men in Cuban literature, in politics, and in philosophy, have come out. All that was possible for the government to do, to hinder the progress of this college and that of San Fernando, was done by it. They were supposed by it to be prejudicial to the interests of the Spanish universities and of the State. A tax was put upon the diplomas of those colleges, which it was thought would have prevented young men from graduating in them. The price of a diploma was fixed by law at 500 piastres, or £100 sterling. Havana, however, continues to have its two colleges flourishing—its thirty chairs, embracing professorships of all the arts and sciences; its various literary societies, its museum, its academies, and its scholars and literati men truly deserving of that name. Cuba has produced several lyric writers of considerable merit. Some pieces of Delmonte, Valdes and Parma, are not surpassed by any modern Spanish poets. Those, especially, of the ill-fated mulatto, Placido, for their spirit and originality, are perhaps superior to the other bard of his name and race, still living, some of whose admirable poems written while in slavery, have been rendered into English verse. In philosophy, De la Luz takes the highest rank; in history, Sagra; in miscellaneous literature, Arma, Delmonte and Saco. To the last two, especially, Cuba is indebted for a number of treatises, published at various times during the last twelve years, advocating the abolition of the slave trade and the substitution of free for slave labor. Those efforts have not been altogether vain. A society has been formed for the encouragement of immigration of white laborers from the Canaries and other places. This society awarded in 1844-5-6, a sum of \$12,000 to the first three proprietors who established a village of fifty white families, and \$20,000 for the production of 45,000 arobas of refined sugar by free labor.”

LEGAL MISCELLANY.

PROMISSORY NOTES—FRAUD.

Daniel W Townsend, President of the Bowery Bank vs. Richard Decker, Robert Jones, James Jones, Richard Lawless, and Thomas Gardiner. Before the Superior Court of New York, October 1849. This was an action to recover the sum of \$2,368 46, the amount of a discounted note drawn by the defendant Decker, and endorsed by the other defendants. It appeared that the note was drawn by R. Decker and endorsed by R. Jones & Co. It was alleged for the defence, that the note was given for specific purposes, namely: to be discounted at the Manhattan Bank, and the proceeds to be applied to the taking up of other notes in that establishment; that it was tendered at the Manhattan Bank, but discount was refused; that it was then placed by a clerk of J. Jones & Co., in a tin box, and afterwards taken out of their

possession without their knowledge or assent, and discounted at the Bowery Bank, and the proceeds perverted for the purposes for which the note was made—that is, for the accommodation of J. Jones & Co. It was further alleged in the defence, that there was a usurious charge of something, about \$10 50, made for the discount, according to the date on which it was entered in the bank book as discounted, namely: 4th January, there being only sixty days to run. It was deposed to by Gardiner, one of the defendants named, but who does not defend the case, but admits his responsibility, that he got the note from Mr. Matthews and Mr. J. Jones, for the purpose of getting it discounted; that he had left the note for discount at the Bowery Bank three weeks before the 4th of January, and was ordered to draw against it. It was contended by counsel, that the bank discounted the note as a matter of business; that they had no connivance with the parties, or any knowledge of the purposes for which the note was given; if by any mistake, a few dollars beyond the seven per cent were charged, it did not amount to usury; there was no corrupt intention between the bank and Gardiner; Mr. J. Jones had failed, and his father, Mr. R. Jones, the endorser of the note, endeavored to evade the responsibility. The Court, in recapitulating the evidence, said that the plaintiff, in producing the note, established the claim against Decker; his liability is absolute and independent; with regard to R. Jones, and J. Jones & Co., the law required that they should have proper notices of the protest; the first witness proved that he demanded the money from Mr. Decker, and that he was not prepared to pay it; he testifies also that he left notices of non-payment with Messrs. R. Jones, J. Jones & Co. and Gardiner. There was no evidence to show that J. Jones & Co. did not derive the benefit of this discount. With respect to Mr. R. Jones' liability, if the jury were satisfied that the note was given on the understanding that it would be discounted at the Manhattan Bank, for the special purpose of taking up other notes, then the Court was bound to tell them it had been misapplied; the bank maintain that they discounted it in good faith, and that they gave proper value for it. The defendants hold that the bank took usury for it. If that be the case, they cannot succeed in the present case. The jury would, however, see whether the interest on the sum drawn by Gardiner previous to the 4th of January would amount to the overcharge alleged to have been made in the discount.

Verdict for plaintiff against all the defendants, for \$2,630 95 damages, and 6 cents cost.

Reported for the Boston Courier.

Samuel Alcock et al. v. Solomon Hopkins. Before the Supreme Judicial Court of Massachusetts, September, 1849.—This case involved some commercial questions of considerable importance. The plaintiffs are manufacturers of china and earthen ware in Staffordshire, England. The defendant is a merchant of Boston, engaged in the importation and sale of such wares. In May, 1847, the defendant wrote to the plaintiffs, ordering a quantity of goods of their manufacture, to the amount of about £200 sterling, saying in the same letter, that he "should like

these goods on six months, by drafts on Coates & Co. of London,"—and in July of the same year he sent another order, to the amount of something over £100 sterling, in which also he said, "the payment of this, as formerly, by drafts on Messrs. Coates & Co. of London." Coates & Co. were the bankers of the defendant in London, and were also general commission merchants in the American trade there. On the receipt of each of the orders, the plaintiffs, before proceeding to execute them, wrote to Coates & Co., to know if such drafts as the defendant proposed would be honored by them. Coates & Co. replied, in each case, that the orders were regular, and the drafts therefore would be accepted, on receipt by them of the invoices and carriers' receipts for the goods. The plaintiffs then proceeded to manufacture and put up the goods. The first invoice was forwarded in July, the other invoice in October of the same year. The plaintiffs charged the goods on their books to the defendant, and made out duplicate invoices of each parcel in the following form, to wit:—"S. Hopkins bought of S. Alcock & Co."—and sent one copy of each invoice to the defendant, and one copy of each to Coates & Co. The plaintiffs also sent to Coates & Co., with the invoices, the carriers' receipt, showing that the goods had gone forward, and also in the same letter a draft for the amount of each invoice, as it was sent. These invoices or bills of parcels were not received. The goods were marked and directed by the plaintiffs to the defendant, but sent by the defendant's request to the order of Coates Co., & who shipped them to the defendant.

On receiving the invoices, carriers' receipts, and drafts, Coates & Co. entered the goods on their books of account to the credit of Alcock & Co., and charged them to the defendant; and Coates & Co. considered and treated the transaction, according to the testimony of their book keeper, as a purchase of the plaintiffs by them, (Coates & Co.) and a resale of the goods by Coates & Co. to the defendant; and Coates & Co. charged the defendant their usual commission as of a purchase of goods by them for the defendant. Coates & Co. also retained the invoices which they received from the plaintiffs, and made out new invoices of the goods, headed as follows, to wit; "S. Hopkins bought of Coates & Co." At the same time that Coates & Co. credited the goods on their books to the plaintiffs, they charged back the acceptances for the same amount, so as to balance the account on the spot. There was no evidence that the plaintiffs knew that Coates & Co. made the entries on their books, unless such knowledge could be inferred from a similar course of dealing between the same parties for many years. Coates & Co. duly accepted the drafts, and returned them so accepted to the plaintiff, saying in their letters endorsing the acceptances, that they sent them "in payment" for the goods.

The acceptances were negotiated by the plaintiffs, and were outstanding in the hands of third parties at maturity, and were duly presented for payment to the acceptors, and were protested for non-payment, Coates & Co. having become bankrupt previous to the maturity of either of the acceptances. The plaintiffs, as endorsers, took up the acceptances, and they were produced at the trial. The present action was instituted for the purpose of recovering the original price of the goods.

The counsel for the plaintiffs claimed that, although the orders for the goods were given here, yet as they were received and accepted by the plaintiffs in England, the contract between the plaintiffs and the defendant was to be governed by the English law : that, although by the law of Massachusetts, notes and bills of exchange given for a debt are considered as a payment and extinguishment of the original debt, yet it is not so in England, but that, by the English law, notes or bills, though expressed to be received in payment, are not considered as an extinguishment of the original debt, unless they be paid in fact, or unless the party receiving them is guilty of some laches, by which the defendant is injured ; that, by that law, in order that notes or bills should constitute an absolute discharge and extinguishment of the debt, it must have been so expressly agreed by the parties at the time of receiving the bills : that is, that the contract must have been equivalent to an agreement on the part of the creditor to look only to the bills and take the risk of them ; that it makes no difference whether the notes or bills of the defendant himself or of a third party are given, nor whether they are given for a pre-existing debt, or on a debt arising at the time.

The defendant's counsel insisted, that the contract was to be construed according to the Massachusetts law ; this, however, was not much pressed. He also insisted that by the law of England, if an agent there purchases goods for a foreign principal, the vendor of the goods is considered as giving credit to the agent, exclusively, inasmuch that the principal abroad is wholly exonerated, and in this case, Coates & Co. were the agents of the defendant, buying the goods of the plaintiffs for the defendant, and that they only, and not the defendant, were, even by the English law, liable to pay for them to the plaintiffs. Further that, if the sale was considered and proved to be a sale direct from the plaintiffs to the defendant, and not a sale *through* Coates & Co., as the defendant's agents, yet, inasmuch as the defendant in ordering the goods said that payment was to be made by drafts on Coates & Co., the receiving of these bills by the plaintiffs constituted an express agreement on their part to take them as an absolute discharge and extinguishment of the claim ; and that the negotiation of the bills for value made them payment, if they were not so before.

DEWEY, J., charged the jury, 1st, that the transaction and contract were to be governed by the English law, and not by the law as it exists in this State ; 2d, that by the English law, although where an agent there buys goods there for a foreign principal, the agent may be considered directly liable to the vendor, even though the vendor knew he was buying as agent, and knew also who the principal was, yet that this did not exonerate the foreign principal from liability ; that it was a rule of usage for the benefit of vendors, giving them a responsible party within their own jurisdiction to look to ; 3d, that by the law of England, bills or notes are not considered as an extinguishment and absolute discharge of the claim or debt for which they are given, unless it is agreed at the time that they shall be so taken, but that in order to constitute such agreement, it is not necessary that any particular form of expression should be used, but that the jury must determine from the correspondence of the parties, and the whole evidence in the case, whether it was understood

CONNECTICUT BANKS.—Joseph Arnold, Esq., formerly of the American Exchange Bank, New York, has been chosen cashier of the Deep River Bank, Connecticut.

MASSACHUSETTS BANKS.—Solomon Lincoln, Esq., of Hingham, has been appointed chairman of the Board of Bank Commissioners of Massachusetts, in place of Charles H. Warren, Esq., who declined.

CABOT BANK.—John Wells, Esq., has been chosen president of the Cabot Bank in place of John Chase, Esq., who resigned.

NEW BANK IN BOSTON.—The Cochituate Bank has been organized for business operations, and will soon be open at its banking rooms in Beach street, in the U. S. Hotel building. Calvin S. Lane, Esq., has been elected cashier.

HOUSATONIC BANK.—C. W. Owen, Esq., has been chosen president of the Housatonic Bank, Stockbridge, Mass., in place of William P. Walker, Esq., resigned.

OHIO BANKS.—J. W. Merrick, Esq., has been appointed cashier of the Xenia Branch of the State Bank of Ohio, in place of E. F. Drake, Esq., resigned.

BANK DIVIDENDS IN OHIO.—The banking law of Ohio enacts that each banking company in Ohio shall semi-annually, on the day designated for declaring its dividend, "set off to the State 6 per cent. on the profits, deducting therefrom the expenses and ascertained losses of the company, for the six months next preceding—which sum or amount so set off shall be in lieu of all taxes to which such company would otherwise be subject." Some of the banks, (says the Columbus Journal,) so construed this section as to consider the 6 per cent. so payable to the State, as a part of the expenses, and to be deducted from the semi-annual profits, and set off to the State 6 per cent. on the residuum of profits after such deduction. To settle this question, a suit was brought by the State against the Franklin Branch, in Columbus, one of the banks claiming to deduct the 6 per cent. as expenses. The Court held that the 6 per cent. payable to the State was not to be considered as part of the expenses of the bank, but rather as a part or share of the dividend of profits, and gave judgment for the State accordingly.

THE ERIE BANK.—The Erie Bank, at Erie, Pennsylvania, which suspended payment twelve months since, has been re-organized and again in operation. Its paper is redeemed in New York and Philadelphia.

THE BANKS OF GEORGIA, October, 1849.

LIABILITIES.

Capital Stock,	\$7,118,243
Circulation,	3,084,530
Individual Deposits and Dividends Unclaimed,	1,405,503
Undivided Profits,	889,802
Balances due to Banks and Agents,	208,600
Bonds, Instalments, &c.,	216,664
Miscellaneous,	5,488
Total Liabilities,	\$12,878,830

RESOURCES.

Discounted Notes,	\$3,758,466
Bills of Exchange,	1,610,018
Stocks, Bonds, &c., and Interest,	1,291,831
Real Estate,	418,587
Central Rail Road and Appurtenances,	2,694,603
Specie on hand,	1,604,970
Miscellaneous,	76,408
Due by Banks and Agents,	1,423,897
Total Resources,	\$12,878,830

MISCELLANEOUS.

CALIFORNIA GOLD IN 1849-50.—The Hon. T. Butler King and General P. F. Smith are of opinion that there will be \$40,000,000 taken from the mines the next twelve months, or over three millions per month average. This will surprise our friends at the East; and with all deference to this estimate, I will take the liberty of hinting that so far as I can learn, the merchants and others who have endeavored to inform themselves, are willing to make it at least one-quarter less.—*Correspondent New York Courier.*

CALIFORNIA GOLD.—The deposits of California gold this year, to the end of September, were—

At the mint in Philadelphia,	\$2,897,264 46.	
Do. New Orleans,	269,561 42	2,657,925 88
Add deposits of 1848,		44,177 00
Total deposits of California gold, 1848-9,		\$2,702,002 88

We were rather surprised the other day to find one of the bank proprietors stating; at the meeting to declare a half yearly dividend of the Bank of England, that the annual produce of the California mines was £10,000,000. Now, if only half a million sterling has found its way to England; and only \$1,916,533 of California gold had, up to the 31st August last, been deposited at the United States mints, as the *Economist* states was the case, what has become of the remaining, £7,000,000?—*London Correspondent Nat. Int*

RENTS IN SAN FRANCISCO.—Thomas G. Wells, a branch of that flourishing banking house in Boston, Willis & Co., rents an office on Clay and Montgomery streets, 14 by 22 feet, at the immense price of \$800 per month, payable quarterly, in advance; enormous as this may seem, they were yesterday offered three hundred per month (\$3,600 per year) advance. The writer of this, for a room 24 by 50, offered \$1,750 per month, but the owner demanded \$2,000 and three months' rent in advance. The buildings, with a few exceptions, are of the flimsiest character imaginable, being generally composed of unplanned boards, and many of them mere canvas affairs. In addition to these structures, there are some 1,000 tents scattered along the beach, in the back streets, and among the hills; many of them are occupied by mechanics and laborers at work in this place. For a small tent within half a mile of the Public Square, \$10 to \$30 per month is demanded for ground rent.—*Correspondent Boston Atlas.*

THE BANK OF TENNESSEE.—Governor Brown's late message to the legislature of Tennessee, says: The real capital of the bank at present does not exceed two millions and a-half. The bank began its operations on the 1st of July, 1838, with a capital of \$3,226,976 32, and by the 1st of July, 1849, had lost the sum of \$800,000, as is believed. The policy of gradual liquidation has heretofore been tested. The bank then, as now, with its numerous branches, furnishes a large portion of the circulating medium of the country. A more intimate acquaintance, in the last two years, with the history and operations of the bank, has satisfied me that the public interest requires that it should either be discontinued, or relieved from its obligations so as to save its capital from further reduction.

I would be willing to see the bank continued for the present, if the relief indicated is extended to it. This, I think, can be accomplished, by making the Treasury chargeable with all the liabilities which now rest upon the bank, and responsible for any deficit in the means of payment. In this way, whatever profits the bank may realize, will go into the Treasury, and upon accounting with the Treasury for its profits; let the bank be discharged from further obligations. Under the present system, if the profits of the bank are inadequate, as they have been, the capital is made to supply the deficit; and thus we are presented with a policy which, in the case of an individual in private life, would be universally condemned, and lead inevitably to poverty and bankruptcy.

MONEY MARKET OF THE U. S.—PHILADELPHIA, OCT. 20, 1849.—We have to notice more activity in the stock market since the receipt of the Niagara's advices. State Fives have been more inquired after, and considerable sales have been made

at an advance of fully one per cent. Government loans and the dividend-paying securities are also held more firmly, but the operations are on a very restricted scale. To-day there has been a further improvement in State Fives. This may probably be owing to the impression that the State Treasurer is again about to enter the market, to purchase for the Sinking Fund, as it is well known that before the first of January a large amount will be available for this purpose. The "fancies" are excessively dull, and, to effect large sales, heavy sacrifices would have to be submitted to. The news from France, respecting the difficulty between our Government and the French Minister, is of such a character as to dispel every vestige of solicitude on that subject. Money is abundant, and the banks continue to discount freely all the short, good paper offering, notwithstanding that upwards of \$600,000 in specie have been shipped to England and France, and that some \$150,000 have been taken from this city to New York.

The banks on the seaboard were never so well supplied with coin as at the present time, and so long as the influx of California gold continues we can spare a few millions, without its having any injurious effect upon business or causing the banks to curtail their line of discounts.—*Bulletin*.

NEW ORLEANS, 13 OCTOBER.—EXCHANGES continue on a moderate scale, with irregular and fluctuating rates. Sterling is rather scarce, and has been selling from 9 a 10½ premium; this last price only for some limited amounts of favorite signatures. Francs 5, 35 a 5.25. New York 60 days ¾ a 1 per cent. discount. Sight Checks ¾ a 1 premium; Baltimore and Philadelphia, 60 days 1 a 1½ discount. The banks of N. O. hold \$7,400,000 in coin, against \$4,500,000 circulation.

NEW ORLEANS, 17 OCTOBER.—EXCHANGE.—Since our last report our exchange market has been but sparingly supplied, and notwithstanding the moderate demand, the sellers have generally obtained a slight advance on the rates of last week. But little sterling has been offered, and the sales have been from 9½ to 10½ per cent. premium for limited amounts. Francs are also scarce and would bring readily from 5f 25 a 5f 30. Bills on New York sell from ½ a 1 per cent. discount for 60 days; Boston do. ¾ a 1 per cent. discount; Sight Checks ¾ a 1 per cent. premium; Baltimore and Philadelphia 60 days ¾ a 1 per cent. discount.

CHARLESTON, S. C., 17 OCTOBER.—EXCHANGE.—We understand that there is little of Foreign or Domestic offering at the banks, their purchasing rates are consequently more or less nominal. For sterling, from 8½ a 8¾ per cent. prem.; Sight Checks on the North, at par a 1-8 per cent. prem.; 30 and 60 Days Bills at ½ a 5-8, and 1 a 1½ per cent. discount; Checking on the North at ½ per cent. premium; out doors, Sight Checks, are purchased at 3-8 per cent. prem.; and 60 Days Bills at 1 per cent. discount.

MISSOURI COPPER MINES.—At present the only copper works in operation in this State are those of Messrs. Gamble, Bredell & Co., on the Maremec river, in Franklin county, about seventy miles from St. Louis. The works erected by Messrs. Reed, King & Co. are on the Maremec, at Gallater's Mills, about sixty miles from this city. The latter works, we understand, have passed into the hands of a corporation, and arrangements have been made to push them into operation in a few weeks. It is only desired by the company to dispose of a limited amount of the stock, and we are informed that only a few thousand dollars remain to be disposed of. The company is called the "St. Louis and Franklin Copper Company;" and from what we know of the gentlemen who are active in it, we cannot doubt its success.

This company expect to smelt every kind of copper ores. One of the company is a practical smelter, who has spent his whole life in copper works. Another, Dr. King, is a gentleman well known as a geologist, chemist, and metallurgist. An experiment made last spring proved, that all the furnace arrangements of the concern, and the fluxing of the ores, were such as to insure the yield of pure copper.

The ores found in the vicinity of these works are easily mined, and are much richer than any European ores. Though perhaps not so rich as the ores of the Lake Superior region, they have advantages in location, climate, and the facility of mining which cannot fail to bring them into general notice at a very early day.—*St. Louis Reveille*, Oct. 1849.

FINANCES OF SPAIN.—The *Nacion*, of Madrid, demonstrates that the Spanish Treasury, will have a deficit of 350 millions of reals on the current year; or, in other words, that it is on the verge of bankruptcy, unless relieved by another forced loan. The expedient said to be contemplated by the new Minister of Finance, as the most prompt and most simple means of providing for the current service, is an extraordinary contribution of 100 million reals. (*London Times*, 18 Sept.)

SPANISH BONDS.—The report of a buccaneering expedition being in preparation at New York for the conquest of Cuba, had produced a decline of $1\frac{1}{2}$ per cent. in the price of Spanish stock. Some extensive speculative sales were made in anticipation of the effect to be produced by this intelligence; but as it appeared that the executive of the United States had seized the vessels of the adventurers, and that the expedition was at an end, the price of active stock, which had been at $16\frac{1}{2}$, improved to $17\frac{1}{2}$.—*Spectator*, 29 Sept.

LONDON MONEY MARKET, Friday, Sept. 7.—Beyond the fact of continued firmness, there is nothing to remark upon in connection with the market. Consols remain at 92 1-2 to 92 5-8; the reduced 3 per cents 93 7-8 to 94 1-8. Bank Stock has been firm at 200. Exchequer Bills have been marked 39s. to 42s. prem., and India bonds 73s. to 76s. prem. Money is rather on the advance. It has been worth 3 per cent. in the stock market. The best bills are now discounted at 2 1-2 per cent. whilst 3 per cent. is required for other, though also good paper, and 2 per cent. readily paid for it on call. A fresh panic seems to have seized the railway market, and prices again declined seriously.

September, 22d.—The dullness in American securities continues, and those which are generally preferred for investment are offered at our quotations, whilst some of the speculative and low-priced stocks are inquired after. There appear to be considerable amounts of United States 6 per cents of 1867-68 for sale at 104 a 105, whilst the bonds with coupons, of \$1,000 are better held, and without sellers under 106. We annex quotations, although the business is limited and irregular:

U. S. six per cent.	1862	100 a 101	Louisiana Union Bank, 1850	90 a
Do.	1867	103 a 105	Massachusetts Sterling Fives	104 a 105
Do.	1868	105 a 106	Maryland do. do.	88 a 90
Do. Fives	1853	91 a 92	Mississippi Planters',	60 a 62
Alabama Fives		63 a 65	Do. Union Bank,	20 u 22
Do. Fives Sterling		64 a 67	New York five per cent.,	97 a 98
Illinois six per cent.		40 a 42	Do. six do.	105 a 106
Indiana five do.		61 a 65	New York city six do.	92 a
Ohio six do.	1856	96 a 98	Pennsylvania five do.	76 a 78
Do. do.	1860	99 a 101	Florida,	80 a 85

LONDON STOCK MARKET, 28 SEPTEMBER.—Greater activity has been observable in the foreign stock market than usual. There is an evident disposition for investment in the Dutch, Danish and Russian stocks; but as these varieties of bonds are scarce, and the jobbers are not much inclined to make speculative sales, the transactions have been limited. Mexican bonds have been down to 27, and close this week, without any appearance of material improvement, at 27 $\frac{1}{2}$. It will be recollected, that about three weeks ago we noticed several purchases in Mexican stock at 28, made in anticipation of large remittances on account of the dividends by the packet which arrived in the early part of this week. The amount remitted turns out to be much less than was expected: and as a natural consequence of the disappointment, the price has declined.

Oct. 5.—After the departure of the last steamer, there was more disposition to buy in small quantities, and prices were rather firmer; but, since the receipt of the account of diplomatic differences between the United States and France, there is a pause in dealings. To effect sales, a fall of about 2 per cent. must be submitted to, and to that, holders are not disposed, as yet, to yield.

MR. SAMUEL GURNEY ON STANDING ARMIES, AND ENGLISH AND FRENCH FINANCE.—In round numbers, I presume that not far short of 2,000,000 of the inhabitants of Europe, in the prime and strength of their lives, have been abstracted from useful and productive labour, and are made consumers only of the good gifts of the Almighty, and of national wealth. The cost of the maintenance of these armies and navies cannot be very much less than two hundred millions of pounds sterling per annum, taking into consideration the subject in all its collateral bear-

ings; at least, it must amount to an enormous sum. Does not this view of the subject, in a large degree, expose the causes of such masses of poverty, distress and sin, which at present pervade many of the districts of Europe? Is not such the legitimate result of so vast a waste of labor, food and wealth? Moreover, I venture to give it as my decided judgment—judgment formed upon some knowledge of monetary matters—that, unless the nations of Europe adopt an opposite system in this respect, many of them will inevitably become bankrupt, and will have to bear the disgrace and evils of such a catastrophe. I could particularize the financial state of many of these nations, but will confine myself to those of France and England.

Of the former, I speak with great delicacy, seeing the generous reception she has given to the Congress; but, deeply interested as I am in her welfare, I should rejoice to see her take possession of the benefits and prosperities that must arise to her in a financial point of view, as well as in other respects, by adopting an opposite course to that which she has hitherto done, in respect of military establishments. I acknowledge I tremble for her if she persists in the plan hitherto pursued.

In respect of my own country, I more boldly assert, that it is my judgment that, unless she wholly alters her course in these respects, bankruptcy will ultimately be the result. We have spent from fifteen to twenty millions sterling per annum, for warlike purposes, since the peace of 1815. Had that money been applied to the discharge of the national debt, by this time it would have been nearly annihilated; but if our military expenditure be persisted in, and no reduction of our national debt take place, at a period of our history certainly characterized by very fair prosperity and general political calm, how is it to be expected that the amount of revenue will be maintained in a time of adversity, which we must, from time to time, anticipate in our future history? Should such adversity come upon us, I venture to predict that our revenue will not be maintained, nor the dividends paid, unless more efficient steps be taken to prevent such a catastrophe in these days of prosperity and peace.—*Letter to Mr. Sturge.*

ENGLISH IRON MANUFACTURES.—Observing in your columns that the importations of iron from South Wales into the United States attract attention, it may further interest your readers to learn that I gathered, when recently in those parts, that there had been shipped from one port alone above fifteen thousand tons of manufactured iron in August, and ten thousand tons this month (September,) for the American markets. The appliances for making cheap iron in the Welsh hills are unbanded, and such as to defy competition from perhaps any other quarter; production is going on at present upon a large scale, but it is understood that only the private iron-masters are saving their own at present prices; joint-stock concerns, expensively managed, cannot be making profits. You will be interested in learning, that there is a large consumption of American breadstuffs among the many thousands employed in the iron manufacture of South Wales, where agriculture is comparatively neglected: thus is realized the object contemplated by free trade. Your flour is in high esteem with the people; it is not imported direct from the shipping ports on your side, but the Welsh buyers purchase largely in the Liverpool markets, whence the produce is re-shipped coastwise to the iron districts. At this moment, however, breadstuffs of home growth are so low and abundant, that they are supplanting foreign; this will not last very long I calculate.—*London Correspondent Nat. Int.*

MORTALITY OF LONDON.—The number of deaths in London, during the second week in September last, was 3,183—that is equal to 454 every day, 19 every hour, and one person every three minutes. This may appear very alarming to some readers, but they must bear in mind that the vast extent of London and its surrounding districts, contains nearly three millions of people. If this immense number of persons were placed in a line, at a distance of fourteen yards a part; they would reach to the extent of 25,000 miles, or more than the circumference of the globe: so that if persons died at the above rate, viz: one every three minutes, and allowing 1,000 births every week, it would then be 26 years before all the people of London were extinct.—*London Globe.*

PROGRESS OF MARYLAND SECURITIES FROM APRIL 1848 TO OCTOBER 1849.

		<i>Md. 6 per cts.</i>	<i>Md. 5 per cts.</i>	<i>Batto. 6 per cts.</i>	<i>B. & O. R. R.</i>
1 April	1848,	85½	68	95½	83
1 July	1848,	90½	72½	98	80½
1 October	1849,	103	86	102	44

Notes for the Month of October.

NEW YORK, 25 OCTOBER, 1849.

There have been at work, this month, several disturbing elements of the money market. The present period assumes a most important aspect, politically and financially; and the connection between the two subjects of politics and finance is so close, and their reciprocal effects upon each other so great, that when one is violently agitated, the other soon becomes so. The year 1849 will indeed, in after ages, be looked upon as one of the most pregnant, in important events, to the Statesman and to the Capitalist.

Since the publication of our last No. such intelligence has been received from California as has induced a new fever for emigration. Every arrival from San Francisco seems not only to confirm prior advices, as to the abundance of gold in that country, but to demonstrate that the most sanguine expectations and calculations will be realized. The Steamer from Chagres, which arrived at New York on the 14th instant, brought upwards of \$500,000 on freight, and it is believed that \$500,000 additional was in the possession of her passengers. Upon the receipt of this intelligence, the office of the agents was besieged for passage tickets, and on the 17th about five hundred tickets were disposed of, for the Pacific Steamer of the 1st December, and one hundred for that of 1st January. The anticipated report of Mr. T. Butler King (Representative in Congress from Georgia) who is now in California, will furnish the country with numerous and authentic facts and reliable views, which will be highly acceptable to all parties in America and Europe.

A correspondent of the London Times, a most cautious journal, estimates the present annual supply of gold at forty millions from California, and that the question of the standard value of gold will soon be presented for examination.

The entire product of the American mines, according to Baron Humboldt, for the century following the discovery of America, say from 1500 to 1600, was £133,000,000 sterling, or \$690,000,000, and for the century ending in 1700, \$1,800,000,000.

It has been lately remarked by the *London Times*, upon the standard of value, "that the greatest source of spontaneous fluctuations in Great Britain is the value of the precious metals. It is always changing. Thirty years since, a sovereign represented only half as much of the necessaries, comforts and luxuries of life, as it now does; and its value has since been continually on the increase. Looking to the various probabilities of the question, and with the fact of a whole American State being now actively employed over an immense territory in the successful search of gold, we incline to the opinion that gold will henceforth suffer a gradual, though slow, depreciation. That, of course, has a most important bearing on the question between fixed and fluctuating dividends. Should there be such a depreciation, guaranteed shares will press less and less upon the profits, which will, of course, vary according to the general wealth of the country, and not be tied to a metallic formula."

There has been no variation in the relative standard of gold and silver, for many years past. Notwithstanding the disproportionate supply of silver from the Mexican mines in former years, it produced no change of importance in the standard. The value of gold to silver, in antiquity, seems to have been at 12 or 12½ to 1. During the middle ages, gold depreciated,—and in the middle of the fourteenth century, it was rated in France and Holland as 10½ or 10¾ to 1. About the middle of the last century, the ounce of gold became worth fourteen to fifteen ounces of silver, and is now fixed at 14:7-24 ounces nearly—or more accurately, 14:2378.

It is not believed that the supply of gold hitherto has amounted to a twentieth part of the silver produced, in weight.

If the expectations, however, of the California emigrants shall be realized, there seems to be little doubt that the aggregate weight of gold, produced for years to come, from all quarters, will nearly equal the weight of silver. Gold will consequently enter more fully into the manufactures of domestic wares. Those who now rejoice in their household plate in silver, will demand gold. And silver watches and other articles

of domestic use, which have for twenty years past gradually disappeared, will now be entirely superseded by similar articles of gold. It must have been apparent to ordinary observers of the last twenty years, that gold watches and gold pencil cases, possessed formerly by the few and the wealthy, have since gradually obtained a general circulation. Prices of such articles have fallen fifty or sixty per cent., while silver ware has undergone but little reduction.

The gold product of the Ural and Siberia mines has unquestionably aided this marked change. The rapid increase in their supply appears from the following official table:

Year 1829,	£628,000	Year 1844,	£2,682,000
1835,	826,000	1846,	3,460,000
1840,	1,170,000	1848,	4,000,000

an increase of nearly six hundred per cent. in twenty years.

Baron Humboldt says, "from researches, which I have carefully made, it results that the importation of American gold was by weight to that of silver, in the ratio of 1 to 65, down to the first year of the eighteenth century, when the gold workings in Brazil were commenced. At this moment (1838-1840) taking into view the aggregate of the metallic commerce of Europe, the ratio is not higher than as 1 to 47; which is, at least, the result given by comparison of the quantities of the two metals simultaneously existing in Europe in the state of coin."

The effects upon relative values, and the effects upon prices, are now the questions for consideration. "The wealth of the Indies," as demonstrated during the two centuries following the discovery of America, largely inflated prices. From the year 1500 to the year 1600, the quantity of the precious metals in Europe was more than quadrupled. This accession was regular, and was accompanied by a corresponding increase in the price of all commodities. The metals poured in during the eighteenth and nineteenth centuries, and prices became still further augmented; and notwithstanding the abundant yield of those periods, the supply is now greater.

It has been estimated by competent writers that the proportionate supply of the two metals, gold and silver, was as follows between 1492 and 1803:

Average annual supply.

1492—1500,	£53,750	} Till 1525, gold chiefly produced.
1500—1545,	645,000		} After 1525, silver almost exclusively.
1545—1600,	2,365,000	—Silver largely predominating.
1600—1700,	3,546,000	—Potosi M. exhausted after the middle of the century
1700—1750,	4,837,500	—Large quantities of gold introduced from Brazil.
1750—1803,	7,589,000	—About 23 per cent. in gold produced from Brazil.

The present annual supply of gold may be estimated as follows:

From Europe, excluding Russia,	£200,000
“ Siberia,	4,000,000
“ Asia, excluding Siberia,	500,000
“ Africa,	400,000
“ South America and Atlantic States,	1,400,000

A total of six millions five hundred thousand pounds, sterling, equivalent to thirty-two millions of dollars, to which add as large an addition from California alone.

Five millions sterling, it is computed, are used throughout the world annually, in manufactures and the arts. Even this absorption will still leave an annual supply, greater at this period than ever before known in the history of the world.

State Finances.—The stock exchange, the unerring barometer which shows the lightness or pressure upon the money market, indicates a most flattering condition of the finances of the States. With some few exceptions, their bonds are at or above par.

The new U. S. loan of 1868, has reached 113 this week, and the prices abroad have authorized further remittances for foreign account.

On the 1st of this month, the amount of U. S. stocks held in Europe was as follows:

Loans of 1846 and prior,	\$1,689,313
Loans of 1847,	5,310,550
Loan of 1848,	4,891,750
Coupon stock,	7,500,000

A grand total of—\$19,391,613

This sum has been since increased probably another million, leaving about \$43,000,000 to \$44,000,000 at home among our own capitalists. It is observable, and a fact worth remembering, that some of the State stocks are within a fraction of the Government loans in their present quotations. The latter have reached at short periods 116 a 117, although now quoted at 113. The State stocks in most repture are as follows :

New York Six per cent.,	1865	111½ a 112½
Ohio " "	1870	109 a 110
Kentucky " "	. . . . .	103½ a 104
Pennsylvania " "	. . . . .	100 a 100½
Maryland " "	. . . . .	103 a 104
Tennessee " "	. . . . .	105 a 106

Alabama 5 per cents are quoted at 75 a 78. The finances of that State are far from flourishing at this period. Instead of laying an adequate tax for the payment of the annual interest on the public debt, the interest has been mainly paid out of the assets of the State Bank, which is now in process of liquidation. The Legislature of Alabama is now in session, and its attention to finances is demanded by the actual condition of things. With a larger population than Maryland, and less public debt, and with larger foreign exports, Alabama, at this time, does not meet her current expenditures out of her ordinary revenue.

We cannot too strongly commend to the attention of our Mississippi friends and of her legislature, the urgent necessity of providing for the redemption of their State Bonds. The first article in our present No. shows that Mississippi, ten years since, availed herself of five millions of Pennsylvania capital. That capital has largely contributed to the prosperity of Mississippi. She has derived important advantages from its use in the interim: It has facilitated the cultivation of her cotton lands; and has, in various ways, promoted the general welfare of the State. It may be needless to say, that what has been the gain to Mississippi, has been a loss to Pennsylvania, especially to Philadelphia. Ten millions in money would not reimburse the latter for the unfortunate investments of 1838-9 in Mississippi bank stocks.

It is not too late for the latter State to redeem its credit, by ample provision for the principal and interest of her public debt.

What are the unquestioned facts before us?

Let us look at the population, debt and resources of Mississippi, Alabama and Maryland, by way of comparison, and as a lesson to our Southern friends.

	Population, 1840.	Pop. 1848.	Public debt.	Interest.	Property.
Maryland,	470,000	510,000	12,780,000	\$700,000	\$198,000,000
Alabama,	590,000	716,000	10,400,000	569,000	276,000,000
Mississippi,	375,000	670,000	7,200,000	400,000	256,000,000

ANNUAL RESOURCES.

	Bushels Wheat.	Barley.	Oats.	Rye.	Buckwheat.
Maryland,	5,150,000	3,000	2,200,000	1,200,000	120,000
Alabama,	1,300,000	7,800	2,000,000	85,000	.....
Mississippi,	550,000	2,250	1,500,000	30,000	.....

	Bushels, Potatoes.	Corn.	Tons, Hay.	Lbs. Tobacco.	Lbs. Cotton.
Maryland,	1,000,000	8,800,000	130,000	23,000,000	.....
Alabama,	2,500,000	28,000,000	21,000	360,000	165,000,000
Mississippi,	2,600,000	17,000,000	1,000	215,000	245,000,000

These details are taken from the annual reports of the Patent Office. They are sufficiently correct, as a basis of calculations; and they result in showing the annual value of the agricultural products and the taxable property of the three States to be as follows:

Maryland, annual products,	\$ 16,400,000	Taxable property, . . .	\$198,000,000
Alabama " " " "	27,300,000	" " " "	276,000,000
Mississippi " " " "	27,400,000	" " " "	256,000,000

The revenue of the State of Maryland, for 1849, is estimated at \$1,000,000, viz:

Direct taxes,	\$530,000
Miscellaneous taxes,	250,000
Rail Roads, Canals, dividends, &c.,	175,000
Tax on Rail Road passengers,	45,000

The annual interest on her public debt is \$700,000, and the expenses of government \$175,000, and it is now estimated that the treasury will have a surplus of \$500,000 in January next. We mention Maryland, in contrast with the other States, because it is not long since the State was under suspension; and because a vigorous administration by the late Governor (Hon. T. G. Pratt) demonstrated the facility with which Resumption could be sustained—and, fortunately for the people, the measures of the administration were carried out.

Alabama levied a tax last year of \$44,000, and the deficiency in her revenue is made up from the assets of the Bank of the State, which is now in a course of liquidation. The capital of the bank, contrary to all principles of finance, is used for the payment of interest on the State Bonds. With a larger population, larger resources, larger exports than Maryland, she yet does not tax her people to pay current expenditure.

Mississippi presents a more extraordinary exhibit. The cotton crop of that State alone is *one-fourth* of the entire crop of the country, and may be safely valued at eighteen millions of dollars, being in itself more than the aggregate agricultural products of Maryland. The taxable property, too, of Mississippi is estimated, by the late Commissioner of the Patent Office, at twenty-five per cent. above that of Maryland.

Nothing is now wanting in Alabama and Mississippi but moral courage to face the apparent difficulty. If they will not imitate Maryland, now rising from its lethargy, let them look to Georgia, with her noble public improvements and an annual income of \$843,000.

Finally, look at the stock board in October, 1849.

Maryland Six per cents,	103, sales,	104, asked
Alabama Five "	75 "	78 "
Mississippi Six "	60 "	62 "
" Union Bk. Five per cents	20 "	22 "

Specie to Europe.—Sterling bills for the steamer of the 17th reached 110 a 110½. Sales have been since made at 110½—and 60 day bills on Paris, 5.20 a 5.17. These rates compel shipments of coin to Liverpool and Havre: and we observe an increase in the amounts forwarded. For the week ending 20th inst., the shipments of coin from New York to Liverpool, were \$410,000; and to Havre, \$530,000; and from 1 January last to the 20th instant, inclusive, the aggregate shipments to all ports have been \$3,282,000. This unfavorable balance of trade results from excessive importations of dry goods. England sends us nearly one-third of all her exported woollens, and forty per cent. of all exported linens. The unfavorable balance against us occurs, notwithstanding Great Britain requires nearly two million bales of cotton, annually, to keep her mill-power and factory hands in full employment.

The aggregate coin in the vaults of the New York City banks, on the 1st July, was \$9,500,000. Large additions have been since made from the West—and the present amount does not, we think, materially vary from that of the former period.

DEATHS.

AT LEXINGTON, KY—in August last, Robert S. Todd, Esq., president of the Lexington Branch of the Bank of Kentucky.

AT NYACK—near New York, in June last, Samuel Flewwelling, Esq., aged 78 years. Mr. F. was cashier of *The City Bank*, of New York, from 1817 till 1826, and was cashier of *The National Bank*, from its incorporation in 1829 till 1840, at which last period he resigned in consequence of the severe labors of the office and his desire to enjoy private life.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

~~~~~  
VOL. IV.

DECEMBER, 1849.

No. VI.  
~~~~~

A NATIONAL CURRENCY.

Treasury Notes — Without Interest — Payable to Bearer — Redeemable in Coin—Their Adaptation to the Wants of the Government— The only National Currency available. Opinion of Albert Gallatin. Contrast of Government Operations in 1812 and 1848. Opinions of Secretaries Crawford, Dallas and Spencer.

THE question of a national currency has been frequently and ably discussed among our prominent writers, by our leading politicians, and by the periodicals of the last twenty years. A thing so desirable to all parties and all persons should be, it would seem, readily disposed of, and such a plan concerted as would meet the views of the community at large. But, as yet, nothing has been agreed upon by our public men; the question is still open, and the business community, in the large cities at least, is subjected to the numerous inconveniences produced by the *subtreasury*.

This latter scheme was projected with the view of disconnecting entirely the business operations of the government from those of the banks: to furnish an exclusive national currency in the shape of hard dollars: and to avoid a recurrence of such severe losses as had been felt in the failure of the pet bank system.

The *subtreasury* was concocted by mere politicians. It was not the result of experience, nor dictated by men whose mercantile operations and information should have had weight in the consideration of the question. It has not answered the ends of its projectors: it has not satisfied commercial men, who are, in fact, the parties to be consulted by the legislator in framing finance bills. It has not accomplished or carried into effect, properly, the business ends of the government. In fact, it is an anomaly in legislation and unworthy the age in which we live.

Assuming that a National Bank cannot again be established, and that the government will persist in its thorough disconnection with and disuse of banks, it now remains to be seen whether the aims of the general government, and the wishes and convenience of its debtors and creditors, cannot be met by a simple plan of a *National Currency*.

We think all these can be gained, and at the same time without coming in conflict with the constitutional scruples that have been started in Congress, by some of our most eminent public men.

The common sense of the age points to a paper currency as a medium of exchange. Hard money will not answer for the purposes of intercourse between men, or between the government and the people. In the multitudinous dealings of the masses, in commerce, in manufactures, in exchange, in travel, &c. paper money is the medium adopted—and why should it not be by the government?

The points to be attained are first, safety; second, convenience. If a paper circulation can be obtained for government purposes, involving no more risk, or less, than that involved in the subtreasury scheme, we presume few or none will object to it. This we think can be accomplished by an adequate issue of treasury notes, redeemable in coin, and receivable for all government dues. Such treasury notes should be,

1. Payable without interest.
2. Payable to bearer.
3. Receivable in payment for customs, public lands, postage, and for all dues to the government.
4. Redeemable in coin at New York.
5. Exchangeable at all times for coin deposited.

They should be payable without interest, because they would then pass more freely among the people. If they carried interest they would be hoarded up, and give trouble to government officers in the calculation of interest due on each particular lot presented for redemption.

They should be payable to the bearer, in order to avoid the frequent dispute as to the genuineness of endorsements by the holders.

As a medium of payment into the custom houses, land offices, post offices, &c. and to public creditors throughout the country, such notes would obtain emphatically a *national circulation*, and be at par from the north to the south, and from the extreme east to the extreme west.

By being redeemable in coin at one grand central point, such notes would serve in part the great ends of commerce. They would serve as well for custom house dues as for ordinary payments among all classes. They would be equivalent to specie-paying bank issues or to coin itself.

If the government can, as it now proposes, accomplish its business by the means of eight millions or nine millions of money in coin, the same amount of treasury notes, payable to bearer, would serve the same ends. But we would propose that, upon the basis now held by the general government, three dollars for one be issued. That is, an issue to the fullest extent of the government wants: say thirty millions of treasury notes, which should be paid to all government creditors from time to time. The government disbursements being about thirty-five or forty millions per annum, it would require less than a year to get twenty-five or thirty millions into circulation,

and when the holders require specie for their notes, it could be obtained at a point where exchange is, almost invariably, against all other places on this continent.

It is a fact, notorious to all commercial men, that exchange on New York, at all the various points of the north, south, east and west (with only two exceptions) is either at par or at a premium throughout the year. These exceptions are New Orleans and Mobile, where New York funds are, at short periods during the year, at a slight discount; but even at these places, taking the year round, New York exchange is at par or a slight premium.

Such treasury notes, in sums of ten dollars or larger denominations, would be more convenient for travelling purposes than coin. They would not return to the redeeming point as readily as ordinary bank issues. That such an issue is practicable upon the basis suggested, will appear, when we know that the bank circulation and deposits of New England are thirty millions against a specie basis of less than six millions; and this too, in a narrow compass equivalent only to the area of the State of Virginia alone.

But an issue of treasury notes, as now suggested, would circulate in moderate amounts in every State in the Union. They would be in demand for the public land offices of Iowa, Wisconsin, Missouri, &c.; for travel from California on the west, to Thomaston on the east; for payment of customs from Galveston on the south, along the Atlantic shores to Maine. Such notes would not interfere with the circulation of local banks. These latter would be still wanted to an equal extent as at present, for ordinary business purposes. The treasury notes, on the other hand, would be available and highly desirable where coin is now used, in the various subtreasuries.

The public creditor would be thus paid in a currency entitled to full confidence, convertible into coin, and accomplishing all the ends of a *national* currency—one that would be at par in every State in the Union, and receivable for all business transactions as readily as bank paper.

We do not, by this plan, propose to make the government a *banker*. It is only proposed to conciliate the constitutional scruples of some of our fellow citizens, in avoiding a national bank; and correcting existing evils by an available substitute for the subtreasury which is now so obnoxious to all persons who have intercourse with the government. By adding to the present paper circulation of the Union, a national currency of thirty millions, the ends of the government and the people of the whole country would be attained *without displacing or lessening present bank issues to the amount of one dollar*. It would in fact contribute to commerce, by abolishing the specie clause of the subtreasury. The amount of coin to be held by the government would be a permanent, not a fluctuating, one. The banks would be better satisfied, because they would find that the government would absorb no further amount of coin. The present inconvenience which is so strongly felt in the changing of millions of coin weekly, by means of the subtreasury, would be wholly avoided. The government payments and receipts in Boston, New York, Philadelphia, Baltimore, &c., amounting to about two millions per week, could be made with one twentieth of the labor and time which are now required. The government officers in receiving, and the public debtors in paying, fifty or one hundred thousand

dollars, in a day, could transact their business with far more satisfaction and in a few minutes' time, instead of employing, as at present, numerous clerks and sub-agents for counting coin that would not, in the ordinary course of trade, be disturbed once in five years.

Treasury notes, issued as now suggested, would unquestionably become a truly national currency; no better, it is true, than local bank notes at local points; but for *national purposes* they must possess a par value with coin, when it is known that they are convertible into coin or its equivalent, at the great commercial centre of the Union. The mere fact of redemption will give them a universality which no local bank paper can possess. Let the holder be in Wisconsin or in Florida, in Maine or in Texas, he would feel perfectly sure in his treasury note currency, and find no difficulty in its exchange for other paper, if desired for business or travelling wants.

The manifest errors that have heretofore accompanied the issue of treasury notes by our government, have been, first, the neglect to provide a basis of specie redemption; and, secondly, allowing an interest upon them. In the first place, their value at remote places was always questionable, and even in large commercial cities their fluctuating values rendered them unavailable in ordinary transactions. Although receivable at all places in payment of public dues, their concentration at any one point would frequently create larger amounts than the public payments required. They have consequently fallen at times to five, ten, or twenty per cent. discount.

In the second place, the allowance of interest utterly disqualifies treasury notes for a national currency. They become thereby a mere article of traffic, and their value dependent upon the time they have been outstanding. The holder retains it as a marketable thing, more valuable to him than to his neighbor. Treasury notes should be no better than bank notes, and in no degree less valuable or less convertible.

By the plan now proposed, all idea of connection between the government and the banks is done away with. If it can by any possibility be denominated a government bank, it certainly would not be a bank of deposit or of loan. No individual could look for a loan of one cent from it, and the government would hold its own securities in its own hand.

We have in the issue department of the Bank of England, an institution adapted in its plan to our wants. There the government owns not a particle of its stock, runs no risk, and if the bank were to fail, the government could not lose by its insolvency. The British government is a debtor of the bank instead of a creditor. The workings of the issue department may, in a few words, be demonstrated as follows:—

Bank of England—An Account pursuant to the Act of 7 and 8 Victoria, cap. 32, for the week ending October 6th.

ISSUE DEPARTMENT.

Notes issued,	£28,268,310
Government debt,	£11,016,100
Other securities,	2,984,900
Gold coin and bullion,	13,861,233
Silver bullion,	407,077
	<hr/>
	£28,268,310

These figures, in a few lines, show the workings of the act of 1844, viz. :

The bank holds government securities to the amount of	£11,015,100
And	2,984,900
	£14,000,000
It holds coin and bullion,	14,268,310
	£28,268,310

Its issues are no more and no less than *this aggregate of £28,268,310*. Whether those issues can be advantageously employed or not is another thing. For years past they have not been. For a long time past the actual amount afloat has ranged from eighteen to £20,000,000, and on the 6th October, 1849, was £18,029,825; ten millions being on hand for which the banking department had no use.

The bank holds fourteen millions of government debt, and to that amount it is allowed to issue notes to bearer, and it is further allowed to issue notes for all coin that may be deposited by the public.

The Bank of England maintains an actual circulation of £18,000,000, equivalent to ninety millions of dollars, in a country equal in its area to one hundred and sixteen thousand square miles.

The local bank circulation of Great Britain is about £13,700,000, additional, viz. :

England	£6,400,000
Ireland	4,300,000
Scotland	3,000,000

Now for our own government purposes, and in a country embracing nearly the same population and scattered over a largely extended area, treasury notes to a moderate extent would be a public benefit. They rest upon an unquestioned basis, and accordingly possess the unlimited confidence of the people.

To show the importance attached to such issues by the late Secretary Galatin, whose opinions are eminently entitled to consideration, it is only necessary to make the following extract from his communication to Congress in June, 1812.

“Although the experiment of issuing treasury notes be novel under this government, *the solid security on which they rest*; the facilities they will offer in making remittances; the interest they bear; and, *above all, the power to apply them to the payment of duties and of public lands*, induce a belief that, notwithstanding some difficulties incident to a first emission, the amount contemplated may be put in circulation before the end of the year.”

This recommendation, it will be perceived, was made at a period when the aggregate receipts of the government for the year were only nine millions of dollars. In fact the public revenue up to that period had not reached in any one year eighteen millions. The annual revenue for a few years previous were as follows, in round numbers :

<i>Year.</i>	<i>Customs.</i>	<i>Lands, &c.</i>	<i>Total Revenue.</i>
1809	7,296,000	454,000	7,750,000
1810	8,583,000	717,000	9,300,000
1811	13,313,000	1,050,000	14,363,000
1812	8,968,000	717,000	9,675,000

As compared with the present period, the following figures will demonstrate the contrast :

<i>Year.</i>	<i>Customs.</i>	<i>Public Lands, &c.</i>	<i>Total.</i>
1846	26,713,000	2,787,000	29,500,000
1847	23,748,000	2,599,000	26,347,000
1848	31,757,000	3,680,000	35,437,000
1849	28,343,000	4,959,000	33,302,000

The foreign business, government debt, and tonnage, in the former period and at this time, present a contrast, too, which should be borne in mind, in the consideration of government credit, and in the consideration of the question as to what amount of paper will be required for merely government purposes.

<i>Year.</i>	<i>Public Debt.</i>	<i>Imports.</i>	<i>Exports.</i>	<i>Tonnage.</i>
1809	57,000,000	59,000,000	52,000,000	1,350,000
1810	53,000,000	85,000,000	66,000,000	1,424,000
1811	48,000,000	53,000,000	61,000,000	1,232,000
1812	45,000,000	77,000,000	38,000,000	1,269,000
1813	55,000,000	22,000,000	27,000,000	1,666,000
1846	24,000,000	121,000,000	113,000,000	2,562,000
1847	45,000,000	146,000,000	158,000,000	2,839,000
1848	65,000,000	154,000,000	154,000,000	3,150,000

In 1810 the population of the United States was 7,239,000 ; at present it may be safely estimated at twenty-two millions. The official statement of the treasury department, under date of November, 1849, represents the government revenue, for the quarter ending 30th September last, to have been nearly twelve millions of dollars from customs and public lands—viz. : \$11,450,000 from customs, and \$370,000 from public lands.

These facts, added to the evidently large increase of public business throughout the Union, show us the necessity of providing a government or national circulation. This circulation should consist of treasury notes, issued from time to time, in such amounts only as shall be required for the revenue and disbursements of the treasury. The monthly report of the treasury for October last represents a balance on hand of \$8,579,000 in coin, at the various depositories or subtreasuries, viz. :

At New York,	\$3,770,000	At Washington,	\$231,000
At Philadelphia,	2,240,000	At Charleston, S. C.,	112,000
At Boston,	1,055,000	Mint, New Orleans,	100,000
At Baltimore,	80,000	Mint, Charlotte, N. C.,	32,000
At New Orleans,	460,000	Mint, Dahlonega,	26,000
At St. Louis,	218,000	All other depositories,	455,000

A total of eight millions, five hundred and seventy-nine thousand dollars. This amount probably changes hands every month. It is continually in motion. Hosts of public officers and the clerks of merchants are employed, at a severe cost of labor, time, and vexation, in counting and recounting boxes and bags of coin that should be permanently at rest or very rarely moved. Disputes and differences of opinion are constantly arising between the payer and payee, as to the values of certain coins. A clerk is detained several hours in making a payment of a few thousand dollars into the subtreasury, when the same sum could be paid, satisfactorily to both parties, in three minutes, *if a legitimate government circulation were adopted.* The singular spectacle has been recently presented of transporting coin *in a wagon* from the treasury department to the capitol (a distance of one mile) for the purpose of paying the *per diem* of members of Congress. Soon after being received by them it is converted into bank paper, as more convenient, more desirable, and more safe, for their own individual uses; or it is deposited in banks whose re-charter was refused by Congress, and checked for in bank paper, *in sums to suit* the wants of the holder.

The only point, it seems to us, to be arrived at, is *safety*. There is no occasion to encumber the wheels of government with a hard money circulation (which no man of common sense would adopt in his own business transactions) when a national paper circulation can be brought into use that will suit the convenience and wishes of every individual under the government, or having business with the government. If perchance there be one who distrusts such issues, he can readily avail himself of its conversion into coin at any moment.

If Congress will not authorize such issues as are now suggested, the next best thing would be the employment of local banks as depositories of the public funds. The banks of all the large cities can furnish government securities as collaterals for the public deposits, by which the treasury could suffer no loss in case of their suspension. They would no doubt undertake the business without compensation and much to the satisfaction of every individual who has transactions with the government. The latter would save at least one hundred thousand dollars annually, which is now expended in the salaries of numerous subtreasurers and their subordinates, for salaries, office rent, and contingencies.

Estimating the government cash balance for a few years to come, at ten millions, there would be required in the adoption of the State bank system, collateral securities as follows:

New York, . . .	\$4,000,000	New Orleans, . . .	\$500,000
Philadelphia, . . .	2,000,000	St. Louis, . . .	300,000
Boston,	1,000,000	Other cities, . . .	2,000,000
Baltimore,	200,000		

Or, if the treasury note system were adopted, under proper regulations and restrictions, there would be required an immediate issue of twenty millions, distributed pro-rata, according to the government's receipts and disbursements at each particular point. In support of the policy of issuing

treasury notes, Mr. Secretary Spencer used the following language in his communication to Congress, December, 1843 :

The effort had been made by a former secretary to substitute notes with nominal rates of interest, and also notes with the low rate of two per cent. ; but it had not succeeded, *in consequence of their not being convertible into coin on demand.* * * * If, after such notes have answered the purposes of government in promoting convenience, security, and economy in the public disbursements, they should, in consequence of their uniform value, be kept in circulation to any considerable extent, by our fellow citizens, for their own convenience in maintaining internal trade, and keeping down the fluctuations of exchange between different parts of the country, arising from a disordered currency,—it is not perceived how such a result affords ground for objection to a system constitutional in itself, and adopted for legitimate and constitutional objects. It is submitted that the government is responsible only for the use which it makes of the power to incur a debt, and not for the use or abuse by the people of the evidences of that debt, which it may issue. Their application by the community to the purpose mentioned is a proof that they are wanted for that purpose, and that “the credit of the United States” has taken the place of local, chartered, or State credit. * * * In this, as in other cases, we are not allowed the use of means entirely free from objection, but are compelled to select, between different modes, that which is the least objectionable.

At all events, the small amount of convertible treasury notes that may be issued under existing laws, cannot create any very dangerous *paper currency*. And it is supposed that the objections referred to are not so much to the issue of such an amount as a temporary expedient, but are founded rather upon an apprehension that these notes will be so useful to the government and so beneficial to the people, that their issue may hereafter be carried to excess. * * * There is, and always must be, a surplus in the treasury beyond the immediate calls upon it. * * * It is worthy of observation that the mode which requires immediate liability to pay, furnishes a guard in itself against abuse, *by the instant and infallible check which it furnishes upon issues beyond the means of converting into coin.*

We will confirm the views of Mr. Spencer, by extracts from the opinions of Secretary Dallas :

The power of government to supply and maintain a paper medium of exchange will not be questioned ; but, for the introduction of that medium, there must be an adequate motive. * * * The co-operation of the government with the national bank, in the introduction of a national currency, may, however, be advantageously employed *by issues of treasury notes, so long as they shall be required for the public service.*

Mr. Secretary Crawford has also expressed similar views, as the annexed extract will show. In fact, treasury notes have been a favorite measure with nearly every secretary of the treasury, before whom the subject has been brought, or under whose administration other aids were required than those of bank issues and coin. The main grounds assumed, upon this subject, by these able men, were, that such notes should be issued only to meet the or-

dinary wants of the treasury, and that they should not be obnoxious to the charge of inflating, or adding to an inflation of, the currency—that they should be convertible into coin, at the will of the holder—and that being at par throughout the Union, they would possess a general value which cannot pertain to local paper.

As a paper currency is issued upon the national credit, *the whole property of the nation is pledged for its redemption*, whenever, by any circumstances, it may become the interest of the community that it should be redeemed. It is, therefore, manifest that it should not issue upon the credit of any individual, or association of individuals. A part can never be equal to the whole. The credit of any individual, or association of individuals, cannot be equivalent to that of the nation of which they form a part. * * * It is therefore believed that a national currency cannot be issued with safety, with a reasonable prospect of success, and with sufficient security against redundancy, *but in exchange for gold and silver of a definite standard, or for the public stock at certain fixed rates. When issued in exchange for them, and for them alone, there is, though not the same, yet perhaps an equal, security against redundancy as in the case of a metallic currency. When it is issued in exchange for coin, there is no addition made to the currency. When it is issued in exchange for public stock, commanding previously to the exchange its par value in coin, the party who acquires the currency, parts with that which was equal to specie, and is deprived of the annual interest which it produced. Unless the interest of the currency, resulting from its scarcity, should exceed that paid upon the stock, it would not be demanded in exchange for the stock. In either case the danger of redundancy is extremely remote.* By the exchange of currency for specie, the active capital of the country will be increased to the amount of the currency; *and the capacity of the nation to redeem it, whenever it shall by any circumstances whatever become expedient, WILL BE UNQUESTIONABLE.* [February, 1820.]

The opinions of Secretaries Hamilton, Gallatin, Dallas, Jones, Crawford, Rush, Ingham and Spenser, may be confidently appealed to, in support of the use of paper as a circulating medium for government purposes; and there are no other reliable sources, of an adverse nature, to which the advocates of coin can appeal to sustain their views.

We leave this subject, with the hope that Congress will, at its coming session, provide an appropriate substitute for the present system, which meets neither the wants of the government nor the wishes of the people. To a large portion of the community, probably nine-tenths, it is a matter of total indifference as to the system of government finance in use: but to the mercantile class, a class that directly contributes nine-tenths of the public revenue, it is important that a system shall be adopted that will facilitate the intercourse between them and the government functionaries. The merchants as a class have protested against the adoption and the use of the subtreasury, as a scheme that is productive of serious inconvenience, without accomplishing any good whatever. It is a scheme unworthy of the age we live in—unworthy of our country, utilitarian as it is in its tendencies—and should be abolished with all practicable speed.

FINANCES OF SPAIN.

From the London Morning Chronicle, 24th October.

Senôr Pita Pizarro, in his work on Spanish Finance, which embraces an historical sketch of the subject, as well as a full account of the public debt, and of the different sources of revenue, shows one thing clearly enough, viz.: that for a long time past there has been a constant annual deficit, which he estimates to have averaged between 500 and 600 millions of reals per annum, for the previous eighty years. He takes eleven periods, between 1760 and 1840, and finding that the deficit in those years amounted to 6,119,050,381 reals, he takes the average of 556,277,307 reals, as one representing the average state of things for the whole term; and this gives a total deficit for the eighty years previous to the publication of his work of 44,502,184,560 reals, or upwards of 440 millions sterling. The research may be pursued farther back, and a similar state of things be proved to have existed from a much more remote period of Spanish history. It may be seen from the present work, that it was the habit for centuries to provide for the wants of the day by mortgaging future revenues, and then, when the burden became oppressive, or a new reign brought another government equally disposed to spend as its predecessor, but with the revenues alienated or anticipated, an "arrangement of the debt" took place, by the simple process: 1, of reducing the capital: or, 2, of doing ditto to the interest, or, 3, of making a full stop, and decreeing that no debts should be paid which had been contracted prior to a certain period.

"In 1625," says Senor Pita Pizarro, p. 99, "the government reduced the interest of the Juros to 5 per cent., then to 3; and, in the space of 100 years, more than seventy-nine contributions were imposed upon them afterwards, without consideration to the most common principles of justice. Many bonds were declared null; others were not comprehended in the mortgage or rent appointed for the payment of the interest; the amount of this was reduced in several cases, and those that belonged to the crown, to the ecclesiastical state, to the inquisition, to the military orders and other corporations and institutions of a similar nature, were designated as privileged, and left untouched. The blow of injustice and tyranny fell generally on private property; the interest of some "Juros" was reduced to 2 1-2 per cent.; others to 1 1-4; many even to 1-4, and not a few were refused altogether.

The "finance system" of the seventeenth century is summed up as follows, p. 17:

"The payments and consignations to the creditors of the state were suspended. Alcabalas (taxes on sales of every kind,) titles of nobility, jurisdictions, municipal offices, military knightships, repartitions of Indians, employments and public offices, &c. &c. were sold. Juros were created and their capital reduced, and various contributions were imposed upon them; ecclesiastical revenues were dismembered, possessions of the clergy were sold, and a subsidy imposed upon them; the capital of the assentistos, and of private persons was seized, to be repaid out of the proceeds of the fleet, (i. e. the next arrivals from America); many loans were negotiated with

grandeos, with merchants, and with foreigners. The Cortes recognized Censos or public rents to the amount of 600,000 ducats; base money was coined, and that in existence was restamped, and its value increased; donations were asked for, &c., and finally, the contributions and revenues of salt, half the first year's salary of *employeés*, stamped paper, soda and barilla, tobacco, ice, &c. were established."

The same system was pursued in the eighteenth century. In the reign of Philip V. the crown took back estates that it had alienated or given away, and another "arrangement of debt" took place.

"The old debts," says Senor Pita Pizarro, p. 19, "were classified and reduced, under the pretext of getting rid of the emergent injury and expiring gain; the interest of the Juros was reduced from five to three per cent.; the arrears of credits due were ordered to cease to be paid, and also the bills given by the Treasury in favor of the contractors, and the payment of all debts anterior to 1736 was prohibited," &c.

The amount of state paper money issued under the name of Vales Reals was enormous. This paper, issued first to any amount in the reign of Charles III., during the war with England, bore four per cent. interest, and special revenues were assigned for paying the interest and redeeming the principal in twenty years. Paper to the amount of \$9,900,000 was issued by decree of August, 1780, and another issue of \$5,300,100 took place the following year. The year after, (1782,) a still larger issue took place, amounting to \$14,793,600. In 1785 and 1788 more vales were issued, to the amount of 99 millions of reals. The total amount issued under Charles III. was 548,905,500 reals. The dispositions taken in this reign to support these bonds brought them up to par at the close of that war, and they continued, notwithstanding large additional issues, to bear a high value until near the close of the last century, when the application of the revenues assigned for the interest, &c., to other purposes caused them to sink almost to zero, at which point they still remain. The total amount of vales created during the reign of Charles IV. was 1,759,639,500 reals, (near eighteen millions sterling,) and the annual interest was 70,385,580 reals. The following table, given by Senor Pita Pizarro, shows the fluctuation in the value of this state paper, almost since its creation:

VALES REALS.			
1783	. . . . .	18 to 25 dis.	1813 56 dis.
1784	. . . . .	1½ to 2½ prem.	1817 80 "
1793	. . . . .	par.	1820 60 "
1794	. . . . .	¼ to 9 dis.	1825 50 "
1795	. . . . .	9 to 14 "	1833 45 "
1796	. . . . .	12 to 18 "	1834 55 "
1799	. . . . .	47 "	1835 70 "
1806	. . . . .	49 "	1838 85 "
1809	. . . . .	72 "	1839 65 "
1810	. . . . .	90 "	1840 72 "
1811	. . . . .	96 "	

Their present value, as quoted in yesterday's stock list, is 5 1-2; in other words, they are at a discount of 94 1-2. A partial rise has been occasioned

at times, by measures taken for redeeming some of them, by which 40 millions were redeemed during the war of independence, and 111 millions by Ferdinand VII. between 1814 and 1819. They have since been "consolidated" in great part; the amount not consolidated, and to which the quotation applies, was 423,544,283 reals in 1839.

Loans for a long time, chiefly internal, furnished another resource, which has been largely drawn upon at all times. The Bank of San Carlos, which was created in 1783, with a paid-up capital of two hundred forty millions of reals, lent it all to the government, and received good interest for some years: but its capital and accumulations were eventually swallowed up, and in 1819 the shareholders accepted forty millions of reals in full for ten times that amount due by the government; and the present Bank of San Fernando was thus founded. The "Gremios" a great mercantile association, which in 1788 had a capital of two hundred sixty millions of reals, left the original objects of their association for government contracts and loans, and lost their whole capital in those undertakings: the necessities of the government continually impelling it to disregard past engagements, in order to attend to present emergencies.

The history of the foreign loans, by which the wants of the treasury were supplied for some time, is well known. As no new resources were created, the money received helped to make up the extraordinary expenditure of the day: while the interest due, ceasing to be paid as soon as the borrowing itself came to an end, went to increase the deficit. The latter, for the three years prior to 1840, was as follows, p. 28:

	<i>Estimated Expenditures.</i>	<i>Revenue.</i>	<i>Deficit.</i>
	<i>Reals.</i>	<i>Reals.</i>	<i>Reals.</i>
1837	1,851,787,855	715,791,994	1,135,995,861
1838	1,851,787,855	694,618,270	1,156,569,585
1839	1,650,273,151	694,618,270	955,654,881

After the conclusion of the civil war, the revenue increased and the expenses diminished. By the accounts submitted to the Cortes, it appears that the amount actually collected in 1841 was 805,519,340 reals, and in 1843, 790,106,885 reals. The estimates of expenditure for the latter year, exclusive of the interest of the debt, amounted to 851,746,932 reals.

The measures adopted in 1845, by the imposition of a property tax, and greater rigor in collecting arrears, raised the revenue to 1,200,000,000 and upwards. Senor Moron states that in 1845, 1,244,277,919 reals were collected; and in 1846, 1,293,000,000 reals: in 1847, 1,192,000,000: in 1848 1,231,000,000 reals. Unfortunately the expenses have also increased: so that, notwithstanding this large increase in the revenue, an actual deficit still exists, and this independent of the omission of the annual amount of the interest on the great bulk of the debt: the new debt, *i. e.* the three per cents. being alone included, and requiring 100,000,000 per annum. What the exact amount of the current deficit is at present is difficult to say; but if Senor Moron's statement, quoted yesterday, be correct, the sum due to the passive classes, at the end of the year (on this year's pensions alone) will be 72,000,000 of reals. It remains to be seen whether such measures of retrenchment and fiscal improvement will be adopted in the ensuing session of

the Cortes, as may alter the present position of income and expenditure, and leave a surplus applicable for the present debt: for I hardly need say, that, until a real surplus exists, any scheme for dealing with that subject must prove utterly fallacious.

I have little to say to-day on local politics. The *Gazette* contains a list of nine new senators, among whom are the Progressista Generals Rodil and Ferraz. It is not known whether a definite resolution has been taken as to the candidate to be supported for the Presidency of the Congress by the Government, but the general idea seems to be that Senor Mayans will be re-elected this year.

The *Espana* has begun to attack Senor Bravos Murillo with considerable bitterness, an indication that he does not stand much better than Senor Mon, in a certain high quarter. The latter (Senor Mon,) is at Bilbao, where he is much fêted.

The 3 per cents. are reported to-day at $27\frac{3}{4}$ a $\frac{7}{8}$ sellers, and after the Bourse there were buyers at $\frac{3}{4}$ 11-16. Five per cents. $11\frac{1}{2}$ buyers, $\frac{1}{4}$ sellers, Coupons $6\frac{1}{2}$ sellers. Passive debt was done at 3, 15-16, cash, Exchange on London, 50. 40.

~~~~~

## FINANCES OF MEXICO.

The following is the Agreement between the Mexican Government and Mr. Robertson, the representative of the English bondholders, relative to the Mexican debt:

### AGREEMENT BETWEEN THE MEXICAN MINISTER OF FINANCE, DON FRANCISCO DE ARRANGOIZ, AND THE AGENT OF THE BONDHOLDERS OF THE ENGLISH DEBT, WM. P. ROBERTSON.

1. From the 1st of July, 1846, till the same date in 1859, the interest of the said debt shall be 3 1-2 per cent. instead of 5 per cent. per annum.

2. In just compensation for this diminution the government gives up to the said bondholders, besides the assignments of which they are actually in possession, and which consist of the export duty on specie at the Mexican ports of the Pacific; of the fifth part of the duties paid at the custom houses of Vera Cruz and Tampico de Tamaulipas, and of the sum arising from the tobacco revenue, which is assigned to the bondholders by the 9th article of the arrangement concluded with the creditors of that revenue on the 28th January of this year—the circulation duties in the ports of the Pacific, and the circulation and export duties upon specie at the ports of the Gulf of Mexico, in order that their amount, less the burdens with which they are actually encumbered, may be devoted to the payment of the dividends and the sinking fund of the foreign debt.

3. To satisfy the arrears of interest at the rate of 3 1-2 per cent. per annum, from the 1st of July, 1846, to the same date in 1849, 4,000,000 of dollars shall be devoted from the American indemnity, to be taken proportionally in third parts from the portion not yet recovered, and without payment of fresh interest on the part of Mexico.

4. Mexico shall make the payment mentioned in the preceding article, at the favorable exchange of 46d. the dollar.

5. If the said 4,000,000 of dollars, at the above mentioned exchange of 46d., should not suffice to satisfy the amount of the interest at 3 1-2 per cent. per annum, which has become due from the 1st of July, 1846, to the same date in 1849, the deficit shall be given up by the bondholders in favor of Mexico.

6 The permission to import raw cotton, which the government gave to the creditors on the 19th July, 1847, to the amount of 680,000 dollars, in payment of the sums which belong to them, and were abstracted from the maritime custom houses of Vera Cruz and Tampico, remains definitively for the account of the creditors, whatever may be the loss at which they may realize it.

7. The difference of the interest from the 1st of July, 1846, to the same date in 1859, at the rate of 1½ per cent. per annum, or altogether 19½ per cent., is ceded to Mexico *in toto*, and without ground for any future claim on the part of the bondholders of the foreign debt.

8. In compensation for this cession, the government pays to the bondholders \$500,000 from the American indemnity, payable proportionally by third parts in each of the portions which are still pending recovery; which sum of \$500,000 shall be devoted to the interest already become due, and not paid.

9. If, in the period which elapses between the 1st of July, 1849, and the 1st of July, 1859, the dividends are not paid at the rate of 3½ per cent. on their becoming due, it shall be at the choice of the bondholders to annul the present contract, and they shall réassume their actual rights.

10. On the 1st of January, 1859, the government of Mexico, and the commissioner of the bondholders, shall make fresh arrangements for the payment of dividends posterior to the 1st of July, 1859, more or less favorable, according to the state in which the republic then happens to be.

11. The present arrangement shall not cause to Mexico any expense for printing new bonds, or for any other outlay arising from commissions, brokerages, &c., which may have to take place in England, with reference to the said arrangement.

12. All the stipulations of the preceding articles are subject to the ratification and approbation of the Mexican Congress, and of the general meeting of bondholders of the foreign debt.

FRANCISCO DE ARRANGOIZ.  
WM. P. ROBERTSON.

*Mexico, July 6, 1849.*

---

BANKERS' MAGAZINE. — We are under great obligations to J. Smith Homans, Esq., Editor of the "Bankers' Magazine," for his valuable assistance in the thorough revision of this number of the "List," and we know the subscribers to his work will be gratified to learn that he has removed its office of publication to Boston, where it will be continued with increased facilities, enabling him more fully to meet the wants of the class of readers for which his work is intended.—*Willis & Co.'s Bank Note List, Boston.*

## MISCELLANEOUS.

NEW LOANS IN EUROPE.—If *money* be really the sinews of war, as no doubt it is, then we have a fair prospect of peace in Europe for some time to come. A morning paper furnishes the following list of foreign loans now in the market:

|                                                 |                 |
|-------------------------------------------------|-----------------|
| France wants a loan of . . . . .                | 200,000,000 fr. |
| Austria one of 60,000,000 florins, or . . . . . | 120,000,000     |
| Sardinia one of . . . . .                       | 105,000,000     |
| Tuscany one of . . . . .                        | 25,000,000      |
| Naples one of . . . . .                         | 30,000,000      |

Together, in francs . . . . . 480,000,000

or £20,000,000 sterling. SPAIN also wants a loan to a large amount. Even quiet, peace-loving, industrious HOLLAND is not over-rich in resources — there being a deficit remaining over from the budget of 1848, of 9,818,969 florins, and an estimated surplus for the present year of only 1,198,558. Important reductions in the expenditure have been made in the budgets of 1849 and 1850. His Holiness the POPE is also in need, and Russia is said to have made him a loan, for which a Neapolitan as well as a Papal security has been given. PRUSSIA is also very much in want of cash, and the Finance Minister, yielding to the pressure of the moment, is charged with having helped himself to a million of thalers, in direct violation of express provisions of the law, out of a fund destined for other purposes. RUSSIA appears to have plenty of money, notwithstanding the assertions of Mr. Cobden and the other advocates of Hungary.—*London Correspondent Nat. Int.*

THE LONDON STOCK EXCHANGE.—A step has been taken this week by a leading firm in the Stock Exchange, which is likely to have a powerful effect in checking the reckless speculation in railway shares which has been so long prevalent. A seller being unable to deliver a certain number of Great Western shares, which he had disposed of on speculation *for the account*, the brokers by whom they had been purchased resolved to exercise their right of re-buying them publicly, according to the rules of the Stock Exchange; thus rendering him liable for any difference in price which they might be compelled to pay. The dealers, aware of what was to take place, (the purchase being made by parties specifically employed by the committee of the house,) generally forebore to accept the biddings, and hence the price, which was nominally about 60, was driven up to 73, before the transaction could be completed. It is evident that if all the respectable brokers will henceforth, without favor or affection, act in this way, such gambling fluctuations as those in the table of prices for the month, will, for the future, far less frequently be recorded.

Subjoined is a table of the fluctuations in stocks and shares during the month of October.

|                                     | Price Oct. 1. | H. P. Oct. | L. P. Oct. | Par. |
|-------------------------------------|---------------|------------|------------|------|
| Consols, . . . . .                  | 92½           | 93½        | 91½        |      |
| Exchequer Bills, . . . . .          | 40 sh. pr.    | 47 sh. pr. | 38 sh. pr. |      |
| Brighton Railway, . . . . .         | 70½           | 78½        | 67         | £100 |
| Birmingham Railway, . . . . .       | 25½           | 25½        | 25         | 20   |
| Caledonian " . . . . .              | 13½           | 14½        | 10         | 50   |
| Eastern Counties Railway, . . . . . | 7½            | 7½         | 6½         | 20   |
| Great Northern " . . . . .          | 7½            | 7½         | 6½         | 20   |
| Great Western " . . . . .           | 59            | 65         | 48         | 100  |
| London and N. W. " . . . . .        | 112½          | 116        | 104½       | 100  |
| Midland " . . . . .                 | 50            | 51½        | 42½        | 100  |
| Boulogne & Amiens " . . . . .       | 6             | 6          | 5          | 20   |
| Northern of France " . . . . .      | 11½           | 11½        | 11         | 14.8 |

It will be observed that, notwithstanding the uncertainties of the Turkish question which existed during several weeks, the range of consols has not exceeded 1½ during the month.—*London Times, Nov. 1.*

NAVIGATION LAWS.—As the following letters relate to a subject which excites much interest, we avail ourselves of the opportunity of publishing them for general information.—*Republic.*

NEW YORK, Oct. 2, 1849.

SIR: We must ask the favor of your reply to this letter at your earliest convenience, to govern us in action on orders we have to charter American vessels to proceed to the English possessions in the East Indies and load cargoes for London, under the new navigation acts of Great Britain. These orders are received by us from houses in England, and we have already chartered the ship *Ambassador* of this port to load at Calcutta for London.

By the act of Parliament we believe it is required that the President will grant the same privilege to ships under the British flag that England grants to us.

Will a British ship be allowed to enter here with a cargo of foreign produce (not of Great Britain) after the 1st of January next, on the same conditions as ships under the flag of the United States? We trust you will pardon our thus trespassing on your time; and remain, sir, your obedient servants,

BARCLAY & LIVINGSTON.

To HON. W. M. MEREDITH,  
Secretary of the Treasury, &c.

TREASURY DEPARTMENT, October 12, 1849.

GENTLEMEN: In reply to the inquiry made in your letter of the 2d instant, I have to state that, in consequence of the recent alterations in the British navigation laws, *British vessels from British or other foreign ports will (under our existing laws) be allowed, after the 1st of January next, to enter into our ports with cargoes of the produce of any part of the world.* I have further to state, that such vessels and their cargoes will be admitted on the same terms as to duties and imposts, as vessels of the United States.

Very respectfully, your obedient servant,

W. M. MEREDITH,

Secretary of the Treasury.

To Messrs. BARCLAY & LIVINGSTON, New York.

INSTRUCTIONS TO COLLECTORS, &c.—Oct. 15, 1849. In consequence of questions submitted by merchants and others, asking, in consideration of the recent alterations of the British navigation laws, on what footing the commercial relations between the United States and Great Britain will be placed on and after the first of January next—the day on which the recent act of the British parliament goes into operation—the department deems it expedient, at this time, to issue the following general instructions for the information of the officers of the customs and others interested:—

First—In consequence of the alterations of the British navigation laws above referred to, British vessels from British or other foreign ports will, (under existing laws,) after the first of January next, be allowed to enter in our ports with cargoes of the growth, manufacture, or production of any port of the world.

Second—Such vessels and their cargoes will be admitted, from and after the date before mentioned, on the same terms as to duties, imposts and charges, as vessels of the United States and their cargoes.

W. M. MEREDITH,

Sec. of the Treasury.

VALUE OF DIAMONDS.—The average value of diamonds in their rough state was about £50; while, if free from defects, flaws, &c., they were of greater value. Diamonds were in general weighed by the carat, which is a term well known to jewellers, and equivalent to four grains. Thus a diamond of

|                   |    |                    |      |                     |        |
|-------------------|----|--------------------|------|---------------------|--------|
| 1 carat was worth | £8 | 4 carats was worth | £128 | 20 carats was worth | £3,200 |
| 2 " "             | 16 | 8 " "              | 200  | 30 " "              | 7,200  |
| 3 " "             | 72 | 10 " "             | 300  | 50 " "              | 20,000 |

and one of 100 carats would be valued at eighty thousand pounds sterling.—*Professor Tarrant.*

## THE LONDON STOCK EXCHANGE.

Rules for Admission of New Members. Dealings in Shares. Dealings for Money-Dealings for *the Account*. Speculative Operations.

From the London Bankers' Magazine.

[Our American readers have been furnished an interesting article upon the London Stock Exchange, by a writer of some note, in pp. 343-360 of our last volume. The present article is of a much later date and will form an ample addendum to the former Sketch from "The Great Metropolis."—Ed. B. M.]

Before proceeding to notice the operations of the various dealers in stocks and shares who, under the several titles of Brokers, Jobbers, Outsiders, Alley-boys, Bulls, Bears, Stags, and Alligators, transact business in the funds and shares, it will be as well to lay before our readers the rules which regulate the admission and practice of the *bonâ fide* members of the Stock Exchange, and distinguish them from some of the dealers above referred to.

In "the House," as the Stock Exchange is technically termed, there are only two classes of stock-brokers, viz.—those who simply buy and sell according to the directions of their clients, and those who deal in stocks and shares on their own account. The former are called *Brokers*, the latter *Jobbers*. Mr. Gilbert gives the following very clear description of the different kinds of business transacted by each:—

"A broker, as the name implies, is an agent who buys or sells for his customers out of 'the House,' and he charges them a commission upon the amount of stock. A stock-jobber is a stock-merchant; but he does not deal with the public: he deals only with the broker; and he is at all times ready either to buy or to sell. The price at which he sells is one-eighth more than the price at which he buys. If one broker has an order from his customer to buy £100 consols, and another broker has an order to sell £100 consols, these two brokers do not deal together, but both go to a jobber. One will sell his consols to the jobber, say at 90, and the other will buy his consols from the jobber at 90½. Hence the difference between the buying and the selling price of consols is always an ½, and thus in the newspapers the price is quoted in this way, 90 to 90½.

"Were there no jobbers, a broker would not easily find at all times another broker who had occasion to sell the same amount of stock which he wished to buy, and he would have a difficulty in buying or selling small amounts. But there is no difficulty with the jobbers. The jobbers will not only buy and sell stock on the same day, but they will buy stock on one day, and agree to sell it at a future day, or *vice versa*. These future days are called the settling days, being the days on which the members of 'the House' settle their accounts. They are fixed by the committee of the Stock Exchange, and they now occur about once a month. Now, if a banker wants a sum of money for a short time, either to pay off a deposit, or to make an advance to a customer, he will direct his stock-broker to sell, say £50,000 consols 'for money,' and buy them 'for time;' that is, against the next 'settling day,' or as it is sometimes called, the next 'account day.' On the other hand, if a banker

has money he wishes to employ for a short time, he will reverse the operation, and desire his broker to buy consols for money and sell them for time. He thus gets interest for his money, according to the difference of price between consols for time and consols for money. Generally the price for time is higher than the price for money; and the difference between these two prices is called the 'Continuation.' Supposing that the next settling day is a month distant, and the continuation is one-eighth per cent., that amounts to twelve-eighths, or three per cent. per annum. The continuation will vary according to the near approach of the settling day—according to the abundance of money, and the market rate of interest—and according to the abundance or scarcity of stock. The last cause is not so readily understood by the public, and we will therefore explain it. The stock-jobbers, as we have said, are stock-merchants. Of course they are large holders of stock; it is their capital, on which they trade. But however large may be the sum they hold, they often agree to sell on the next settling day a much larger sum, expecting that in the mean time they shall buy a large sum, and thus be able to set off one against the other. But sometimes, as the settling day approaches, they find this is not the case, and they are consequently under an engagement to 'deliver'—this is, sell—more stock than they hold. What can they do now? They will try to get stock from those who have it, by agreeing to buy it of them *now*, and selling it at the ensuing account day, a month hence, at the same price; thus abolishing 'the continuation.' When that is the case, a banker's broker will go to the banker and say, 'If you like to lend your consols, you can get money for nothing till the next account day.' The banker replies, 'Well, I don't know that I can make much interest of the money just now, but as I can lose nothing, you may lend them.' Thus the jobbers get their stock, and complete their engagements. But sometimes the jobbers are obliged to go further, and even to offer a premium to parties who will lend their consols. This premium is called 'Backadation;' it is just the reverse of 'Continuation,' and implies that the time price of stock is less than the money price."

The proceedings of the Stock Exchange are regulated by a committee of thirty members, elected annually on the 25th of March, by ballot. This committee decide as to the admission of new members, and the rules to which the election of persons desirous of becoming members of the Stock Exchange are determined are as follows:—

"1. The Committee for General Purposes shall admit such persons as they shall deem eligible to be Members of the Stock Exchange, for one year, to be computed from the 25th of March then instant, or last preceding the admission of such subscriber; at the price fixed by the Trustees and Managers for such admission.

2. The re-election shall commence, in every year, on the first Monday in March.

3. Every person desirous of being re-elected a member, shall address a letter, of the form inserted in the Appendix, to the Secretary of the committee; the several blanks in which must be filled up, according to the circumstances of the case.

4. Each individual of a partnership is required to sign a separate application for himself.

5. Every former member, who may have discontinued his subscription for two years, shall, on making application for re-admission, be considered, in all respects, a new applicant; but those who shall have discontinued their subscription for one year only, must be recommended by two members, but without security.

6. Every new applicant for admission, must be recommended by three persons who have been members of the Stock Exchange not less than two years immediately preceding, and who have fulfilled all their engagements therein: each of these must enter into an engagement to pay three hundred pounds to the creditors of the applicant, in case the latter shall be publicly declared a defaulter, within two years from the date of his admission.

EXCEPTIONS.—If the applicant be a foreigner, he shall not be admissible under the above regulation, unless he shall have been a constant resident in this country during the five years immediately preceding his application for admission.

If the applicant has been a clerk in the House four years previous to his application, he shall be required to provide two recommenders only, who must each enter into a similar engagement for two hundred and fifty pounds.

7. A notice of each application, with the names of the recommenders, stating whether they are, or expect to be, indemnified for the engagements they enter into, shall be affixed in the Stock Exchange, at least eight days before the applicant can be balloted for.

8. Members who recommend applicants for admission, are expected to have such personal knowledge of the party, and of his previous and present circumstances, as will enable them to give a satisfactory account of the same to the Committee.

9. The recommendation and security of two partners shall not be allowed; and if an admitted member shall enter into partnership with either of his recommenders within two years from the time of his admission, an additional security must be found by him, for such portion of the above term as shall be unexpired.

10. No applicant is admissible if he be a bill or discount-broker, or engaged in any business not connected with the Stock Exchange; or if his wife be engaged in business; or if he be a member of, or subscriber to, any other institution where dealings in stocks or shares are carried on; and if subsequently to his admission he shall become so, he shall cease to be a member.

11. No applicant shall be eligible for admission, if he be a clerk in the Bank of England, East India House, South Sea House, or any other public or private establishment.

12. Any member intending to object to the admission of a new applicant, or to the re-election of a member, is required to communicate the grounds of his objection, by letter, to the Committee, previously to the ballot for the admission of such party.

13. If any applicant for admission, or for re-election, shall on ballot be rejected, he shall not be balloted for a second time, until after the expiration of thirty days; and if upon a second ballot, such applicant be again rejected, such re-election shall be conclusive for the year ending the 25th of March then next ensuing.

14. No applicant for admission, who has been a bankrupt, or who has compounded with his creditors, shall be eligible until two years after he shall have obtained his certificate, or fulfilled the conditions of his deed of composition, unless he shall have paid his debts in full: and no applicant, having been more than once a bankrupt, or having more than once compounded with his creditors, shall be eligible for admission until he shall have paid in full.

15. Every defaulter applying for re-admission must be recommended by his creditors, and by two members who are not his creditors, but without security; and also by his securities, if any, and a notice to that effect shall be affixed in a conspicuous part of the Stock Exchange, at least eight days previously to his application being considered by the Committee.

16. On the days upon which the re-admission of defaulters is to be considered, no other business shall be previously brought before the Committee.

17. The chairman of the Committee, in addition to any other questions that may appear to be necessary, shall, to each of the recommenders of a new applicant, put the following:—

Has he ever been a bankrupt, or has he ever compounded with his creditors? and if so, within what time, and what amount of dividend has been paid? have you accepted, or are you hereafter to accept, either directly or indirectly, from the party or his friends, any indemnity for the sum in which you are bound?

Would you take his cheque for three thousand pounds?

To what extent would you deal with him for time?

18. The Chairman, in addition to any other questions that may be deemed necessary, shall put the following to every new applicant previously to his being balloted for; the answers to which shall be entered upon the minutes:—

Is this your signature? [Showing him his letter of application.]

Have you read the resolution at the back of the letter?

Are you a natural-born subject?

Are you of age?

Are you married, and is your wife engaged in business?

Are you engaged in partnership?

Are you a clerk in any public or private establishment?

Are you a member of, or subscriber to, any other institution where dealings in stocks or shares are carried on?

Is it your intention to confine yourself to the business of the Stock Exchange?

Form of letter for new applicants:—

#### APPLICATION FOR ADMISSION.

*To the Secretary of the Committee for General Purposes.*

SIR,—You will please to acquaint the Committee for General Purposes, that I am desirous of being admitted a member of the Stock Exchange, for the year ending on the 25th of March, 18 , under such conditions and regulations as the Committee have adopted, and may in future adopt, for the government of the Members of that House. My residence is  
My bankers are

I am not

engaged in any business, except such as is transacted at the Stock Exchange, nor clerk to any public or private establishment; nor am I a member of, or subscriber to, any other institution in which dealings in stocks or shares are carried on.

I am, Sir, your obedient servant,

We recommend Mr. \_\_\_\_\_ as a fit person to be admitted a member of the Stock Exchange; and in case he shall be publicly declared a defaulter therein, within two years from the date of his admission, we each of us hereby engage to pay to his creditors, upon application, the sum of three hundred pounds, to be applied in discharge of the said defaulter's debts.

The sureties must state opposite to their signatures whether they are, or are not, indemnified for the security they give, or if they expect to be, and must attend, together with the person recommended, at one o'clock of the day on which the ballot is to take place; and are expected to have such personal knowledge of the applicant, and of his previous and present circumstances, as will enable them to give a satisfactory account of the same to the Committee.

The following resolution of the Committee is to be printed on the back of the letters of application:—

Whenever the creditors of a defaulter shall represent to the Committee for General Purposes, or whenever it shall otherwise appear to the Committee that his conduct has been dishonorable, the Committee have the right to cause the name of such defaulter to be affixed on the black-board in the Stock Exchange."

#### *Dealings in Shares.*

We have given above a general description of the mode of election of the members of the Stock Exchange, and of the regulations by which they were governed. We purpose, at this time, to describe the nature of the business they transact, and notice some of the peculiar features of Stock Exchange operations. The present period is very suitable for our purpose, for there has seldom been more excitement amongst those who for the past few years have been the chief patrons of the brokers and jobbers, than at the present time. During the last month railway property has experienced another heavy fall; and under the influence of one of those panics which have lately been far from uncommon amongst dealers in railway shares, their market value has declined lower than it has been at any time since railways became a leading object for investment in this country. Although the remarks we have to offer do not refer directly to this subject, it will be seen that they explain in some degree the causes which are in operation to produce the rapid changes in market value which almost periodically ensue; and they may serve to illustrate some of the peculiar features of the share market at the present time.

The dealings which take place on the Stock Exchange are of two kinds—the one is termed a dealing for *money*, the other for *the account*, or a "time bargain." A transaction, whether it be a purchase or a sale of stock or shares for *money*, is a *bonâ fide* transaction: a time bargain is a *speculation*. From the very first origin of the funds, both kinds of dealings have been common on the Stock Exchange, and the Legislature, on various occasions, has endeavored to check and put a stop to speculative operations. But as the practice has continued uninterruptedly, notwithstanding penal statutes, from the time

of William III. to the present day, it is hardly surprising that, when such a field of speculation as that opened by the railways presented itself, the mania for gambling on the Stock Exchange exhibited itself with undiminished vigor.

In order to explain clearly the nature of the business transacted daily on the Stock Exchange, in the funds and other public securities, we shall trace the various stages of a transaction for money and for "the account," so that a person perfectly unacquainted with Stock Exchange dealings may understand the matter; and such of our readers as are familiar with the more ordinary features of a purchase or sale of stock or shares, must pardon us if we appear to be too literal in our description, because we feel assured that the information, however well known to bankers in London, will be acceptable to many at a distance from Capel-court.

The first proceeding of a person who wishes to purchase or sell any of the securities dealt in on the Stock Exchange, is to apply to a broker to execute his orders. The Stock Exchange itself is a close corporation. The members, as we have already described, are obliged by their regulations to deal only with each other. They will not buy or sell with strangers; and before anything can be done by an intending purchaser or seller, he must obtain the assistance of a broker as his agent. We will suppose, for the purpose of illustrating a transaction, that Mr. *Saveall*, having a little money at his disposal, wishes to invest it in government stock, or some more profitable security. On consulting Mr. Broker he is told that the government funds, say consols, at the present price of 92 and a fraction, will yield him rather more than 3 per cent.; and that he is pretty sure of obtaining the dividend when it becomes due, although, from various causes, the *market value* of consols may fluctuate exceedingly. But if he is desirous of obtaining a better return for his capital than 3 per cent., he is told that railways at present prices will pay him more than twice that dividend, if the future earnings of the companies should be equal to that of past years, and if the accounts published by the directors turn out to be correct. Mr. *Saveall*, like thousands more in his position, accepts railways as his investment, and the broker accordingly receives his order to invest, say £600 in *London and North-Western Stock* at the market price.

Having received his instructions, Mr. Broker proceeds to "the house," as the Stock Exchange is technically termed, and inquires the price at which the purchase can be made. We have before explained that the dealers or merchants of the various kinds of securities bought and sold on the Stock Exchange were called "*Jobbers*," and that they would either buy or sell the particular stock in which they dealt, at the market price of the day. Their endeavor is of course to sell the stock they deal in at the highest price, and to buy it at the lowest price. If, therefore, they knew that the broker who applied to them for the price of any particular stock was a buyer or a seller, they would name their price accordingly; but to prevent any difficulty arising from this circumstance, it is the custom of the *jobbers* to name a price, or rather two prices, at which he will either buy or sell; the difference being the profit on which they depend to protect themselves from loss. On applying to a jobber, therefore, to know the market price of North-Western Stock, the broker would be told it was, say £113 to £114; meaning that the jobber would *buy* at £113 and *sell* at £114 per share. The number

of shares which a jobber is obliged to give or take on his named price, is, however, limited to a moderate sum, to prevent difficulties which would otherwise obviously occur with large transactions.

After the jobber has named his price, the broker declares the nature of his commission, and he buys, say five London and North-Western Railway shares at the price of £114. He enters the transaction in his memorandum book, and the jobber does so likewise, and returning to his office the broker makes out a "note" for Mr. Saveall in the following form :

"London, Oct. 1, 1849.

"Bought for J. Saveall, Esq., five hundred pounds stock of the London and North-Western Railway Company, at 114, of W. Jobber, for the account 15th October.  
(Signed) A. BROKER."

This transaction on the part of Mr. Saveall is a *bonâ fide* one for "immediate transfer." He wishes to have the shares transferred into his own name as soon as possible, and is quite ready to pay the amount as soon as the transaction is completed. But by the rules of the Stock Exchange, neither buyer or seller is obliged to fulfil the contracts until the "account day," which, for shares, occurs twice a month, and for consols at intervals once a month, fixed by the committee of the Stock Exchange. The jobber, therefore, has a fortnight from the time of purchase, and some days of grace besides, before he can be called upon, by the rules of the Stock Exchange, to deliver the shares; and if, in the mean time, anything should occur to depress the market price of North Western shares, it is clear that he will be able to buy them at less than he has sold them, and retain the difference. This is a frequent occurrence; and when it takes place the jobber sends the deed of transfer, which he has received from the party from whom he has purchased the shares at the reduced price, to Mr. Saveall, for his signature. This gentleman will, however, observe by the transfer that the seller agrees to transfer the shares for some three or four pounds less than the sum he (Mr. Saveall) agreed to give for them, and he expects that he will reap the benefit of the fall in price; but on inquiry, he finds that although for the sake of saving the expenses of a transfer of shares from the seller to the jobber, and then from the jobber to Mr. Saveall, the jobber has brought Mr. Saveall and the seller into immediate contact, yet that he (the jobber) intends to pocket the difference between the two prices; and if Mr. Saveall expostulates, he finds that such is the approved practice of the Stock Exchange, and that it is "perfectly regular."

It will be seen from this description that all dealings in shares partake of a speculative character, inasmuch as they are all bought or sold for an "account day," at which time only are transactions obliged to be completed. In the funds many operations take place *for money* and immediate transfer. For instance, if Mr. Saveall had chosen to invest his capital in consols, the broker would have bought them for "cash," and in paying the amount the consols purchased would have been transferred at once into the name of Saveall in the bank's books, and the transaction completed. We shall reserve a description of dealings in the Funds, however, for another paper, because it will include a variety of speculative transactions, such as "options" for

the "put" and "call," and other dealings, which will be more conveniently described by themselves.

In some cases shares are delivered immediately after they are purchased, but this depends on the convenience of the seller. If they are easily obtainable in the market, and the jobber does not expect a fall, he procures a transfer at once; but when he believes that, by delaying the completion of the transaction until "the settling," he will obtain the shares on lower terms, he usually avails himself of his privilege to do so.

A *speculative* purchase or sale of shares or consols, is altogether different from the transaction of Mr. Saveall, we have been describing. It is, in fact, a wager that the stock will rise or fall within a given time; the amount at stake being the difference in the price of the stock between the period when the transaction takes place and the "settling day." For example, a person having a good opinion of North-Western Stock, and observing that it was very recently quoted at £140 per share, while it is now at only £114, calls on a broker and desires him to *purchase* 50 shares for the next account day. The broker goes into "the house" and buys of a jobber accordingly, at, say £114 per share, and then delivers the contract note of the purchase to the speculator, in the ordinary way. If the shares advance in price at any time before the settling, the speculator can order the sale of the shares he has nominally purchased, and the broker on the settling day will hand him a cheque for the difference between the buying and selling prices. If, on the contrary, the shares go down, the speculator on the settling day must pay the broker the difference between the price on that day and that on which they were bought. If the speculator *sells* the shares and pays this difference, the transaction is concluded; but if he still thinks that the price will improve, he desires the broker, on the second day before "the settling," to "carry over" the shares to next account, for which he will pay what is called a "*continuation*," being a sum per share which the jobber charges for allowing the contract to remain open until the next account day. In this case, however, the speculator must still pay the difference which has taken place in price, and he then holds the shares at the reduced quotations, as if he had purchased them originally at that price. The broker charges his commission each time the shares are "continued over," as if it was a fresh purchase; which in fact it is, only that the speculator has the advantage of buying in the shares at a lower rate than if he went to another jobber to purchase. The rate of continuation paid depends on the state of the market with respect to speculative transactions. If many parties, like the speculator we are describing — who, being in favor of a rise in prices, is termed a "*Bull*" — have been purchasers on speculation, and the jobbers are short of stock, the "*continuation*" will be low; but if, on the contrary, large *bonâ fide* sales have been made, and the jobbers are anxious to deliver stock, then they make the "*continuation*" higher, on the same principle of regulating supply and demand, as that which determines the quotations at which they buy and sell.

A speculative operation of the kind we have described can be easily understood; but a speculative *sale*, when the speculator has no stock belonging to him to deliver if required, appears to be a more complicated transaction. Speculative purchases and sales are, however, very nearly of the same character. If, for instance, the party we have been referring to thinks that the

price of North-Western Shares will fall, instead of rise, he may endeavor to realize a profit by ordering *the sale* of 50 shares, instead of the purchase which we have supposed him to make. In this case he is called a "Bear," and his object is to depress the market value of the shares as much as possible, with the view of purchasing them at the *settling*, or before, at a lower price than he has sold them at. This species of speculation has, no doubt, been recently going on extensively. It is a more daring kind of operation than a purchase, because a speculative purchaser may, if he likes, take up the shares and become a *bonâ fide* purchaser; but a seller who has *no shares to sell* stands in a different position.

---

### THE CANADA BANKS.

Liabilities and assets of a portion of the Canada Banks, viz. :

City Bank of Montreal.  
Commercial Bank of the Midland District.  
Bank of British North America.  
Bank of Montreal.

Canada, October 10th, 1849.

J. SMITH HOMANS, Esq., Sir, —

I am not personally a subscriber to your Magazine, but am connected with an institution where it regularly comes under my notice. Of late it has struck me that banking statistics relating to the Canadas might prove interesting to some of your subscribers, hence my present attempt; I say attempt, for in reality it is nothing more, as after a good deal of trouble I have been unable to procure any thing more than the last yearly average returns of the Bank of British North America, Bank of Montreal, Commercial Bank, and City Bank, and a statement of duties on bank issues since 1846. In addition to these institutions we have the Bank of Upper Canada, the Gore Bank, the Quebec Bank, and the Banque du Peuple, employing a capital of more than £750,000. These banks are all bound by their charters to publish half-yearly statements of their affairs; but several of them, instead of using the Canada Gazette for this purpose, (which is the official organ of government,) merely publish in local newspapers, thus in a great measure defeating the object government had in view, which was that the public should have half-yearly a full knowledge of the standing of all the chartered banks in the province, at least so far as can be judged by the statements furnished. With this preliminary I will now endeavor to give you some general ideas regarding those institutions, statements of whose affairs I now enclose.

The Bank of British North America was established by imperial charter in 1836; its paid-up capital is £1,000,000 sterling, but the Bank has power to increase it to £2,000,000. Having an imperial charter, this institution has some advantages which our local banks do not possess; for instance, their stockholders are only liable for the full amount of their stock, whereas holders of stock in Canadian institutions are held liable for *double* the amount

of their stock ; hence parties investing might be induced to select the Bank of British North America in preference to any of our Banks, were it not that their machinery of management is so expensive and cumbersome, that in only one instance have they been able to reach a dividend of six per cent. per annum ; five per cent. per annum has been the usual thing, and even with this small dividend the majority of stockholders (principally residents of Great Britain) appear to be satisfied, notwithstanding they are further subjected to a reduction in the shape of the income tax.

If the Bank of British North America has advantages over banks chartered by act of the Canadian Parliament, the Canadian Banks have one very important advantage on their side ; the Bank of British North America is precluded from issuing notes of a smaller denomination than four dollars, whilst our banks issue as low as one dollar notes. In a young country like Canada, where the principal medium of circulation is bank notes, this is certainly a very decided advantage, and one which the Bank of British North America is fully alive to, having on more than one occasion endeavored to get an amended charter, but which the British government declined to give, unless the bank consented to resign the original charter altogether ; the object was to grant a new one with the "double security clause." I spoke of the expensive management of this institution ;—to exemplify,—the bank has a board of directors at its head office in London, some of whom are usually on "duty," at a salary, I am told, of a guinea a day. This principle of paying directors (always too happy to feather their own nests gratis) is also carried out in the colonies, where every branch is furnished with three or four of these gentlemen, at salaries varying from £50 to £100 per annum. No branch, I believe, has less than three directors, and the larger ones four, so that at some branches £400, and at none less than £150 per annum, is thus literally thrown away. The bank has nine branches in British North America ; call the average sum paid to directors at each branch £200 per annum, you will thus have an annual sum of £1800, equal to \$7200, paid to directors, which ought properly to go to the stockholders in the shape of dividends. So long as this system is pursued, I do not see how the bank can possibly pay dividends equal to those of local institutions, say six and seven per cent.

The Bank of Montreal is one of the oldest, if not the very oldest, bank in Canada. If my memory serves, it was established in 1815. For some time it was not in a very flourishing condition ; but when the management fell into the hands of Mr. Benjamin Holmes, (now one of the members of Parliament for the city of Montreal,) he very soon retrieved matters, and from a heavy discount, ran up the stock to a premium of some twelve to fifteen per cent. For many years the bank regularly paid dividends of 8 per cent. per annum, with occasional bonuses ; and when Mr. Holmes retired in 1846, the bank had a reserved fund of £100,000. Since then the bank has met with very heavy losses, and this reserve has been cut down to £15,000. Notwithstanding this immense loss, the bank stands second to none in the province ; the last half-yearly dividend was three per cent., the capital employed is \$3,000,000, divided amongst eleven branches and agencies.

The Commercial Bank of the Midland District was established in 1833, with a capital of £100,000, afterwards increased to £200,000, and finally

to £500,000. For many years this institution paid 8 per cent. per annum, in addition to two very handsome bonuses, one of 6 per cent. in 1838, and one of 10 per cent. in 1843; the stock was then at a premium of from 12 to 16 per cent.; latterly, however, like all other bank stocks, it has fallen considerably below par. This is partly owing to the heavy losses sustained by the banks in 1846, from the rapid fall in the price of produce towards the close of that year, and the consequent inability of drawers of Canada bills to meet their engagements; and partly owing to the heavy tax imposed upon Canadian banks, in the shape of *one per cent.* on their circulation, which is nearly equivalent to  $8\frac{1}{2}$  per cent. on the dividends; a pretty good *income tax*, for it amounts to nothing less, and operates very prejudicially in forcing the banks to curtail their circulation considerably below what they would otherwise extend it to. The Commercial Bank, as before stated, has a capital of £500,000, divided amongst nine branches and agencies; last half-yearly dividend was 3 per cent.

The City Bank of Montreal was established about the same time as the Commercial Bank. I do not recollect what the capital was originally, but it was increased to £500,000, no more than £300,000 of which has ever been paid up. From losses and bad management, the stock in 1848 was selling at *fifty* per cent. below par, and the directors were forced to reduce the stock ten per cent. Even this reduced stock is now selling at *forty* per cent. below par; rather a gloomy state of affairs for the holders of stock, after submitting to such a heavy loss on the original stock. In my opinion, one great cause of the trouble in this quarter was the locking up of no less a sum than £100,000 in Montreal harbor debentures, the greater portion of which only carried interest at the rate of 5 per cent. per annum, one per cent. below our legal rate. This might have answered a temporary purpose when money was plentiful, but as a permanent investment was quite contrary to all sound principles of banking, and has been, is still, and will continue to be felt as an incubus from which the bank cannot escape without sustaining a heavy loss. In the statement submitted, these debentures appear under the head of government securities, as I believe the government has guaranteed the interest. The City Bank has a branch in Quebec, and one or two agencies in the eastern townships of Lower Canada, but no branch or office in Western Canada. For the last year no dividend has been declared.

It now only remains to notice the last statement, viz., bank imposts. This will show you how the circulation of our banks has fallen off since the establishment of this unjust tax, amounting, as before stated, to an income tax of nearly eight and one half per cent. upon the dividends. The banks have to thank Mr. Holmes for this *boon*; it was he who introduced the scheme into Parliament as a set-off against Lord Sydenham's Bank of Issue, the principle of which you will find explained in the appendix to the History of his Lordship's Life, edited by his brother, Mr. Poulette Scrope. The government now find it such a profitable source of revenue, that they cannot be induced to give it up.

If you find anything in the foregoing likely to interest, it is quite at your service for publication; and in future, if you desire it, I may occasionally furnish you with such statistics as I can procure.

Editor Bankers' Magazine.

## Canada Banks.

|                                                                 | Capital.   | Equal to   | Circulation. | Coin.    |
|-----------------------------------------------------------------|------------|------------|--------------|----------|
| Bank of British North America, . . .                            | £1,000,000 | £4,000,000 | £350,000     | £200,000 |
| Bank of Montreal, . . . . .                                     | 750,000    | 3,000,000  | 380,000      | 150,000  |
| Commercial Bank of the Midland District,<br>Kingston, . . . . . | 500,000    | 2,000,000  | 180,000      | 40,000   |
| City Bank, Montreal, . . . . .                                  | 300,000    | 1,200,000  | 106,000      | 20,000   |

*Bank of British North America. Head Office in London. Capital paid up, £1,000,000 sterling.*

|                          | Notes in Circulation.          | Specie.                 | Notes & Checks of other Banks. |
|--------------------------|--------------------------------|-------------------------|--------------------------------|
|                          | Halifax Currency,              | Halifax Cur'cy,         | Halifax Cur'cy.                |
| January, 1848, . . . . . | £370,828                       | £206,529                | £36,985                        |
| February, . . . . .      | 349,607                        | 199,758                 | 24,033                         |
| March, . . . . .         | 343,753                        | 204,200                 | 35,435                         |
| April, . . . . .         | 363,778                        | 189,366                 | 20,546                         |
| May, . . . . .           | 358,719                        | 183,265                 | 37,905                         |
| June, . . . . .          | 342,051                        | 190,385                 | 40,346                         |
| July, . . . . .          | 330,316                        | 226,903                 | 52,620                         |
| August, . . . . .        | 336,714                        | 220,472                 | 47,395                         |
| September, . . . . .     | 351,102                        | 207,747                 | 38,915                         |
| October, . . . . .       | 373,237                        | 197,700                 | 43,954                         |
| November, . . . . .      | 366,305                        | 199,184                 | 35,205                         |
| December, . . . . .      | 340,485                        | 188,791                 | 38,598                         |
|                          | <i>Dec. 1848, Liabilities.</i> |                         | <i>Dec. 1848, Assets.</i>      |
| Circulation, . . . . .   | £256,808                       | Specie, . . . . .       | £221,022                       |
| Other Debts, . . . . .   | 688,356                        | Other Assets, . . . . . | 1,898,934                      |
| Total, . . . . .         | £945,164                       | Total, . . . . .        | £2,119,956                     |

The above is, first, a statement of notes in circulation during every month of the year 1848, together with the amount of specie and other assets, distinguishing each kind immediately available for the discharge of such notes, and, secondly, a statement of the whole amount of the debts and assets of the bank at the close of the year 1848. (This is all the bank is bound to furnish.) For further statements of this bank, see page 118, our present volume.

*Bank of Montreal. Head Office, Montreal. Capital, £750,000.*

| LIABILITIES.                   | Months ending 30 Sept. '48. | 31 Oct.   | 30 Nov.   | 31 Dec.   | 31 Jan. '49. | 28 Feb.   |
|--------------------------------|-----------------------------|-----------|-----------|-----------|--------------|-----------|
| Notes in circulation,          | £397,870                    | £420,149  | £364,407  | £353,020  | £349,493     | £378,880  |
| Balances due to other banks,   | 15,785                      | 14,654    | 9,297     | 11,182    | 83,251       | 41,630    |
| Deposits not bearing interest, | 184,022                     | 179,792   | 156,582   | 148,848   | 156,146      | 163,274   |
| Deposits bearing interest,     | 65,969                      | 63,407    | 65,932    | 65,734    | 67,263       | 71,654    |
| Total average liabilities,     | £663,646                    | 678,002   | 596,218   | 578,784   | 606,153      | 655,438   |
| ASSETS.                        | Months ending 30 Sept. '48. | 31 Oct.   | 30 Nov.   | 31 Dec.   | 31 Jan. '49. | 28 Feb.   |
| Coin and bullion,              | £128,952                    | £130,344  | £149,223  | £147,854  | £153,477     | £154,171  |
| Landed or other property,      | 44,329                      | 44,809    | 45,179    | 45,415    | 45,483       | 45,516    |
| Government securities,         | 200                         | 200       | 10,200    | 10,200    | 10,200       | 10,200    |
| Notes of other banks,          | 24,513                      | 20,265    | 22,866    | 21,883    | 17,045       | 21,884    |
| Due by other banks,            | 116,881                     | 112,187   | 39,023    | 44,844    | 18,870       | 19,921    |
| Notes disc'd, or other debts,  | 1,118,135                   | 1,119,697 | 1,099,852 | 1,055,806 | 1,109,417    | 1,147,254 |
| Total average assets,          | £1,433,010                  | 1,427,502 | 1,366,343 | 1,326,002 | 1,354,492    | 1,398,945 |

*Bank of Montreal. At Montreal.*

| LIABILITIES. Months ending        | 31 Mar. '49.      | 30 April.        | 31 May.          | 30 June.         | 31 July.         | 31 Aug.          |
|-----------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| Notes in circulation,             | £349,023          | £331,514         | £329,420         | £322,122         | £319,999         | £352,069         |
| Due to other banks,               | 47,967            | 57,004           | 62,189           | 59,770           | 52,488           | 18,298           |
| Deposits not bearing interest,    | 152,224           | 148,150          | 174,129          | 178,264          | 176,268          | 180,348          |
| Deposits bearing interest,        | 84,617            | 85,750           | 90,574           | 98,252           | 93,390           | 99,278           |
| <b>Total average liabilities,</b> | <b>£633,831</b>   | <b>622,418</b>   | <b>656,312</b>   | <b>658,408</b>   | <b>642,145</b>   | <b>649,993</b>   |
| ASSETS. Months ending             | 31 Mar. '49.      | 30 April.        | 31 May.          | 30 June.         | 31 July.         | 31 Aug.          |
| Coin and bullion,                 | £147,531          | £125,757         | £132,433         | £108,360         | £125,976         | £129,915         |
| Landed or other property,         | 44,708            | 44,383           | 44,233           | 44,233           | 44,233           | 44,248           |
| Government securities,            | 10,200            | 10,200           | 10,200           | 10,750           | 10,750           | 10,750           |
| Notes of other banks,             | 30,776            | 11,575           | 12,597           | 19,164           | 18,217           | 14,590           |
| Due from other banks,             | 19,649            | 27,963           | 26,515           | 31,437           | 48,552           | 84,611           |
| Notes disc'd, or other debts,     | 1,164,303         | 1,184,797        | 1,215,802        | 1,199,737        | 1,183,566        | 1,155,543        |
| <b>Total average assets,</b>      | <b>£1,417,167</b> | <b>1,404,675</b> | <b>1,441,780</b> | <b>1,413,681</b> | <b>1,431,294</b> | <b>1,439,657</b> |

*Commercial Bank, Midland District. Head Office, Kingston, Can. West.  
Capital £500,000.*

| LIABILITIES. Months ending        | 30 Sep. '48.    | 31 Oct.        | 30 Nov.        | 31 Dec.        | 31 Jan. '49.   | 28 Feb.        |
|-----------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| Notes in circulation,             | £178,484        | £190,416       | £171,422       | £157,049       | £175,023       | £178,690       |
| Due to other banks,               | 11,044          | 12,918         | 10,822         | 12,129         | 13,574         | 27,252         |
| Deposits not bearing int'st,      | 87,313          | 81,769         | 84,305         | 80,374         | 89,092         | 89,252         |
| Deposits bearing interest,        | 31,427          | 28,339         | 28,974         | 27,665         | 34,243         | 32,610         |
| <b>Total average liabilities,</b> | <b>£308,268</b> | <b>313,442</b> | <b>295,523</b> | <b>277,217</b> | <b>311,932</b> | <b>327,804</b> |
| ASSETS. Months ending             | 30 Sep. '48.    | 31 Oct.        | 30 Nov.        | 31 Dec.        | 31 Jan. '49.   | 28 Feb.        |
| Coin and bullion,                 | £55,874         | £53,047        | £48,606        | £47,396        | £53,396        | £45,645        |
| Landed and other property,        | 23,231          | 23,231         | 23,231         | 23,231         | 23,246         | 23,246         |
| Notes of other banks,             | 17,668          | 15,814         | 12,711         | 11,019         | 12,838         | 13,928         |
| Due by other banks,               | 39,411          | 61,186         | 58,898         | 39,496         | 11,499         | 13,478         |
| Notes discounted, &c.,            | 573,515         | 563,318        | 558,184        | 558,550        | 614,830        | 637,259        |
| <b>Total average assets,</b>      | <b>£709,699</b> | <b>716,596</b> | <b>701,630</b> | <b>679,692</b> | <b>715,809</b> | <b>733,556</b> |
| LIABILITIES. Months ending        | 31 Mar. '49.    | 30 April.      | 31 May.        | 30 June.       | 31 July.       | 31 Aug.        |
| Notes in circulation,             | £165,240        | £166,165       | £144,983       | £142,154       | £133,953       | £133,404       |
| Balances due to other banks,      | 48,861          | 55,046         | 74,651         | 53,549         | 43,609         | 16,137         |
| Deposits not bearing int'st,      | 82,520          | 79,113         | 80,317         | 92,413         | 74,509         | 66,003         |
| Deposits bearing interest,        | 32,893          | 31,024         | 29,704         | 30,310         | 30,609         | 31,611         |
| <b>Total average liabilities,</b> | <b>£329,514</b> | <b>321,348</b> | <b>329,655</b> | <b>318,426</b> | <b>282,680</b> | <b>247,155</b> |
| ASSETS. Months ending             | 31 Mar. '49.    | 30 April.      | 31 May.        | 30 June.       | 31 July.       | 31 Aug.        |
| Specie,                           | £51,834         | £43,793        | £31,105        | £44,329        | £37,013        | £44,412        |
| Landed and other property,        | 23,266          | 23,266         | 23,280         | 23,280         | 23,280         | 23,280         |
| Notes of other banks,             | 13,670          | 10,735         | 11,916         | 13,284         | 7,391          | 10,910         |
| Balances due by other banks,      | 10,387          | 11,326         | 18,432         | 19,035         | 15,792         | 15,102         |
| Notes discounted, &c.,            | 637,052         | 641,131        | 655,527        | 621,673        | 601,721        | 557,763        |
| <b>Total average assets,</b>      | <b>£736,209</b> | <b>730,251</b> | <b>740,260</b> | <b>720,601</b> | <b>685,197</b> | <b>651,467</b> |

## City Bank of Montreal. Head Office, Montreal. Capital £300,000.

| LIABILITIES. Months ending 30 Sep. '48. |                 | 31 Oct.        | 30 Nov.        | 31 Dec.        | 31 Jan. '49.   | 28 Feb.        |
|-----------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| Notes in circulation,                   | £113,527        | £111,393       | £103,362       | £100,459       | £106,549       | £101,553       |
| Balances due to other banks,            | 15,162          | 12,051         | 7,349          | 13,731         | 4,739          | 7,520          |
| Deposits not bearing int'st,            | 41,072          | 37,439         | 27,469         | 17,566         | 19,943         | 17,228         |
| Deposits bearing interest,              | 23,131          | 23,954         | 20,515         | 18,189         | 18,094         | 18,031         |
| <b>Total average liabilities,</b>       | <b>£192,892</b> | <b>184,837</b> | <b>158,695</b> | <b>149,945</b> | <b>149,325</b> | <b>144,332</b> |
| ASSETS. Months ending 30 Sep. '48.      |                 | 31 Oct.        | 30 Nov.        | 31 Dec.        | 31 Jan. '49.   | 28 Feb.        |
| Coin and bullion,                       | £20,049         | £25,191        | £13,986        | £21,072        | £20,616        | £17,378        |
| Notes of other banks,                   | 9,521           | 11,969         | 9,884          | 13,276         | 13,857         | 14,286         |
| Due from other banks,                   | 3,008           | 4,923          | 7,766          | 10,251         | 10,357         | 4,317          |
| Landed and other property,              | 11,494          | 11,494         | 11,494         | 11,494         | 12,341         | 12,719         |
| Government securities,                  | 96,050          | 96,050         | 96,190         | 96,190         | 97,040         | 97,640         |
| Notes discounted, &c.,                  | 418,864         | 405,420        | 392,005        | 378,967        | 328,858        | 309,529        |
| <b>Total average assets,</b>            | <b>£558,986</b> | <b>555,047</b> | <b>531,325</b> | <b>531,250</b> | <b>483,069</b> | <b>455,864</b> |
| LIABILITIES. Months ending 31 Mar. '49. |                 | 31 April.      | 31 May.        | 30 June.       | 31 July.       | 31 Aug.        |
| Notes in circulation,                   | £94,801         | £87,896        | £79,074        | £81,581        | £81,484        | £82,513        |
| Balances due to other banks,            | 3,791           | 3,151          | 5,439          | 5,553          | 1,372          | 4,552          |
| Deposits not bearing int'st,            | 14,616          | 15,093         | 20,909         | 19,673         | 23,052         | 24,740         |
| Deposits bearing interest,              | 17,746          | 17,466         | 11,013         | 7,695          | 6,763          | 7,206          |
| <b>Total average liabilities,</b>       | <b>£130,954</b> | <b>123,606</b> | <b>116,435</b> | <b>114,602</b> | <b>112,672</b> | <b>119,011</b> |
| ASSETS. Months ending 31 Mar. '49.      |                 | 30 April.      | 31 May.        | 30 June.       | 31 July.       | 31 Aug.        |
| Coin and bullion,                       | £14,336         | £12,560        | £17,911        | £19,025        | £17,961        | £18,459        |
| Notes of other banks,                   | 9,218           | 12,200         | 10,176         | 11,834         | 8,574          | 13,488         |
| Balances due f'm other banks,           | 3,675           | 7,772          | 4,780          | 5,468          | 5,374          | 3,905          |
| Landed or other property,               | 12,719          | 12,719         | 12,719         | 9,717          | 9,717          | 9,717          |
| Government securities,                  | 97,640          | 98,040         | 98,040         | 98,040         | 98,040         | 98,040         |
| Notes & bills disc'nted, &c.            | 308,120         | 296,344        | 280,116        | 222,358        | 226,903        | 232,438        |
| <b>Total average assets,</b>            | <b>£445,808</b> | <b>439,635</b> | <b>423,742</b> | <b>366,442</b> | <b>366,569</b> | <b>376,047</b> |

Statement of the duties on bank issues paid the Receiver General, pursuant to the Provincial Act of Canada, 4 & 5 Vict. Cap. 29, during the years 1846, 1847, and 1848, ending 31st October.

| BANKS.                            | 1846.              | 1847.             | 1848.             | 6 months, 1849.   |
|-----------------------------------|--------------------|-------------------|-------------------|-------------------|
| Bank of Montreal, . . . . .       | £5202 6 4          | £5023 15 8        | £3704 14 2        | £1771 18 11       |
| Quebec Bank, . . . . .            | 741 14 3           | 699 7 7           | 577 19 10         | 241 0 0           |
| Bank of Upper Canada, . . . . .   | 1795 3 7           | 1938 13 2         | 1698 9 3          | 741 1 2           |
| Bank of British North America,    | 2414 1 9           | 2379 5 11         | 2056 8 0          | 902 2 10          |
| Banque du Peuple, at Montreal,    | 842 11 10          | 980 14 4          | 665 3 7           | 176 13 10         |
| City Bank, at Montreal, . . . . . | 2289 0 0           | 2111 2 1          | 1425 8 2          | 495 10 4          |
| Commercial Bank, at Kingston,     | 1785 13 8          | 2069 8 7          | 1731 5 10         | 836 6 6           |
| Gore Bank, at Hamilton, . . . . . | 848 9 8            | 823 19 10         | 613 12 2          | 310 18 4          |
| <b>Total, . . . . .</b>           | <b>£15,899 1 1</b> | <b>16,006 7 2</b> | <b>12,473 1 0</b> | <b>5475 11 11</b> |

For the following synopsis of the late important change in the British Navigation Laws we are indebted to the London Bankers' Magazine.

## BRITISH NAVIGATION LAWS.

On the first of January next, the new law, which introduces such important alterations in the old commercial system of the United Kingdom, comes into operation; and as the nature and extent of these alterations are not clearly understood, except by those who have carefully studied the new statute, we think the following digest of the existing restrictions and regulations which are repealed by the new Act, will be found useful. We are indebted for it to *The Economist*, which, of all the commercial journals, is preëminent for the accuracy and the priority of its intelligence. As no banker or mercantile man can keep himself properly informed of the progress of commercial affairs, without availing himself of the information supplied by *The Economist*, we presume that most of our readers are subscribers to that journal; but they will not object to see a paper like the following transferred to our pages for the convenience of reference.

On the first of January next all restrictions of navigation with regard to our foreign and colonial trade will entirely cease. Goods may then be imported in vessels of any and every flag, from any and every country, on precisely the same terms, so far as navigation is concerned. To understand the Act passed in the last session perfectly, it is necessary that we should particularly refer to those Acts which are now in operation, and which are all, or in part, repealed by it.

In 1845 an Act was passed (8 and 9 Vict. cap. 88) for the purpose of consolidating the laws then in existence "for the encouragement of British shipping and navigation." In the same year another Act was passed "for the registering of British shipping." In the same year another Act was passed, "to regulate the trade of British possessions." With some unimportant exceptions, these three Acts embodied all the restrictions which at present exist in favor of British ships. By the Act of the last session, the whole of the first, and parts of the last mentioned Acts, were repealed as well as such parts of other existing Acts of Parliament as imposed any disability on foreign ships. It may be useful to enumerate the restrictions and regulations which were thus repealed by the first section of the Act of last session. They are as follow:—

I. That the "enumerated goods"—consisting of twenty-nine of the bulkiest and most important articles of import, including timber, tallow, hemp, flax, grain, wine, brandy, wool, &c., &c.—being the produce of Europe, cannot be imported into the United Kingdom for consumption, except in British ships, or in ships of the country of which the goods are the produce, or in ships of the country from which the goods are imported.—8 and 9 Vict., cap. 88, sect. 2.

II. That goods, the produce of Asia, Africa, or America, cannot be imported in any ships whatever from Europe into the United Kingdom for consumption.—8 and 9 Vict., cap. 88, sect. 3.

III. That goods, the produce of Asia, Africa, and America, can only be imported into the United Kingdom, for consumption, in British ships, or in

the ships of the country of which such goods are the produce, and from which they must be imported direct.—8 and 9 Vict., cap. 88, sect. 4.

IV. That no goods can be imported from the islands of Guernsey, Jersey, Alderney, or Sark, except in British ships.—8 and 9 Vict., cap. 88, sect. 6.

V. That no goods can be exported from the United Kingdom to any British possession in Asia, Africa, or America, nor to the islands of Guernsey, Jersey, Alderney, or Sark, except in British ships.—8 and 9 Vict., cap. 88, sect. 7.

VI. That no goods or passengers can be carried coastwise from one port of the United Kingdom to another, or from the United Kingdom to the Isle of Man, or back, except in British ships.—8 and 9 Vict., cap. 88, sect. 8.

VII. That no goods can be carried from any of the islands of Guernsey, Jersey, Alderney, Sark, or Man, to any other of such islands, nor from one part of any of such islands to another part of the same island, except in British ships.—8 and 9 Vict., cap. 88, sect. 9.

VIII. That no goods can be carried from any British possession in Asia, Africa, or America, to any other of such possessions, nor from one part of any such possession to another part of the same, except in British ships.—8 and 9 Vict., cap. 88, sect. 10.

IX. That no goods can be imported into any British possession in Asia, Africa, or America, in any foreign ships, unless they be the ships of the country of which they are the produce, and from which they are imported.—8 and 9 Vict., cap. 88, sect. 11.

X. That no ship is admitted to be a British ship, unless duly registered and navigated as such, of which the captain and at least three fourths of the crew must be British subjects; or, if employed in the coasting trade, or fishing on the coast, or in the trade between the United Kingdom and the Channel Islands, then the whole crew must be British subjects.—8 and 9 Vict., cap. 88, sect. 13.

XI. That the natives of places within the limits of the East India Company's charter, although under British dominion, are not, upon the grounds of being such natives, deemed to be British seamen, by which restriction East India ships are excluded from employing *Lascars*.—8 and 9 Vict., cap. 88, sect. 17.

XII. That no ship can be registered at Heligoland, except such as is wholly of the build of that place; and that ships registered at Malta, Gibraltar, or Heligoland, cannot be registered elsewhere; and are not entitled to the privileges of British ships in the trade between the United Kingdom and the British possessions in America.—8 and 9 Vict., cap. 89, sect. 3.

XIII. That no ship is entitled to a British registry unless it be wholly of the build of the United Kingdom, or of the Isle of Man, or of the islands of Guernsey and Jersey, or of some of the British possessions abroad, or shall have been condemned as a prize of war, or condemned in a competent court for a breach of laws for the prevention of the slave trade, and which belongs wholly to British subjects.—8 and 9 Vict., cap. 89, sect. 5.

XIV. That no vessel can continue to enjoy the privileges of a British ship, if the same shall be repaired in a foreign country, to an extent exceeding in value the sum of twenty shillings per ton, unless such repairs shall, on account

of accidents, be absolutely necessary to enable such ship to proceed on her voyage.—8 and 9 Vict., cap. 89, sect. 7.

XV. That no British ship, after being captured by, or becoming the prize of, an enemy, or being once sold to foreigners, can again claim the privileges of a British ship.—8 and 9 Vict., cap. 89, sect. 9.

XVI. That no goods can be imported into, or exported from, any of the British possessions in America by sea, from or to any place *other than the United Kingdom, or some other of such possessions*, except into or from the ports denominated free ports.—8 and 9 Vict., cap. 89, sect. 2.

XVII. That the ships of such foreign countries only are permitted to trade from and to such countries, with British colonies, which, having colonies, permit similar privileges to British ships, or which, having no colonies, place the commerce and navigation of this country and its possessions abroad upon the footing of the most favored nations.—8 and 9 Vict., cap. 89, sect. 4.

XVIII. That no vessel or boat is admitted to be a British vessel or boat on any of the inland waters or lakes of America, except the same shall have been built at some place within the British dominions.—8 and 9 Vict., cap. 89, sect. 44.

XIX. That the importation of train-oil, blubber, spermaceti-oil, head matter, skins, bones, and fins, the produce of fish or creatures living in the sea, is prohibited, except in vessels which shall have been cleared out regularly with such oil, blubber, or other produce, on board, from some foreign port.—8 and 9 Vict., cap. 86, sect. 63.

XX. That no tea can be imported except from the Cape of Good Hope, or from places eastward of the same to the Straits of Magellan.—8 and 9 Vict., cap. 86, sect. 63.

XXI. That every ship of 80 tons or upwards must carry one apprentice or more in a certain proportion to the ship's tonnage.—7 and 8 Vict., cap. 112, sect. 37.

By the first section of the Act of the last session, the whole of these restrictions are repealed, as well as parts of several Acts of Parliament which contain provisions connected with these numerous restrictions.

By this section of the late Act, every restriction or impediment of any kind whatever, in connection with the commerce of the United Kingdom and our foreign possessions, so far as navigation is concerned, is repealed. The Act then proceeds to reenact such portions of the restrictions which were provided for in the Acts repealed, and which it was not the intention of the Legislature entirely to abolish. Thus, sect. 2 and 3 re-impose the present restrictions in respect to the coasting trade, and in respect to the trade between the United Kingdom and the Channel Islands. Sect. 4 re-imposes the restriction of the coasting trade of the colonies to British ships; but by sect. 5 it is practically left to the colonies themselves, by means of addresses to the Queen and Council, to regulate their own coasting trade in future. Again, sect. 7 re-imposes the present restriction with respect to the manning of ships. These may be said to be the only restrictions now left upon British navigation—viz.: *The coasting trade of the United Kingdom, the trade between the Channel Islands and the United Kingdom, and the coasting trade of the colonies* (but which can be otherwise regulated by the Queen

in Council, in pursuance of application made by the colonies) *are reserved to British ships*; and the existing regulations with respect to the manning of ships are also preserved. These restrictions, with the exception of the last named, have been preserved, not with a view to the protection of the British ship-owner, but because their removal would expose the revenue to great danger, by affording facilities for smuggling. The Act passed in the last session (the 12 and 13 Vict., cap. 29,) therefore, contains the whole of the regulations which will, after the first of January next, be in force with respect to the navigation of the United Kingdom and foreign British possessions. All existing restrictions which are not found to be re-enacted therein will after that day be entirely abolished.

We now come to consider the effect of these changes upon the stocks of merchandise which may remain in bond on the 1st of January next, and which shall have been imported in unprivileged ships. They will be confined almost exclusively to goods the produce of *Asia, Africa, and America*, imported in foreign ships, and warehoused for *exportation only*; and will chiefly consist of foreign sugar, coffee, South American hides, tallow, &c. &c. A general impression has prevailed, that whereas such importations will, after the first of January, be admissible for consumption, the same privilege will therefore be extended to unprivileged goods, then in bond. And this view has been entertained from the fact, that when differential duties payable on foreign produce have been reduced, or when prohibitions against the home consumption of any particular goods have been removed, these changes have affected the existing stocks in bond, as well as future importations. The present case, however, is different. The words of the Act by which such goods are excluded from consumption are as follows:—(8 and 9 Vict., cap. 88, sec. 4):—“And be it enacted, that goods the produce of *Asia, Africa, or America*, shall not be imported into the United Kingdom, *to be used therein*, in foreign ships, unless they be the ships of the country in *Asia, Africa, or America*, of which the goods are the produce, and from which they are imported.” The Act of last session simply repeals this provision of the existing law, so that no such limitation will, after that date, apply to such importations which take place after the *first of January*; but there is nothing whatever in the Act that alters the condition of goods which had been imported before, under the present law, and warehoused *only for exportation*. So far, therefore, as the law is concerned, the stocks of foreign produce in bond, imported prior to the *first of January* in unprivileged ships, will be as much excluded from home consumption as they are at present. At the same time, this difficulty will be easily evaded. For, according to the law as it will then stand, such produce will be admissible equally from the continent of Europe as from the countries of production; and if, therefore, any object exists for entering for home consumption unprivileged goods then in bond, the owners may readily obtain for them that privilege by shipping them to the nearest continental port, and again returning them as a fresh importation under the new law. It would, however, involve an absurd and extravagant waste, to compel recourse to such means of introducing goods for consumption which are already in the country, were the practice likely to be extensive. This, however, is not probable, because, in the first place, only such goods are imported in unprivileged ships and warehoused for

exportation, as are, in the usual course of trade, re-distributed from this to other countries; and, in the second place, the long notice which merchants have had of the change in the law, will enable them so to arrange their importations in the interval, and especially during the two months preceding the first of January, that there will in reality be no difference, when the time arrives, between the price of the same articles for exportation, or for consumption. And even should there be any slight difference at the moment, it is plain that it will soon be equalized, inasmuch as all the importations after that date will be privileged for home consumption, in whatever ships they may arrive. With regard to foreign ships which reach our coast during the last few weeks prior to the 1st of January, it is even probable that they will not enter the port until that day, in order that they may come in under the new law.

We could have wished that a clause had been introduced into the Act of last session, extending to all goods in bond on the 1st of January, the same privileges as they would be entitled to under that Act, if they were then exported to the nearest continental port and again brought back; but as no such provision is contained in that Act, and as Parliament will not, in all probability, meet before the beginning of February, and moreover as so little, if any, practical inconvenience will arise from leaving the markets to adjust themselves, especially with the lengthened notice which importers will have had of the change, we do not expect that any legislative measure will be adopted to meet any partial inconvenience which may arise. When we look to the long list of restrictions which that Act has removed from the commerce of the country, we are struck with amazement that, under such an incubus, our trade and navigation have expanded in the way they have. It is impossible, however, not to feel that, in spite of all the efforts and ingenuity of our merchants to avoid the difficulties and losses to which such an intricate system of prohibitions and restrictions has exposed them, an extent of loss must have been entailed upon the country which cannot possibly be estimated.

---

### THE FOREIGN DEMAND FOR COTTON.

From the *London Economist*, 29 September, 1849.

The "cotton trade" in this country is now a matter of primary national importance. On it the daily food of hundreds of thousands of our fellow countrymen depends. On it, by far the largest amount of capital devoted to any branch of trade, relies for its profitable occupation. On it our export trade—with all the important consequences directly and indirectly attached to it—depends for more than twenty-six millions, out of a total of about fifty-five millions. By the consumption of the cotton districts, be it brisk or be it slow, the markets for colonial produce in London and Liverpool are influenced more than by any other single cause. The same cause tests the public revenue of the country, as certainly as the mercury in the thermometer indicates the temperature of the atmosphere. The demand for agricultural

produce is sensibly affected by the "full time" or "short time" of the Lancashire factories. The traffic of railways—but more especially the employment of our ships at sea—is sensibly influenced by a large or a small cotton trade. As an industry the cotton trade is second only in its importance to agriculture. As an article of necessity, contributing to the general comforts and prosperity of the country, an abundant and cheap supply of cotton is second only to that of food. When we have seen the social consequences which for some years past have marked the fluctuating supplies of this great staple of British industry, we must regard the prospects of the future supply of cotton of as much importance in a political as in a commercial point of view.

A period of the year has arrived when we have fixed and determinate data on which at least some useful and important calculations of the present and future may be based. At the present moment, when so much anxiety exists on the subject, it seems especially desirable to bring before our readers a consideration of all the facts, so far as they are known, which must determine the future course of prices. The last number of this journal contained (page 1065) what may, for all practical purposes, be considered the statistics of the cotton crop of 1848-49, the commercial year ending on the 1st of Sept., and that account coming down to the 31st of Aug. for New York, and to the 25th for the other chief ports. The receipts at the American ports from the interior amounted, up to those dates, to the unprecedented quantity of 2,707,404 bags. The stocks, however, at those dates, at the towns in the interior, were only 24,591 bales against 65,589 bales at the same dates last year; so that the crop of the last year had really furnished 40,998 bales less than the quantity received. But allowing for the receipts of the remaining days of August, we may fairly put down the crop of the year at 2,700,000 bales—the largest crop before having been 2,394,503 bales, in 1844-45. The extraordinary size of the crop of the last year will be best understood when we compare it with the crops of the last six years, a period long enough to embrace a fair average.

| <i>Bags.</i> COTTON CROPS. |           | <i>Bags.</i>    |           |
|----------------------------|-----------|-----------------|-----------|
| 1848—49 . . . .            | 2,700,000 | 1845—46 . . . . | 2,100,537 |
| 1847—48 . . . .            | 2,347,634 | 1844—45 . . . . | 2,394,503 |
| 1846—47 . . . .            | 1,778,651 | 1843—44 . . . . | 2,030,409 |

On the 1st of September, 1848, the stock of cotton in the three great ports of this country—London, Liverpool and Glasgow—was 669,300 bales against 507,400 bales at the same date in 1847. The average crop of the five preceding years, had been 2,130,346 bales. The prospect of a crop (which was then estimated as nearly as possible at what it has actually yielded) of 600,000 bales above that average, had a most depressing influence on the market, especially in the United States. It was anticipated that so large a crop would have secured low prices to our manufacturers for a considerable period, and would at the close of the year (Sept. 1st, 1849) have raised our stocks to what they were at that date for some years prior to the small crops of 1846 and 1847, viz., about one million of bales;—in place of which, the consumption of the year has been so great, that while the quantity im-

ported from Sept. 1st, 1848, to Sept. 1st, 1849, has been 350,606 bales more than in the years 1847-8, and 943,345 bales more than in the year 1846-7, the price is full twenty-five per cent. higher than it was a year ago, and the stock on the first of September in the three chief ports has increased only 48,100 bales; and if taken, including the quantities afloat at the moment destined for this market, the stock this year exhibits an actual decline of 34,818 bales.

This result has been brought about by the extraordinary consumption of the present year. What with the aid of increased machinery, and perhaps even more of improved machinery, and increased speed, the average weekly consumption of cotton in the first eight months of the present year has been no less than 34,455 bales, against 28,116 bales in the same period in 1848, and 22,702 bales in 1847. The experience then of the present year shows that to keep our present mill power and factory hands in the full employment which they have enjoyed during the present year, a supply of cotton equal to 1,791,660 bales would be annually required for consumption, to which, if we add the average quantity exported, an entire import of 2,000,000 bales will be necessary. The year just concluded (that is, from Sept. 1st, 1848, to the same date 1849,) is the only year on record that has furnished that quantity; and this has been done, as we have already remarked, without any actual increase of stock. Great interest is now felt as to what the stock in this country will be on the 31st of December, on which the calculations of the merchants and manufacturers of this country are chiefly based. We propose therefore to lay before our readers such facts as will best enable them to make an estimate of this.

First, we will shortly allude to the state of the case in the United States. Notwithstanding the large increase in the crops of the past year, the stock on hand at the last dates in the ports and on shipboard, was 3,969 bales less than last year, and that in the towns of the interior was less by 40,998 bales, making together a decrease of 44,967 bales, thus:—

| AMERICAN COTTON STOCKS.—Last Dates.  | 1848.         | 1849.         |
|--------------------------------------|---------------|---------------|
|                                      | <i>Bales.</i> | <i>Bales.</i> |
| In the ports and on board, . . . . . | 119,613       | 115,644       |
| In interior towns, . . . . .         | 65,589        | 24,591        |
|                                      | <hr/>         | <hr/>         |
| Total, . . . . .                     | 185,202       | 140,235       |
| Decrease, . . . . .                  | .             | 44,967        |
|                                      | <hr/>         | <hr/>         |
|                                      |               | 185,202       |

This decrease of stock has taken place in the face of an increase in the crop of about 35,000 bales above the large crop of 1847-48.

During the year ending Sept. 1st, the exports from the United States to Great Britain exceeded by 217,304 bales those of 1847-48; but, during the same period, our entire imports exceeded by 450,606 bales those of the preceding year, so that our other sources of supply also furnished an increased quantity. In each of the last five years ending Aug. 31, the entire quantities of cotton imported into Great Britain were as follows:—

## COTTON IMPORTED INTO LONDON, LIVERPOOL, AND GLASGOW.

|                                    | <i>Bales.</i>   |
|------------------------------------|-----------------|
| Sept. 1 to Dec. 31, 1843 . . . . . | 215,210         |
| Jan. 1 to Aug. 31, 1844 . . . . .  | 1,370,918       |
|                                    | <hr/> 1,586,128 |
| Sept. 1 to Dec. 31, 1844 . . . . . | 312,304         |
| Jan. 1 to Aug. 31, 1845 . . . . .  | 1,540,288       |
|                                    | <hr/> 1,852,592 |
| Sept. 1 to Dec. 31, 1845 . . . . . | 318,021         |
| Jan. 1 to Aug. 31, 1846 . . . . .  | 1,044,134       |
|                                    | <hr/> 1,362,155 |
| Sept. 1 to Dec. 31, 1846 . . . . . | 199,853         |
| Jan. 1 to Aug. 31, 1847 . . . . .  | 879,698         |
|                                    | <hr/> 1,079,551 |
| Sept. 1 to Dec. 31, 1847 . . . . . | 354,290         |
| Jan. 1 to Aug. 31, 1848 . . . . .  | 1,320,087       |
|                                    | <hr/> 1,674,377 |
| Sept. 1 to Dec. 31, 1848 . . . . . | 418,854         |
| Jan. 1 to Aug. 31, 1849 . . . . .  | 1,606,042       |
|                                    | <hr/> 2,024,896 |

With these supplies during these years, let us now examine the amount of stock left on hand at the close of each.

## STOCKS OF COTTON, London, Liverpool, and Glasgow, on 1st Sept.

|                | <i>Bales.</i> |                | <i>Bales.</i> |
|----------------|---------------|----------------|---------------|
| 1843 . . . . . | 1,021,600     | 1847 . . . . . | 507,400       |
| 1844 . . . . . | 1,102,400     | 1848 . . . . . | 669,300       |
| 1845 . . . . . | 1,193,700     | 1849 . . . . . | 717,400       |
| 1846 . . . . . | 911,300       |                |               |

So that with an increased import of 350,519 bales in the last year, we have only an increase of the stock of 48,100 bales. But even this increase is not real. If we include the quantity of cotton at sea on the 1st of Sept. in each year, there will then be apparent a decrease in place of an increase. If we take 37 days as the average passage of cotton ships, then we arrive at the following comparison of the quantities at sea on that day in each year :

## QUANTITIES OF COTTON AT SEA, Sept 1, 1849. Sept 1, 1848.

|                                                                  | <i>Bales.</i> | <i>Bales.</i> |
|------------------------------------------------------------------|---------------|---------------|
| Shipped from the U. States for Great Britain, July 24, . . . . . | 1,506,054     | 1,205,832     |
| Ditto at Sept. 1, . . . . .                                      | 1,536,490     | 1,318,186     |
|                                                                  | <hr/> 29,436  | <hr/> 112,354 |
| Difference on the passage, . . . . .                             |               |               |

The shipments in the present year were earlier than last year. So that, while there were 112,354 bales on the passage on the 1st of Sept., shipped between the 24th of July and that date last year, there were in the present year only 29,436 bales. The comparison of stocks, then, properly belonging to this market, will be as follows :—

|                               | September 1, 1849. | Sept. 1, 1848. |
|-------------------------------|--------------------|----------------|
|                               | <i>Bales.</i>      | <i>Bales.</i>  |
| In the three ports, . . . . . | 717,400            | 669,300        |
| At sea, . . . . .             | 29,436             | 112,354        |
|                               | <hr/> 746,836      | <hr/> 781,654  |

Thus showing a real decrease in the stock of this country of 34,818 bales, which, added to the decrease in the United States, makes a total of 79,785 bales.

The next point that we require to consider is the entire quantity required for consumption and exportation in each year; the following table shows how much this has increased in the last year:—

COTTON DELIVERED for HOME CONSUMPTION & EXPORT in each of following years.

|                           | Home Consumption. |           | Export. |         | Total.     |
|---------------------------|-------------------|-----------|---------|---------|------------|
|                           | Bales.            | Bales.    | Bales.  | Bales.  |            |
| Sept. 1 to Dec. 31, 1843, | 408,200           |           | 33,900  |         |            |
| Jan. 1 to Aug. 31, 1844,  | 955,678           | 1,363,878 | 97,550  | 131,450 | —1,495,328 |
| Sept. 1 to Dec. 31, 1844, | 471,144           |           | 46,500  |         |            |
| Jan. 1 to Aug. 31, 1845,  | 1,140,548         | 1,611,692 | 103,100 | 149,600 | —1,761,292 |
| Sept. 1 to Dec. 31, 1845, | 425,651           |           | 30,800  |         |            |
| Jan. 1 to Aug. 31, 1846,  | 1,056,704         | 1,482,355 | 131,400 | 162,200 | —1,644,555 |
| Sept. 1 to Dec. 31, 1846, | 502,563           |           | 62,800  |         |            |
| Jan. 1 to Aug. 31, 1847,  | 788,088           | 1,290,651 | 130,000 | 192,800 | —1,483,451 |
| Sept. 1 to Dec. 31, 1847, | 317,910           |           | 91,850  |         |            |
| Jan. 1 to Aug. 31, 1848,  | 980,027           | 1,297,937 | 122,700 | 214,550 | —1,512,487 |
| Sept. 1 to Dec. 31, 1848, | 525,304           |           | 66,800  |         |            |
| Jan. 1 to Aug. 31, 1849,  | 1,196,092         | 1,721,396 | 188,600 | 255,400 | —1,976,796 |

The home consumption of the last year has therefore been 423,459 bales above that of 1847-48, and 430,745 bales above that of 1846-47; while the entire deliveries have been 464,309 bales more in the last year than in 1847-48, and 493,339 more than in 1846-47. The only other feature in the past to which we will allude, is the prices on the first of September of each year, compared with the stock and the average weekly consumption at the time:—

|                                 | September 1, 1844. | 1845.     | 1846.   | 1847.   | 1848.   | 1849.   |
|---------------------------------|--------------------|-----------|---------|---------|---------|---------|
|                                 | Bales.             | Bales.    | Bales.  | Bales.  | Bales.  | Bales.  |
| Stock, . . . . .                | 1,102,400          | 1,193,700 | 911,300 | 507,400 | 669,300 | 717,400 |
| Weekly consumption, . . . . .   | 27,417             | 32,855    | 30,400  | 22,702  | 28,116  | 34,456  |
| No. of weeks' cons'n, . . . . . | 40 wks.            | 36 wks.   | 29 wks. | 22 wks. | 23 wks. | 20 wks. |
| Price of Georgia, . . . . .     | 3½a5d              | 3½a5d     | 3¼a5½d  | 6¼a7¼   | 3½a5d   | 4¼a6d.  |

It appears, therefore, that at this time the stock bears a smaller proportion to the consumption than it has done in any of the last six years, and just one-half that it did in 1844. So far, then, as regards the actual facts known up to this time, in relation to supplies, consumption, and stock, there can be no reasonable doubt entertained that the advanced price up to this period at least is based upon legitimate considerations and ascertained facts.

In endeavoring to come to any conclusion in respect to the stock which will remain on hand at the 31st of December, it is evident that the first consideration which we must encounter, is the character of the crop now in the course of picking. In respect to this point, it is too early to form any very definite opinion. It is certain that great damage has been done by a variety of causes, inundations, early frosts, and failing plants. But at so early a period all these accounts should be taken with much caution. Experience has already often shown how these adverse events at an early period of the year, have been compensated by a favorable season afterwards, and by mild, open winters, which prolonged the picking season. Nevertheless there are,

it must be admitted, strong *prima facie* reasons for apprehending a decrease on the crop of last year. First, there are the defects in the crop from the various causes mentioned, all of which had some foundation in fact; then there is the great mortality which has existed among the negro population from cholera, which is likely to interfere with early picking, and thus exposing the crop more than usual to winter frost; but the chief reason that renders a comparison of the present year with the last unfavorable, is the fact that in 1848 the most favorable combination of circumstances occurred ever before experienced for a large crop, and the fact that it was the largest crop on record. But let us take it for granted that an extensive planting, a favorable autumn, and an open, mild winter, will be sufficient to counterbalance all these drawbacks — that the crop of 1849-50 will be as large as the unfinished crop of 1848-49, and that the receipts at the ports are as large and as early in the present year as they were last year, there are still two ascertained facts which must make the imports from the 1st of September to the 31 of December, considerably less in the present year than in 1848. The entire imports into Great Britain from the 1st of September to the 31st of December, in each of the last six years, were as follows:—

## IMPORTS OF COTTON, Sept. 1 to Dec. 31.

|                | <i>Bags.</i> |                | <i>Bags.</i> |
|----------------|--------------|----------------|--------------|
| 1848 . . . . . | 418,854      | 1845 . . . . . | 318,021      |
| 1847 . . . . . | 354,290      | 1844 . . . . . | 312,304      |
| 1846 . . . . . | 199,853      | 1843 . . . . . | 215,210      |

So that the imports of the last four months of 1848 exceeded by more than 100,000 bales those of any of these years, except 1847, and this it exceeded by 64,564 bales. But even taking for granted that the crop and receipts will be as large in the present year as in 1848, there is first the fact that the stock left on hand in the United States on the 1st of September, 1849, was 44,976 bales less than in 1848, which will tend in some measure to diminish the shipments to Great Britain; and then there is the fact that on the 1st of Sept. of this year, the quantity of cotton at sea and to arrive, after that date, was 82,918 bales less than in 1848. On these ascertained facts, therefore, even supposing that the shipments of the new crop will be as large and as early as last year, the imports into this country in the last four months of the year will be at least 100,000 bales less than in 1848. Assuming, therefore, no failure of crop and no lateness of season, the imports of the four months from September 1st to December 31st, cannot be reckoned in the present year above 318,854 bales. The average weekly consumption of this year up to the 1st of September was 44,455 bales; but assuming that it will only be for the remaining four months at the same rate as it was last year, then it will amount to 525,304 bales. With regard to the quantity which will be required for export, when we take into account the low stocks on the continent, and the great increase of trade compared with the autumn of 1848, we shall make a very moderate allowance under that head if we put it the same as last year, viz., 66,800 bales. For the first eight months of the present year the quantity exported has been 188,600 bales, against 122,700 bales in 1848. Taking these estimates, then, as a basis for calculating the stock which will be left on hand at the 31st of December, we come to the following result:—

ESTIMATE OF THE STOCK OF COTTON IN GREAT BRITAIN ON Dec. 31, 1849.

|                                  |           |           |                        |                   |
|----------------------------------|-----------|-----------|------------------------|-------------------|
|                                  |           |           | <i>Bales.</i>          |                   |
| Stock, Sept. 1, 1849,            | . . . . . |           | 717,400                |                   |
| Add imports for four months,     | . . . . . |           | 318,854                | 1,036,254         |
| Deduct consumption, four months, | . . . . . |           | 525,304                |                   |
| Export,                          | . . . . . |           | 66,800                 | 592,104           |
| Stock of Dec. 31, 1849           | . . . . . | 444,150   | Stock of Dec. 31, 1845 | . . . . . 897,060 |
| " 1848                           | . . . . . | 451,940   | " 1844                 | . . . . . 784,710 |
| " 1847                           | . . . . . | 545,790   | " 1843                 | . . . . . 661,430 |
| " 1846                           | . . . . . | 1,065,270 |                        |                   |

According to this estimate, the stock on the 31st December will be only 444,150 bales, after the largest crop on record; but it must be borne in mind that this is on the assumption that the forthcoming crop will be as large and as early as the unprecedented crop of 1848; that the consumption of the last four months of the year will be less by 3,445 bales weekly than the average of the first eight months; and that the export demand will be confined to the limited quantity of 1848; all of which are assumptions which we fear are too much in favor of the stock at December 31. As these facts become further elucidated by time, the estimated stock at that date will of course be subject to correction accordingly; and, in the mean time, each person may apply his own views on these unascertained points, in order to arrive at a conclusion. Important as we feel cheap cotton to be to the comforts of the people and to the prosperity of our trade, it is impossible, with these facts before us, to entertain any hope of a reduction of present prices: it is difficult not to apprehend even a further advance, unless indeed the state of trade should become such as there is no reason to fear, as long as food is abundant and cheap, and employment as plentiful as it is at this time. We do not fear the effect of speculation; that will retard, rather than accelerate higher prices. We look only to the supply and demand. There are elements beyond the control either of Liverpool on the one hand, or of Manchester on the other hand. Forcible attempts to alter the natural consequences of these first causes, either by speculation or combination, always have a tendency the reverse of that intended.

HISTORY OF BILLS OF EXCHANGE.

BY JOHN BARNARD BYLES,

AUTHOR OF A TREATISE ON THE LAW OF BILLS OF EXCHANGE, PROMISSORY NOTES, AND CHECKS.

There is no vestige of the existence of bills of exchange among the ancients, and the precise period of their introduction is somewhat controverted. It is, however, certain that they were in use in the fourteenth century, though we find in our English law books, no decision relating to them earlier than the reign of James the First.

It is probable that a bill of exchange was, in its original, nothing more than a letter of credit from a merchant in one country, to his debtor, a merchant in another, requesting him to pay the debt to a third person, who car-

ried the letter, and happened to be travelling to the place where the debtor resided. It was discovered, by experience, that this mode of making payments was extremely convenient to all parties :—to the creditor, for he could thus receive his debt without trouble, risk, or expense—to the debtor, for the facility of payment was an equal accommodation to him, and perhaps drew after it facility of credit—to the bearer of the letter, who found himself in funds in a foreign country, without the danger and incumbrance of carrying specie. At first, perhaps, the letter contained many other things beside the order to give credit. But it was found that the original bearer might often with advantage transfer it to another. The letter was then disencumbered of all other matter, it was open and not sealed, and the paper, on which it was written, gradually shrunk to the slip now in use. The assignee was, perhaps, desirous to know beforehand, whether the party to whom it was addressed, would pay it, and sometimes shewed it to him for that purpose ; his promise to pay was the origin of acceptances. These letters or bills, the representatives of debts due in a foreign country, were sometimes more, sometimes less, in demand ; they became, by degrees, articles of traffic ; and the present complicated and abstruse practice and theory of exchange was gradually formed.

Upon their introduction into our own country, other conveniences, as great as in international transactions, were found to attend them. They offered an easy and most effectual expedient for eluding the stubborn rule of the common law, that a debt is not assignable ; furnishing the assignee with an assignment binding on the original creditor, capable of being ratified by the debtor, perhaps guaranteed by a series of responsible sureties, and assignable still further, *ad infinitum*. Not only did these simple instruments transfer value from place to place, at home or abroad, and balance the accounts of distant cities without the transmission of money ; not only did they assign debts in the most convenient, extensive, and effectual manner ; but the value of a debt was improved by being authenticated in a bill of exchange, for it was thus reduced to a certain amount, which the debtor, having accepted, could not afterwards unsettle ; evidence of the original demand was rendered unnecessary, and the bill afforded a plainer and more indisputable title to the whole debt. A creditor, too, by assigning to a man of property a bill at a long date, given him by his debtor, could obtain, for a trifling discount, his money in advance. Credit to the buyer was thus rendered consistent with ready money to the seller, and the reconciliation of the apparent inconsistency was brought about by a further benefit to a third person, for it was effected by advantageously employing the surplus and idle funds of the capitalist. At the first introduction of bills of exchange, however, the English Courts of Law regarded them with a jealous and evil eye, allowing them only between merchants ; but their obvious advantages soon compelled the judges to sanction their use by all persons ; and of late years the policy of the Bench has been industriously to remove every impediment, and add all possible facilities to these wheels of the vast commercial system.

The advantages of a bill of exchange, in reducing a debt to a certainty, curtailing the evidence necessary to enforce payment, and affording the means of procuring ready money by discount, often induced creditors to draw a bill for the sake of acceptance ; though there might be no intention of transfer-

ring the debt. Such a transaction pointed out the way to a shorter mode of effecting the same purpose by means of a promissory note. Promissory notes soon circulated like bills of exchange, and became as common as bills themselves. Notes for small sums, payable to bearer on demand, were found to answer most purposes of the ordinary circulating medium, and have, at length, in all civilized countries, supplanted a great portion of the gold and silver previously in circulation. Great, however, as was the saving, and numerous the advantages arising from the substitution, it was discovered by experience that the dangers and inconveniences of an unlimited issue of paper money were at least as great. The Legislature have, therefore, found it necessary to place the issue of negotiable notes for small sums under the restrictions which have been pointed out elsewhere; and experience has proved that the only mode of preserving paper money on a level with gold, is to compel the utterers to exchange it for gold, at the option of the holder. And peradventure even then, unless the state controls the issue of paper, on principles imperfectly understood at present, the value of the whole circulating medium may decline together, as compared with other commodities or the currency of foreign countries, and the precious metals may in consequence leave the kingdom. This consequence does not appear to have been foreseen by the late Mr. Ricardo.

During the suspension of cash payments and the circulation of one pound notes, nearly every payment, in this country, was made in paper. And some idea may be formed of the immense amount of property even now afloat in bills and notes, when it is considered that all payments for our immense exports and imports, almost every remittance to and from every quarter of the world, nearly every payment of large amount between distant places in the kingdom, and a large proportion of payments in the same place, are made through the intervention of bills; not to mention the amount of common promissory notes, at long and short dates, and the notes of the Bank of England and country banks. It will not, perhaps, be an unreasonable inference that the bills and notes of all kinds, issued and circulated in the United Kingdom in the space of a single year, amount to many hundred millions, and that this species of property is now, in aggregate value, inferior only to the land or funded debt of the kingdom.

This deduction is fully supported by the returns of the Stamp Office. The net produce of the stamps on bills of exchange and promissory notes in Great Britain alone, for the year ending on the 5th January, 1828, was 578,654*l.* 4*s.* 5*d.* Now, supposing that the gross amount received for stamps amounted to 600,000*l.*, an estimate, in all probability, considerably below the truth, and that the stamp is, upon an average 4*s.* per cent. on the value of the instrument (for, though it is more on small, it is less on large sums,) the value of the bills and notes stamped in a single year will be *three hundred millions*. The amount circulated must be considerably more, for in this calculation are not included any bills drawn abroad or in Ireland, and a further allowance is to be made for instruments of more than twelve months' date, and for all re-issuable notes. I presume the above return includes the composition in lieu of stamp duties paid by the governor and company of the Bank of England. The weekly average amount of Bank of England notes and bank post bills in circulation for the year preceding April 6, 1828, was 21,549,318*l.* 10*s.*

Simple as a bill or note may in form appear, the rights and liabilities of the different parties to those instruments have given rise to an infinity of legal questions and multitudes of decisions. A striking proof of what the experience of all ages had already made abundantly manifest—that law is, in its own nature, necessarily voluminous; that its complexity and bulk constitute the price that must be paid for the reign of certainty, order, and uniformity; and that any attempt to regulate multiform combinations of circumstances, by a few general rules, however skilfully constructed, must be abortive.

In France this subject has been briefly but most luminously treated by M. Pothier, a learned civilian of the last century, whose work, as well as his other performances, and in particular the *Traité des Obligations*, evinces a profound acquaintance with the principles of jurisprudence, and extraordinary acumen and sagacity in their application; the result of the laborious exercise of his talents on the Roman law. There cannot be a greater proof of the surpassing merit of his works, than that after the lapse of more than half a century, and a stupendous revolution in all the institutions of his country, many parts of his writings have been incorporated, word for word, in the new code of France. The *Traité du Contrat de Change* is often cited in the English Courts of Law. “The authority of Pothier,” says the present learned Chief Justice of the Common Pleas, “is as high as can be had, next to the decision of a Court of Justice in this country; his writings are considered by Sir William Jones as equal, in point of luminous method, apposite examples, and a clear manly style, to the works of Lyttleton on the Laws of England.”

In this country, the growth of the law on bills and notes has been almost proportionate to the increase of those instruments; insomuch that within the last sixty years the reported decisions upon them, in law, equity and bankruptcy, would fill many volumes. Numerous have been the attempts to reduce the mass of authorities to the shape of a regular treatise; but amongst all these, two only are now in common use in the profession, the treatise of Mr. Chitty, and the summary of Mr. Justice Bayley.

The work of the learned judge is considered authority, and is written with the greatest circumspection; but it is now out of print, and the latest edition some years old.

Mr. Chitty's treatise is a laborious and full collection of almost all the cases, by an eminent counsel, the extent of whose legal acquirements, and the readiness of their application, can only be appreciated by those who have been in the habit of personal intercourse with him. But the size of the book is an objection with many, and a cloud of authorities will sometimes obscure the most luminous arrangement.

My little work does not aspire to compete with either of the above learned performances, but merely to supply a want felt by many, of a plain and brief summary of the principal practical points relating to bills and notes, supported by a reference to the leading or latest authorities. In many cases the reader will, however, find the law laid down in the very words of the judgment, a plan which the author has been induced to adopt, partly that those who may not have ready access to the authorities may be satisfied that the law is correctly stated; partly, because he distrusted his own ability to enunciate, on so complicated a subject, a general rule, neither too narrow nor too wide,

beset, as almost all such general rules now are, with numerous qualifications and exceptions; and, partly, because the language of the judges is infinitely superior to any which he could presume to substitute; remarkable as are many of the reported judgments on this subject in our courts of law, for accuracy, precision and perspicuity. No pains have been spared to render the subject intelligible; how far the book is likely to be useful in practice, it is for others to determine.

~~~~~

LEGAL MISCELLANY.

LATE DECISIONS IN MASSACHUSETTS.

From Metcalf's Reports of Cases before the Supreme Judicial Court of Massachusetts, Vol. XII. Published by Little & Brown, Boston, Massachusetts, December, 1849.

Partners in Trade—Insolvent Law.

A and B, partners in trade, after signing their individual names, as sureties, to a note given by C to D, took advantage of the insolvent laws, and their joint and separate estates were assigned for the benefit of their creditors. *Held*, that D was entitled to prove his note as a debt against the separate estates of the sureties.

BY THE COURT. As the sureties signed their individual names to the note, and there is no evidence that they meant to act in their partnership capacity, the legal result is, that they bound themselves individually, and not as partners. The master, therefore, should have allowed the note to be proved against their separate estates; and the case must be remitted to him, with directions to allow it to be so proved, according to the appellants' petition.

Railroad Corporations—Loss of Baggage.

In an action against a railroad company, to recover damages for the loss of a trunk by their negligence, the plaintiff is not a competent witness, although he has no other evidence. *Linus W. Snow vs. The Eastern Railroad Company.*

This was an action of trespass upon the case, charging the defendants with having so negligently and carelessly transported the plaintiff's trunk, when he was travelling, as a passenger over their road, that the same, with its contents, was wholly lost.

At the trial in the Court of Common Pleas, before *Colby, J.* the plaintiff was admitted as a witness, to prove the contents of his trunk. He testified that it contained certain articles of wearing apparel, several books, and twenty-five dollars of money, in half eagles. He also testified to the value of the wearing apparel and books.

Under instructions in Common Pleas Court the jury returned a verdict for the plaintiff.

HUBBARD, J. on appeal. The question, whether the plaintiff was a competent witness on the trial of this action, is of much practical importance to the community, as, in consequence of the facilities for travelling, the passenger travel is constantly on the increase; and railroad corporations, being carriers of passengers and their baggage, are liable, by the rules of the common law, for losses, unless they change their liability by force of some special contract.

To admit the plaintiff's oath, in cases of this nature, would lead, we think, to much greater mischiefs, in the temptation to frauds and perjuries than can arise from excluding it. If the party about to travel, places valuable articles in his trunk, he should put them under the special charge of the carrier, with a statement of what they are, and of their value, or provide other evidence, beforehand, of the articles taken by him. If he omits to do this, he then takes the chance of loss, as to the value of the articles, and is guilty, in a degree, of negligence—the very thing with which he attempts to charge the carrier. Occasionally evils only have occurred, from such losses, through failure of proof; the relation of carriers to the party being such that the losses are usually adjusted by compromise. And there is nothing to lead us to innovate on the existing rules of evidence. No new case is presented; no facts which have not repeatedly occurred; no new combination of circumstances.

We are of opinion that the testimony of the plaintiff was improbably admitted; and the verdict is therefore set aside, and a *New trial granted*.

Usury.

The maker of a note for three thousand dollars, payable in one year, with interest semi-annually, paid a bonus of ninety dollars, at the time of giving the note, and also made one semi-annual payment of interest before the note became due: In an action on the note, the jury found that the contract was usurious, and that the amount of the usury was ninety dollars.

Held, that the forfeiture to be deducted, under the Rev. Sts. c. 35, § 2, was eight hundred and ten dollars, being threefold the amount of the bonus and of the lawful interest for one year. *Michael Whitney and another, Executors vs. John S. Tyler and another.*

This action was brought by the plaintiffs, as executors of the will of William Leach, to recover the amount of a promissory note for three thousand dollars, dated October 6th, 1836, and signed by the defendants, payable to the plaintiffs' testator, or order, in one year, with interest semi-annually.

Rights of Stockholders.

A stockholder in a bank cannot maintain an action against its directors for their negligence in so conducting its affairs that its whole capital is wasted and lost, and the shares therein rendered worthless; nor for the malfeasance of its directors in delegating the whole control of its affairs to the president and cashier, who waste and lose the whole capital. *Joseph Smith vs. John Hurd and others.*

This was a special action on the case, by a stockholder of the Phoenix Bank, against those who were directors of the said bank, for several years next

before and at the time of the failure of said bank, in October, 1842. There were two counts; one founded in nonfeasance of official duty, the other in misfeasance.

SHAW, C. J. This is certainly a case of first impression. We are not aware that any similar action has been sustained in England, or in any of the courts of this country. It is founded on no statute. It is an action on the case, at common law, brought by an individual holder of shares in an incorporated bank, against the directors, not including the president, setting forth various acts of negligence and malfeasance, through a series of years, in consequence of which, as the declaration alleges, the whole capital of the bank was wasted and lost, and the shares of the plaintiff became of no value. The circumstance that no such action has been maintained, would certainly be no decisive objection, if it could be shown to be maintainable on principle. But the fact that similar grievances have existed to a great extent, and in numberless instances, where such an action would have presented an obvious and effective remedy, affords strong proof, that in the view of all such suffering parties, and their legal advisers and guides, there was no principle on which such an action can be maintained.

The court are of opinion that the action cannot be maintained.

Transfer of Stock by Executors.

A testator in New Hampshire, who owned shares in a bank in Boston, made the following bequest to his wife, whom he made executrix of his will: "All the property, both real and personal, that I am possessed of, during her life, except my farm in the town of W. No part of the Bank stock is to be disposed of, unless her comfort should require it; but it is to be apportioned to my relations, according to her discretion, to be enjoyed by them, after her decease:" She caused the will to be proved in New Hampshire, and gave bond as executrix, but never caused the will to be allowed and recorded in this State, according to the provisions of *St. 1785, c. 12*, and *Rev. Sts. c. 62*: She also gave a power of attorney to a citizen of Boston, authorizing him to sell the shares in the bank there, which were accordingly sold by him, and a transfer thereof was made to the purchaser, in due form, on the books of the bank: After the death of the executrix, the will was duly allowed and recorded in this State, and administration, with the will annexed, was granted to H., who brought an action against the bank, to recover the dividends on the shares, from the time of the said sale and transfer. *Held*, that the executrix, as such, had the legal power to convert the shares into money, without the aid of a probate court in this State, if she could do it without legal process; that the bank was not bound to see to the application of the proceeds, nor to decide whether her comfort required the sale; that if she had no authority to appropriate the proceeds to her own use, or if she sold the shares, when she ought to have retained them, she was guilty of a violation of official duty, for which her sureties were responsible on the probate bond; and that the action could not be maintained. *Horace G. Hutchins, Administrator, vs. President, Directors, &c., of the State Bank, Boston.*

William Gardner, the testator, at the time of his decease, was the owner of one hundred shares in the capital stock of the State Bank, Boston, the certificate of which was at Portsmouth, and with his other effects came into

the hands of his widow and executrix, and was duly inventoried by her, as part of his personal estate. From 1834, when she received her letters testamentary, to 1841, she received the semi-annual dividends, payable upon these shares; and in the summer of 1841, by her attorney, Jacob Hall, she sold and transferred these shares, by a transfer entered on the books of the bank, and by a surrender of the certificate, which till then stood in the name of William Gardner, her testator.

This suit is brought to recover dividends which have accrued since the said transfer, upon the ground that this transfer by the executrix was void, that nothing passed by it, and that these shares have ever since remained a part of the assets of said Gardner's estate, and that the plaintiff, as administrator *de bonis non*, is entitled to hold them, and to claim the dividends which have accrued upon them.

The question is, whether, in permitting this transfer, made by the executrix of the will of the shareholder, proved in another State, accompanied by a surrender of the certificate, the bank were so negligent, or acted so much in their own wrong, that they are now obliged, without any equivalent or advantage to themselves, to stand responsible for the value of these shares.

It has been decided, that though the by-laws of the bank require a transfer, on the books of the bank, in order to complete the title, yet that an assignment of shares by deed vests the entire equitable and beneficial interest in the assignee, and authorizes him to demand a transfer at the bank.

With these views, the court are of opinion, that the defendants, the State Bank, were authorized and justified in paying the dividends due on these shares, before the transfer, to Mrs. Gardner, the executrix. And we think the power to transfer the stock stands on the same footing.

We think, therefore, that upon the surrender of this certificate by Mrs. Gardner, who was a rightful holder, and a transfer by her on the books of the bank, the right to the shares was duly transferred, and they ceased to be assets of the estate of the testator, before the plaintiff became administrator with the will annexed.

The provision of the Rev. Sts. c. 38, § 16, that all the members of an incorporated manufacturing company shall be jointly and severally liable, in certain cases, for the debts of the company, extends to those who are members when the liability of the company is sought to be enforced, and is not confined to those who were members when the debts were contracted. *Simeon Curtis vs. Branch Harlow.*

This was an action of trespass against the sheriff of Plymouth, for the taking and carrying away of the plaintiff's horse, cattle and sheep, by J. M. Reed, one of the defendant's deputies. At the trial before *Shaw, C. J.* the defendant justified the taking, on the facts, which were proved or admitted:—

The plaintiff requested the court to rule, that his individual property was not liable to be taken and levied on to satisfy the said execution against the corporation, because he was not a member thereof at the time when the debt was contracted, upon which the said judgment was recovered.

It may be that both those who are members at the time of the making of the contract, and those who are such at the time of the rendition of the judg-

ment, are personally liable for the debt, if there was, during the membership of each, an entire neglect to comply with the provisions of the statute. Without expressing any further opinion upon that point, we are of opinion that the plaintiff was such member, and stood in such relation to this corporation, as to subject himself to personal responsibility for the judgment recovered against the company; and that his property was liable to be taken on the execution against the company, under the provision of the Rev. Sts. c. 38, § 30.

Plaintiff nonsuit.

Stock Jobbing.

An oral contract was made in New York for the purchase of railroad stock, and afterwards the buyer paid a part of the agreed price to the seller, but finally refused to pay the balance and take the stock. *Held*, in a suit by the seller against the buyer to recover the residue of the agreed price, or damages for not performing the contract, that the case was not within that clause of the New York statute of frauds, which provides that contracts for the sale of goods or things in action shall be void, "unless the buyer shall, at the time, pay some part of the purchase money."

A contract for the sale of railroad stock by one who has previously pledged it, and of which the pawnee holds the certificate, but which the pawnor is authorized by the pawnee to sell whenever he has an opportunity, is not within the New York statute concerning stock-jobbing, which provides that all contracts for the sale or transfer of any certificate of any share or interest in the stock of any incorporated company "shall be absolutely void, unless the party contracting to sell or transfer the same shall, at the time of making such contract, be in the actual possession of the certificate or other evidence of such share or interest, or be otherwise entitled in his own right, or be duly authorized by some person so entitled, to sell or transfer the said certificate or other evidence of the share or interest so contracted for."

In an action to recover the price of railroad stock alleged to have been sold by the plaintiff to the defendant, or damages for the failure of the defendant to fulfil a contract for the purchase thereof, a certificate of the proper railroad officer, setting forth, in the usual form, that the defendant was the owner of the shares, is *prima facie* evidence of the transfer of those shares to the defendant.

A made a contract with T for the purchase of railroad shares, and afterwards paid T a part of the price: T subsequently caused the shares to be transferred to A, but he refused to take them, and T brought an action against him. *Held*, that the measure of damages was the contract price.

This was an action of assumpsit, brought by the assignee of Silas A. Stone, a bankrupt on his own petition, to recover the price of one hundred and eighty shares of the capital stock of the Hudson and Berkshire Rail Road Company, or damages for non-fulfilment of a contract made with said Stone by the defendant, in the State of New York, and there to be performed, for the purchase of said stock.

The cases upon the topics now mentioned are fully given in the twelfth volume of Metcalf's Reports, now just published. The arguments of counsel and the opinions of the court, particularly in the case of transfer by executors, are worthy the careful examination of our Massachusetts Banks.—ED. B. M.

ANNEXATION OF CUBA TO THE UNITED STATES.

From the London Times.

Whoever has glanced at a map of the West Indies must have noticed an island conspicuous above the rest for its size and its position. Commanding the entrance to the Gulf of Mexico, and possessing one of the noblest harbors in the world, Cuba crowns by her political importance the commercial advantages of a rich soil, a varied and teeming productiveness, and a climate which enjoys the genial warmth, but escapes the fiercer heats of the tropics. The occupation of such an island must give strength and wealth to any nation. Cuba is the strength and wealth of Spain. She is the last fragment of the vast colonial empire of "Spain and the Indies." Of all those splendid provinces which attested the genius of Columbus and the fortunes of the Escorial, Cuba alone is left, the earliest and the latest memorial of a brittle glory. When Cuba is wrenched from Spain, then will Spain be poor indeed. And, if our transatlantic reports prove true, this consummation is not distant.

There are but two powers in the world who could occupy the island with profit; but there is none which could occupy it without dishonesty. The two, to whom the occupation of Cuba would be profitable, are Great Britain and the United States of America. The former has a sort of equitable lien upon it for the money which she has lent to Spain. The latter has not even this right to it. Both are equally able to make themselves masters of it by force. In the hands of either, perhaps, its eventual fortunes might be the same. The possession of it by Great Britain would crush slavery and the slave trade immediately in the western seas. In the hands of the American republic it would aggravate the causes of dissension between the abolitionists and their opponents; and by the menace of a rupture ensure a compromise in favor of the slaves. But to neither can it be annexed without treachery or injustice, or the combination of both.

It is true that the President has officially and authoritatively discouraged the project of Cuba annexation. It is true that he has warned the free corps of armed adventurers, with which the eastern ports were rife, that the occupation or invasion of territory belonging to a friendly power is a violation not only of international, but of American law. It is also true, we believe, that these dissuasives and prohibitions are not merely formal and illusory. We are inclined to believe that General Taylor has scanned with correct eye the prospective dangers of enlarging the territory of the States beyond the legitimate boundary of the ocean, and that his apprehensions are not unfounded. But this, unfortunately, gives no assurance to the world that the central government at Washington will continue to maintain a pacific tone and repudiate the prize of conquest. The government of the United States is a weak government. It is often forced to follow where it wished to lead—to obey where it ought to command. Wherever the Ministry are not the willing and avowed servants of popular passion, and popular ignorance, they ultimately become their reluctant instruments. The policy of the Cabinet is oftener decided by the rapid movements of a resolute faction and the clever schemes

of unprincipled adventurers, than by the counsels of statesmen and the advice of legislators.

There is always in the States a large body of loose, reckless, and daring men, to whom all peaceful occupation is dull, the amusement of home politics rapid, and the wide plains of the Missouri and Michigan narrow and confined. They cast their eyes about the surrounding regions for novelty and excitement. Texas, Mexico, California, Mosquito, or Cuba, it is all the same to them. Neither land nor ocean bounds their desires and their curiosity. They are troubled with no unnecessary scruples; they have a philosophic indifference to treaties; they have a comprehensive ardor of acquisitiveness. If an opportunity offer itself for extending their travels and improving their fortunes in another land, they willingly seize it. They care little for proclamations from Washington and notifications from the White House. They have a shorter and readier way of solving State problems than is known to diplomatists and jurists. They put themselves into communication with the democratic, or constitutional, or some other party of a neighboring and friendly State; they send over detachments of sympathizers; they organize a conspiracy among such troops as the degenerate colonies of Spain or the unsettled republics of the New World boast of—then, when all is ripe, a fresh detachment of invaders, open and avowed, bursts across the border, unites itself to the former bands of sympathizers, corrupts, divides, or masters the native soldiery, and, taking one of the native commanders for its head, proclaims a new constitution, or, at once, annexation. The Cabinet at Washington has no option but to acquiesce in this abrupt policy, or else to endure a "Young America" on its frontiers, with all the insolence and all the licentiousness of youth. Having objected, discouraged, and forbidden, as long as it could, it is obliged, at the last hour, to sanction by its authority and solemnize by its ceremonies, the victory which it denounced, and the acquisitions which it deprecated.

Such bids fair to be the course of action in Cuba. For some time past there has been in Cuba a party friendly to America, as there used to be in the Ionian colonies parties friendly to Sparta, and in the Dorian colonies parties friendly to Athens. It would be visionary to suggest the motives which inspire the American faction in Cuba. Whether the Cuban planters think that they would get more slaves, and thus cultivate their soil more cheaply, or that the African slave trade would be suppressed, and that they would sell their slaves more dearly under the government of the States, it is idle to ask. Suffice it to say that there does exist in the Spanish colony a party friendly to the American rule; and that American patriotism is not likely to reject the advantage of such an alliance. How far the desire of such aggrandizement has spread through the republic we know not; but the history of recent invasions tells us, that when the idea of conquest has once been bruited about by rumor—when it has been seconded by the public press of America—and when the politics of the obnoxious State are favorable to interference—that the period of aggression is not remote. Any or no pretext for a rupture will suffice; and the abduction of Juan Rey, together with the subsequent trial of the Spanish Consul at New Orleans, supplies ample materials for discord, which American cupidity will clutch and American diplomacy may recognize.

How far the interests of civilization would be promoted by the substitution

of American for Spanish rule, is hard to determine. It would replace the despotism of monarchy by more than the usual laxity of a republic ; and it would introduce a new energy into the political and industrial condition of Cuba. It would weaken if not destroy the influence of its present religion, and perhaps engraft no other upon it. It would, however, sooner or later, strike a fatal blow at slavery, because it would at once destroy the slave trade with Africa. This is a good which would countervail many evils.

MEMOIR OF JACOB PERKINS.

From the Boston Courier.

A simple and unostentatious notice of the demise of this remarkable man is all the tribute that the public press has yet paid to his memory. The merits of our ingenious countryman deserve more. He has passed quietly away from the scene of his labors, but he has left his mark upon the age. The generation now existing enjoys the fruit of his toil, and generations yet to come will learn to appreciate his genius. He who contributes to the perfection of the useful arts does more for the welfare of mankind than he who conquers an empire. The true benefactors of the human race are not those who set up thrones and issue their dictates to obedient millions, but those who enlarge the sphere of human power by studies which sharpen the human intellect, develop the genius of man, and show the supremacy of mind over brute matter. Of this class of gifted minds was JACOB PERKINS.

He was descended from one of the oldest families of that ancient portion of the State of Massachusetts, the county of Essex—a region of stubborn soil, but rich in its productions of *men*. Matthew Perkins, his father, was a native of Ipswich, and his ancestor was one of the first settlers of that town. Matthew Perkins removed to Newburyport early in life, and here Jacob Perkins was born, July 9, 1766. He received such education as the common schools of that day furnished, and nothing more. What they were in 1770 may be guessed. At the age of twelve he was put apprentice to a goldsmith of Newburyport, of the name of Davis. His master died three years afterwards, and Perkins, at fifteen, was left with the management of the business. This was the age of gold beads, which our grandmothers still hold in fond remembrance—and who wonders? The young goldsmith gained great reputation for the skill and honesty with which he transformed the old Portuguese *joes*, then in circulation, into these showy ornaments for the female bosom. Shoe-buckles were another article in great vogue, and Perkins, whose inventive powers had begun to expand during his apprenticeship, turned his attention to the manufacturing of them. He discovered a new method of plating, by which he could undersell the imported buckles. This was a profitable branch of business till the revolutions of fashion drove shoe-buckles out of the market. Nothing could be done with strings, and Perkins put his head-work upon other matters.

Machinery of all sorts was then in a very rude state, and a clever artisan was scarcely to be found. It was regarded as a great achievement to effect

a rude copy of some imported machine. Under the old confederation, the State of Massachusetts established a mint for striking copper coin ; but it was not so easy to find a mechanic equal to the task of making a die. PERKINS was but twenty-one years of age when he was employed by the Government for this purpose : and the old Massachusetts cents, stamped with the Indian and the eagle, now to be seen only in collections of curiosities, are the work of his skill. He next displayed his ingenuity in nail machinery, and at the age of twenty-four invented a machine which cut and headed nails at one operation. This was first put in operation at Newburyport, and afterwards at Amesbury, on the Merrimack, where the manufacture of nails has been carried on for more than half a century.

PERKINS would have realized a great fortune from this invention, had his knowledge of the world and the tricks of trade been any way equal to his mechanical skill. But he was deprived of the profits of his invention by the incapacity or dishonesty of two scheming individuals, to whom he entrusted the business of putting his machines in operation. Others, however, made a great gain from his loss, and he turned his attention to other branches of the mechanic arts, in several of which he made essential improvements, as fire engines, hydraulic machines, &c. One of the most important of his inventions was in the engraving of bank-bills. Forty years ago counterfeiting was carried on with an audacity and a success which would seem incredible at the present time. The ease with which the clumsy engravings of the bank-bills of that day were imitated, was a temptation to every knave who could scratch copper ; and counterfeits flooded the country to the serious detriment of trade. Perkins invented the stereotype check-plate, which no art of counterfeiting could match ; and a security was thus given to bank paper which it had never before known.

There was hardly any mechanical science in which Perkins did not exercise his inquiring and inventive spirit. Whether it promised pecuniary reward or not, it was all the same to him. Whatever gave scope to his restless, inquisitive, and practical genius, whatever promised to be useful or agreeable to those around him, laid claim to the exercise of his powers. The town of Newburyport enjoyed the benefit of his skill in every way in which he could contribute to the public welfare or amusement. During the war of 1812 his ingenuity was employed in constructing machinery for boring out old honey-combed cannon, and in perfecting the science of gunnery. He was a skilful pyrotechnist, and the Newburyport fireworks of that day were thought to be unrivalled in the United States. The boys, we remember, looked up to him as a second Faust, or Cornelius Agrippa, and the writer of this article has not forgotten the delight and amazement with which he learnt from Jacob Perkins the mystery of compounding serpents and rockets.

About this time a person named Redheffer, made pretensions to a discovery of the perpetual motion. He was traversing the United States with a machine exhibiting his discovery. Certain weights moved the wheels, and when they had run down, certain other weights restored the first. The experiment seemed perfect, for the machine continued to move without cessation ; and Redheffer was trumpeted to the world as the man who had solved the great problem. Perkins gave the machine an examination, and his knowledge of the powers of mechanism enabled him to perceive at once that the

visible appliances were inadequate to the results. He saw that a hidden power existed somewhere, and his skilful calculations detected the corner of the machine from which it proceeded. "Pass a saw through that post," said he, "and your perpetual motion will stop." The imposter refused to put his machine to such a test; and for a sufficient reason. It was afterwards discovered that a cord passed through this post into the cellar, where an individual was stationed to restore the weights at every revolution.

The studies, labors, and ingenuity of Perkins were employed on so great a variety of subjects, that the task of specifying and describing them must be left to one fully acquainted with the history of the mechanic arts in the United States. A few only of the results of his skill can be mentioned here. He discovered a method of softening and hardening steel at pleasure, by which the process of engraving on that metal was facilitated in a most essential degree. By this method also engravings were transferred from one steel plate to another, thus multiplying the plates to an immense extent without the labor of reengraving. He instituted a series of experiments by which he demonstrated the compressibility of water, a problem which for centuries had baffled the ingenuity of natural philosophers. For this discovery he received a brilliant compliment from John Quincy Adams, in an oration which he delivered at Washington, while Secretary of State. In connection with this discovery, Perkins also invented the bathometer, an instrument for measuring the depth of the sea by the pressure of the water; and the pleometer, to measure a ship's rate of sailing.

Perkins continued to reside in his birthplace till 1816, when he removed from Newburyport to Boston, and subsequently to Philadelphia. His attention was now occupied by steam machinery, which was beginning to acquire importance in the United States, though no one, not even Perkins himself, had at that moment any conception of the degree to which it would revolutionize the whole system of labor, mechanism, travel, business, and social life. His researches led to the invention of a new method of generating steam, by suddenly letting a small quantity of water into a heated vessel. Our scientific knowledge is not such as to qualify us for speaking with any authority upon these matters, but if we can take the word of those who profess to be well acquainted with the subject, Perkins was the first man who investigated the property of steam at any extraordinary high pressure, and he employed it on one occasion at the rate of 65 atmospheres, or 975 pounds to the square inch. We are informed that this discovery, and another relating to the spherical property of water, both made by Perkins, long ago, have within two years been announced in France as the recent discoveries of an individual of that country.

After a short residence in Philadelphia he removed to London, where his experiments with high-pressure steam, and other exhibitions which he gave of his inventive powers, at once brought him into general notice. His uncommon mechanical genius was highly appreciated; and his steam-gun was for some time the wonder of the British metropolis. This gun he invented in the United States, and took out a patent for it in 1819. It attracted the notice of the British Government in 1823, and Perkins made experiments with it before the Duke of Wellington and a numerous party of officers. At a distance of thirty-five yards he shattered iron targets to pieces, and sent

his balls through eleven planks, one inch thick each, and placed an inch apart from one another. This gun was a very ingenious piece of workmanship, and could discharge about 1,000 balls per minute.

Perkins continued in London during the remainder of his life. He never became rich. He lacked one quality to secure success in the world—financial thrift. Every body but himself profited by his inventions. He was in fact too much in love with the excitement of the chase, to look very strongly at the pecuniary value of the game. He was often reminded by his friends of his prodigal expenditure of thought and labor, upon branches of science which could bring no immediate gain of money; but this appeal to pecuniary interests had little effect upon a mind so free from selfishness, and one which loved knowledge for its own sake and its connection with the interests of mankind. He commonly replied to these hints, by saying that he was still an “apprentice” in science, and must learn more and do more, before he could abandon his studies for mere money-making pursuits. Still he never affected to think meanly of his own capacity, but always cherished modest and manly hope that the world would do him justice by a reasonable compensation in fame and fortune. In this manner, with a mind constantly active and an undiminished ardor in the pursuit of knowledge, prodigal of his labors for the advancement of science and the public good, yet never complaining of the neglect of the world, he passed the remainder of his life. We are not able to speak positively as to his private affairs, but we believe he secured the benefit of some of his numerous inventions in such a manner as to enjoy a moderate competence to the end of his days. The inventor of a cork-screw or a quack sugar-plum has realized a princely fortune. Perkins, whose whole life was devoted to the enlargement of human knowledge, got merely bread to eat. Fame is his great reward. He gave to mechanism new powers, a new importance, and a new dignity. Speculative and practical science are both indebted to his genius. A writer well qualified to judge, says of him, regarding his experiments in high-pressure steam: “Viewing his exertions from first to last, no other mechanic of the day has done more to illustrate an obscure branch of philosophy by a series of dangerous, difficult, and expensive experiments.” We refrain from copying other testimonials of the regard in which he is held by men of scientific and philosophical acquirements; these would suit a much more extended biography.

He died in London, July 30th, 1849. The name he leaves behind him is that of the American Inventor. It is one which he deserves, and which is his true glory. He was entirely self-educated in science, and the great powers of his mind expanded by their innate force. For half a century from the hour of his birth he lived in the town of Newburyport. Here he grew up, acquired his knowledge, applied his genius to action, perfected his inventive powers, and gained all his early reputation. At the present day, when books are in the hands of every man, woman, and child, and the rudiments of scientific knowledge are presented to us in thousands of students' manuals, cyclopedias, periodicals, public lectures, &c., we can form no adequate notion of the obstacles which laid in the way of a young man beginning his scientific pursuits at the time when Perkins was a youth. Imagine the state of popular science in 1787, and some faint notion may be obtained of the difficulties which the young artist was compelled to encounter in the preliminary steps

of every undertaking. The exact sciences were but slightly regarded, even by those who made pretensions to complete learning in those days, and a great proficient in the mechanic arts could only hope to be considered in the light of a clever carpenter or blacksmith. Men did not dream of such fame as that of Watt and Arkwright. It is much to the honor of his townsmen that Perkins was, from his earliest days, held in the highest esteem by them. They fully appreciated his genius and were proud to honor him. In the latter years of his life, when far removed from the land of his birth, his thoughts and feelings always turned homeward, and he never ceased to express the hope of returning to lay his bones in his native soil. His wish has not been gratified, but his memory will remain forever connected with the spot.

~~~~~

### BANK STATISTICS.

#### *Capital, Circulation, and Deposits of the Banks in Maine, Oct. 1849.*

| <i>Location.</i>           | <i>Name of Bank.</i> | <i>Chartered.</i> | <i>Capital.</i> | <i>Circulation</i> | <i>Deposits.</i> |
|----------------------------|----------------------|-------------------|-----------------|--------------------|------------------|
| Augusta,                   | Augusta B.           | Jan. 21, 1814     | \$88,000        | \$82,355           | \$32,396         |
| "                          | Freeman's B.         | Mar. 2, 1833      | 50,000          | 61,715             | 30,327           |
| "                          | Granite B.           | April 1, 1836     | 75,000          | 86,107             | 12,702           |
| Bangor,                    | Eastern B.           | Mar. 21, 1835     | 100,000         | 96,035             | 25,271           |
| "                          | Kenduskeag B.        | July 13, 1847     | 100,000         | 82,042             | 74,447           |
| "                          | Mercantile B.        | Feb. 21, 1833     | 50,000          | 46,656             | 26,770           |
| "                          | Veazie B.            | July 14, 1848     | 100,000         | 141,719            | 59,504           |
| Bath,                      | Commercial B.        | Feb. 16, 1832     | 50,000          | 32,615             | 16,113           |
| "                          | Lincoln B.           | June 16, 1813     | 125,000         | 72,529             | 53,905           |
| "                          | Sagadahock B.        | April 1, 1836     | 50,000          | 50,220             | 84,190           |
| Belfast,                   | Belfast B.           | April 1, 1836     | 50,000          | 52,289             | 17,025           |
| Brunswick,                 | Brunswick B.         | April 1, 1836     | 60,000          | 41,680             | 19,094           |
| Biddeford,                 | Biddeford B.         | July 26, 1847     | 150,000         | 83,904             | 27,666           |
| Calais,                    | Calais B.            | April 1, 1831     | 50,000          | 35,160             | 13,026           |
| Eastport,                  | Frontier B.          | April 1, 1836     | 75,000          | 10,900             | 23,425           |
| Gardiner,                  | Gardiner B.          | Jan. 31, 1814     | 100,000         | 77,192             | 40,168           |
| Hallowell,                 | Northern B.          | Mar. 2, 1833      | 75,000          | 54,945             | 15,022           |
| Portland,                  | B. of Cumberland     | Mar. 19, 1835     | 100,000         | 72,472             | 36,542           |
| "                          | Canal B.             | Feb. 19, 1825     | 400,000         | 235,600            | 103,850          |
| "                          | Casco B.             | Feb. 18, 1824     | 300,000         | 143,873            | 107,670          |
| "                          | Manuf. & Traders' B. | Feb. 27, 1832     | 75,000          | 52,941             | 31,013           |
| "                          | Merchants' B.        | Feb. 19, 1825     | 150,000         | 106,972            | 80,276           |
| Saco,                      | Manufacturers' B.    | Feb. 23, 1825     | 100,000         | 48,405             | 24,740           |
| "                          | York B.              | April 1, 1831     | 75,000          | 65,353             | 18,092           |
| Skowhegan,                 | Skowhegan B.         | Mar. 4, 1833      | 75,000          | 51,215             | 6,276            |
| S. Berwick,                | South Berwick B.     | Jan. 31, 1823     | 100,000         | 63,786             | 10,338           |
| Thomaston,                 | Lime Rock B.         | April 1, 1836     | 100,000         | 65,280             | 27,900           |
| "                          | Thomaston B.         | Feb. 22, 1825     | 50,000          | 53,097             | 50,080           |
| Topsham,                   | Androscoggin B.      | Feb. 1, 1834      | 50,000          | 28,558             | 16,474           |
| Waldoboro',                | Medomak B.           | April 1, 1836     | 50,000          | 55,045             | 13,232           |
| Waterville,                | Ticonic B.           | April 1, 1831     | 75,000          | 73,832             | 9,934            |
| Wiscasset,                 | Mariner's B.         | Mar. 21, 1835     | 50,000          | 28,236             | 13,375           |
| Total, 32 banks, . . . . . |                      |                   | \$3,098,000     | \$2,252,764        | \$1,119,250      |

SPECIE, BANK BALANCES, AND LOANS, WITH THE RATE OF DIVIDEND LAST DECLARED.

| RESOURCES.                               | per cent. | Specie.   | Bank Balances. | Loans.      |
|------------------------------------------|-----------|-----------|----------------|-------------|
| Augusta Bank, . . . . .                  | 2         | \$16,381  | \$2,112        | \$196,400   |
| Freeman's Bank, . . . . .                | 5         | 13,042    | 20,374         | 99,422      |
| Granite Bank, . . . . .                  | 5         | 19,066    | 4,460          | 152,008     |
| Eastern Bank, . . . . .                  | 5         | 18,118    | 3,152          | 191,544     |
| Kenduskeag Bank, . . . . .               | 4½        | 13,547    | 26,735         | 193,415     |
| Mercantile Bank, . . . . .               | 4         | 7,566     | 6,860          | 98,376      |
| Veazie Bank, . . . . .                   | ..        | 73,388    | 99,435         | 134,327     |
| Commercial Bank, . . . . .               | 4         | 3,994     | 11,446         | 78,983      |
| Lincoln Bank, . . . . .                  | 5         | 6,722     | 63,160         | 182,891     |
| Sagadahock Bank, . . . . .               | ..        | 12,247    | 78,275         | 95,977      |
| Belfast Bank, . . . . .                  | 5         | 9,196     | 17,848         | 90,030      |
| Brunswick Bank, . . . . .                | 4         | 4,135     | 22,928         | 93,418      |
| Biddeford Bank, . . . . .                | 4         | 5,825     | 7,277          | 243,145     |
| Calais Bank, . . . . .                   | 3         | 5,006     | 961            | 93,480      |
| Frontier Bank, . . . . .                 | 3½        | 4,382     | 3,587          | 104,954     |
| Gardiner Bank, . . . . .                 | 5         | 13,076    | 17,472         | 183,500     |
| Northern Bank, . . . . .                 | 5         | 1,734     | 16,643         | 126,214     |
| Bank of Cumberland, . . . . .            | 4         | 12,484    | 20,148         | 150,326     |
| Canal Bank, . . . . .                    | 3         | 16,750    | 46,456         | 677,275     |
| Casco Bank, . . . . .                    | 3         | 9,330     | 62,601         | 467,741     |
| Manufacturers & Traders' Bank, . . . . . | 4         | 6,009     | 2,205          | 145,870     |
| Merchants' Bank, . . . . .               | 4         | 39,271    | 18,791         | 288,444     |
| Manufacturers' Bank, . . . . .           | 4         | 4,630     | 13,251         | 159,394     |
| York Bank, . . . . .                     | 4         | 9,344     | 17,420         | 132,532     |
| Skowhegan Bank, . . . . .                | 3         | 4,914     | 9,822          | 118,780     |
| South Berwick Bank, . . . . .            | 2½        | 1,612     | 10,062         | 162,412     |
| Lime Rock Bank, . . . . .                | 3         | 11,678    | 13,760         | 152,091     |
| Thomaston Bank, . . . . .                | 4         | 15,944    | 42,040         | 91,486      |
| Androscoggin Bank, . . . . .             | 3         | 6,706     | 14,066         | 76,020      |
| Medomak Bank, . . . . .                  | 5         | 13,353    | 21,660         | 84,814      |
| Ticonic Bank, . . . . .                  | 3         | 12,339    | 6,876          | 138,621     |
| Mariners' Bank, . . . . .                | 4         | 7,435     | 10,002         | 72,274      |
| Total, . . . . .                         |           | \$399,231 | \$711,894      | \$5,275,170 |

In the printed official statement of the Maine Banks, an error of \$60,000 occurs in the item of *specie on hand* for 1849, which is corrected in our abstract.—Ed. B. M.

Acts were passed at the last session of the Legislature to incorporate the Ellsworth Bank, Lumbermen's Bank, Winthrop Bank, and Redfield Bank. The Augusta Bank has since reduced its capital stock \$22,000, and the Biddeford Bank and Sagadahock Bank have increased their capitals \$75,000.

The preceding tables are compiled for the Bankers' Magazine from the official report of the Secretary of State. The printed copy, issued at Augusta, has numerous errors in it,—one of \$10,000, one of \$30,000, and one of \$60,000. More care should be observed in the publication of such documents.

## BANK CAPITAL OF MAINE.

## Number of Banks and Bank Capital of each Town, 1849.

| Towns.               | Banks. | Capital.  | Towns.                   | Banks. | Capital.    |
|----------------------|--------|-----------|--------------------------|--------|-------------|
| Augusta, . . . . .   | 3      | \$213,000 | Saco, . . . . .          | 2      | \$175,000   |
| Bangor, . . . . .    | 4      | 350,000   | Skowhegan, . . . . .     | 1      | 75,000      |
| Bath, . . . . .      | 3      | 225,000   | South Berwick, . . . . . | 1      | 100,000     |
| Belfast, . . . . .   | 1      | 50,000    | Thomaston, . . . . .     | 2      | 150,000     |
| Brunswick, . . . . . | 1      | 60,000    | Topsham, . . . . .       | 1      | 50,000      |
| Biddeford, . . . . . | 1      | 150,000   | Waldoborough, . . . . .  | 1      | 50,000      |
| Calais, . . . . .    | 1      | 50,000    | Waterville, . . . . .    | 1      | 75,000      |
| Eastport, . . . . .  | 1      | 75,000    | Wiscasset, . . . . .     | 1      | 50,000      |
| Gardiner, . . . . .  | 1      | 100,000   |                          |        |             |
| Hallowell, . . . . . | 1      | 75,000    | Total No. Banks,         | 32     |             |
| Portland, . . . . .  | 5      | 1,025,000 | Total am't Capital,      |        | \$3,098,000 |

## Comparative View of the Banks of Maine, 1846-1849.

| LIABILITIES.                    | 87 banks.<br>May, 1846. | 85 banks.<br>May, 1847. | 81 banks.<br>May, 1848. | 82 banks.<br>Oct. 1849. |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Capital, . . . . .              | \$3,009,000             | \$3,059,000             | \$2,920,300             | \$3,098,000             |
| Circulation, . . . . .          | 2,240,820               | 2,536,828               | 2,315,521               | 2,252,764               |
| Profits undivided, . . . . .    | 117,222                 | 149,403                 | 122,877                 | 158,250                 |
| Bank balances, . . . . .        | 93,710                  | 46,002                  | 112,955                 | 55,183                  |
| Deposits, . . . . .             | 1,058,526               | 1,149,505               | 1,107,387               | 1,094,100               |
| Deposits on interest, . . . . . | 199,120                 | 114,122                 | 22,386                  | 25,153                  |
| Total liabilities, . . . . .    | \$6,718,398             | \$7,054,860             | \$6,601,126             | \$6,683,450             |
| RESOURCES.                      | May, 1846.              | May, 1847.              | May, 1848.              | Oct. 1849.              |
| Loans, . . . . .                | \$5,391,113             | \$5,636,264             | \$5,189,088             | \$5,275,172             |
| Bank balances, . . . . .        | 769,095                 | 809,352                 | 579,143                 | 711,894                 |
| Specie on hand, . . . . .       | 219,068                 | 259,995                 | 521,536                 | 399,231                 |
| Real Estate, . . . . .          | 191,714                 | 170,432                 | 129,006                 | 118,060                 |
| Bills of Maine banks, . . . . . | 76,320                  | 86,130                  | 99,570                  | 115,135                 |
| Bills of other banks, . . . . . | 71,088                  | 92,687                  | 82,783                  | 63,958                  |
| Total resources, . . . . .      | \$6,718,398             | \$7,054,860             | \$6,601,126             | \$6,683,450             |

## Dividends of the Philadelphia Banks, 1847-8-9.

| Name of Bank.                              | Capital.    | 1847. | 1848. | 1849. |        |
|--------------------------------------------|-------------|-------|-------|-------|--------|
| Bank of Pennsylvania, . . . . .            | \$1,562,500 | 8     | 8     | 4     | July 4 |
| Bank of North America, . . . . .           | 1,000,000   | 9     | 10    | 10    | " 5    |
| Farmers & Mechanics' Bank, . . . . .       | 1,250,000   | 13½   | 12½   | 4     | Nov. 5 |
| Philadelphia Bank, . . . . .               | 1,150,000   | 8     | 12    | 7     | " 8    |
| Commercial Bank of Pennsylvania, . . . . . | 1,000,000   | 8     | 8     | 4     | " 4    |
| Girard Bank, . . . . .                     | 1,000,000   | ..    | ..    | ..    | " 2    |
| Mechanics' Bank, . . . . .                 | 800,000     | 10    | 10    | 5     | " 5    |
| Bank of the Northern Liberties, . . . . .  | 350,000     | 10    | 10    | 5     | " 5    |
| Western Bank, . . . . .                    | 318,800     | 8     | 10    | 5     | " 5    |
| Manufacturers & Mechanics' Bank, . . . . . | 300,000     | 8     | 7½    | 4     | " 4    |
| Bank of Commerce, . . . . .                | 250,000     | 3     | 6     | 3     | " 3    |
| Southwark Bank, . . . . .                  | 250,000     | 10    | 10    | 5     | " 5    |
| Kensington Bank, . . . . .                 | 250,000     | 10    | 10    | 5     | " 5    |
| Bank of Penn Township, . . . . .           | 225,000     | 12    | 10    | 5     | " 5    |
| Tradesmen's Bank, . . . . .                | .....       | ..    | ..    | ..    | " 3    |

## Massachusetts Bank Dividends, October, 1849.

|                        |                                |           |    |         |
|------------------------|--------------------------------|-----------|----|---------|
| Cambridge, . . .       | Cambridge Bank, . . . . .      | \$100,000 | 3½ | \$3,500 |
| " . . .                | Charles River Bank, . . . . .  | 100,000   | 3½ | 3,500   |
| Charlestown, . . .     | Bunker Hill Bank, . . . . .    | 150,000   | 4  | 6,000   |
| Danvers, . . . . .     | Danvers Bank, . . . . .        | 150,000   | 3  | 4,500   |
| " . . . . .            | Village Bank, . . . . .        | 120,000   | 3½ | 4,200   |
| " . . . . .            | Warren Bank, . . . . .         | 120,000   | 3½ | 4,200   |
| Gloucester, . . . . .  | Gloucester Bank, . . . . .     | 200,000   | 4  | 8,000   |
| Hingham, . . . . .     | Hingham Bank, . . . . .        | 105,000   | 4  | 4,200   |
| Lowell, . . . . .      | Appleton Bank, . . . . .       | 100,000   | 5  | 5,000   |
| " . . . . .            | Lowell Bank, . . . . .         | 200,000   | 5  | 10,000  |
| " . . . . .            | Rail Road Bank, . . . . .      | 600,000   | 4  | 24,000  |
| Newburyport, . . . . . | Mechanics' Bank, . . . . .     | 200,000   | 3  | 6,000   |
| " . . . . .            | Merchants' Bank, . . . . .     | 210,000   | 3  | 6,300   |
| " . . . . .            | Ocean Bank, . . . . .          | 100,000   | 5  | 5,000   |
| Newton, . . . . .      | Newton Bank, . . . . .         | 100,000   | 4  | 4,000   |
| Salem, . . . . .       | Asiatic Bank, . . . . .        | 200,000   | 3½ | 7,000   |
| " . . . . .            | Commercial Bank, . . . . .     | 200,000   | 4  | 8,000   |
| " . . . . .            | Exchange Bank, . . . . .       | 200,000   | 3½ | 6,750   |
| " . . . . .            | Mercantile Bank, . . . . .     | 200,000   | 3  | 6,000   |
| " . . . . .            | Merchants' Bank, . . . . .     | 200,000   | 3½ | 6,500   |
| " . . . . .            | Naumkeag Bank, . . . . .       | 500,000   | 3½ | 17,500  |
| " . . . . .            | Salem Bank, . . . . .          | 250,000   | 3  | 7,500   |
| Taunton, . . . . .     | Machinists' Bank, . . . . .    | 100,000   | 3  | 3,000   |
| " . . . . .            | Bristol County Bank, . . . . . | 200,000   | 4  | 8,000   |
| " . . . . .            | Taunton Bank, . . . . .        | 200,000   | 4  | 8,000   |
| Worcester, . . . . .   | Central Bank, . . . . .        | 100,000   | 3½ | 3,500   |
| " . . . . .            | Citizens' Bank, . . . . .      | 150,000   | 4  | 6,000   |
| " . . . . .            | Mechanics' Bank, . . . . .     | 100,000   | 3  | 3,000   |
| " . . . . .            | Quinsigamond Bank, . . . . .   | 100,000   | 3½ | 3,500   |
| " . . . . .            | Worcester Bank, . . . . .      | 200,000   | 4  | 8,000   |

An average of 3 68-100 per cent. for 6 months, after paying a State tax of one per cent. per annum, and municipal taxes.

**THE HOME JOURNAL.**—Every reading family takes at least one weekly journal. The Home Journal is one of the most attractive sheets issued by the weekly press. Its columns are filled with choice articles of the most unexceptionable character, and it is one of the few weeklies that may be read aloud in a family without giving offence to the most fastidious. For the small price of two dollars per year, it furnishes highly agreeable reading, a fine quality of paper, and type that *he who runs may read*. Its mechanical execution is of the first order. [*Published by Morris and Willis, Fulton street, New York.*]

**AMERICAN JOURNAL OF SCIENCE AND THE ARTS.**—This work has long enjoyed a high reputation. It is an honor to American literature and has contributed more than any other American scientific work, to the credit of our literature abroad. The Journal is now issued six times a year, in numbers of 128 pages. The plan of the work contemplates scientific intelligence upon subjects of Chemistry and Physics, Mineralogy, Geology, Zoology, Astronomy, &c. Among the able articles in the November number may be found contributions upon *the Conducting Power of Solid and Liquid Bodies*; on Smelting Copper; on the Variations in the Declination of the Magnetic Needle; on the Mineral Waters of Western Canada; with miscellaneous intelligence upon the various branches of science. [*Published in January and alternate months, by B. and B. Silliman, New Haven. Five dollars per annum.*]

## STATE FINANCES.

## GEORGIA.

Extracts from the annual message of Governor George W. Towns, to the Legislature of Georgia, November 6, 1849.

It will be seen by reference to the last message of my predecessor, that the public debt at that time was \$1,579,875.60. (This sum exceeded the true amount, as has been since ascertained, \$1,000.) At the session of 1847, \$375,000 were appropriated for the completion of the Western and Atlantic Rail-Road, and \$22,222.22 for the payment of the claim of Peter Trezevant—making the entire public debt and the liabilities incurred by the acts of 1847, \$1,976,097.82 on the 1st day of January, 1848.

The bonds directed to be issued for the completion of the W. and A. R. Road, and for the payment of the claim of Peter Trezevant, were prepared with as little delay as possible; the former were placed in the hands of the chief engineer, from time to time, to be applied to the construction of the railway from Dalton to Chattanooga, and the latter paid over to the agent of Trezevant in discharge of his claim against the State. In addition to the bonds referred to, before the close of the last session of the General Assembly, it was found necessary to make provision for the discharge of sundry obligations, entered into by Gov. Crawford and the late chief engineer of the W. and A. R. Road, (Mr Garnett,) with certain banks and individuals, secured by the hypothecation of the State's 6 per cent. bonds, amounting to the aggregate sum of \$183,500.00. This class of bonds was made to draw interest at the rate of 7 per cent. per annum. From the neat style in which they were gotten up, the facilities extended to the holders in collecting the interest, as it falls due, at convenient commercial points, an additional value was imparted to these securities, that enabled me to effect a satisfactory arrangement with this class of the public creditors, by the substitution of the new issue of 7 per cents. for the hypothecated bonds of an equal amount, and also to redeem the obligations of the late governor and chief engineer, although, in a few instances, past due.

In consummating this arrangement, it is gratifying to state, that no additional burden was imposed upon the Treasury, except the small expense incurred in preparing the bonds, conducting negotiations, and the difference between the rate of interest of the bonds hypothecated and the issue substituted under the act of 1847. Under an act passed at the last session, for the relief of the Central Bank, bonds to the amount of \$225,000 were issued in 1848, and \$237,000 in the present year, to meet the accruing liabilities falling due in the same period.

At the close of the fiscal year 1847, the bonded debt of the bank was \$500,452.80—it is now reported to me by the cashier, to be \$447,000. The \$500,452.80 were drawing 8 per cent. interest, the present amount 7 per cent. By the sale of the bonds issued in 1848 and 1849, there has been a saving to the bank, on the interest account, of about \$6,870. This has been effected without the slightest shock to the credit of the bank, or the least encroachment upon private rights. A registry of all the bonds issued under

the authority of the different acts passed in 1847, has been carefully kept in this department, which shows the number, date, when and where redeemable, the rate of interest and when payable, and every material fact descriptive of the bonds and the coupons thereto attached.

Measures were taken, at an early day, to engage the services of a reliable house in London, to whom remittances could be made to meet the interest, as it falls due, on the foreign debt, which is now reduced to £15,000—the entire balance of the sterling bonds held by Messrs. Reid, Irving & Co., amounting to £15,130 6, with interest and commissions, having been paid early in 1848. The act of 22d Dec., 1848, having provided a fund for the discharge of the Reid, Irving & Co. debt only, and not a permanent sinking fund, the inquiry naturally arose, at the close of the last year, as to what application should be made of a balance, which, it was then ascertained, would be in the Treasury at the close of the present year. Believing it to be my duty, not to permit a large sum of the public money to remain in the Treasury, idle and unproductive, and being sustained in this view by the Financial Committee appointed at the close of the fiscal year 1848, I adopted the suggestion contained in their report, herewith transmitted, and redeemed of the bonds issued under the act of 1847 for the completion of the Western and Atlantic Rail Road, the sum of \$75,000.

As a part of the inducement for the selection of these in preference to other securities, I might mention that a most advantageous contract had been made by the Railroad contractors with the Coalbrookdale Company, of Great Britain, for the delivery in Savannah of the iron necessary for the completion of the railway. The iron, to the value of \$75,000, under the arrangement, was pledged to the State, making it her property at a price below its market value at that time, as an additional security. In any event, the interest of the State was abundantly protected, and by it the completion of the road will be accomplished at an earlier day than could have been anticipated without this assistance. The step is also deemed defensible on the ground, that bonds at 7 per cent. interest, amounting to more than six hundred thousand dollars, for the relief of the Central Bank and the redemption of the hypothecated bonds already referred to, had been thrown upon the market, and were preferred securities by purchasers—and consequently expelled the six per cent. Railroad bonds, or forced the holders to submit to a reduction equivalent to the difference of interest in the two securities. This inequality in the value of the bonds, produced by the different rates of interest, was embarrassing, and threatened serious delay in the completion of the road; it was, however, in some measure, overcome by the policy adopted, and the necessary funds to prosecute the work of extension, were obtained.

Serious inconvenience results to the holders of our State securities issued previous to the year 1848, from the necessity imposed of having to present them at the board of the Treasury, for the coupons to be detached in the presence of the Treasurer, before payment is had, or to obtain the signature of that officer on the back of each coupon payable during his term of office. The sole object of this requirement was to prevent frauds upon the Treasury. If it could be relied on above all other means for this object, it might be defended with propriety; but this is not believed to be the case. It is thought that the plan adopted, in the issuing of bonds during the last and pres-

ent years, of having the coupons signed, numbered, and dated, and a correct register of the same kept, is the most reliable mode of detecting any imposition that may be attempted on the Treasury.

No good reason is seen why all of our bond-holders should not be placed on the same footing: and certainly our early creditors are entitled to as high consideration, and should have as many facilities afforded them for collecting their interest, as those of a later period. As an additional reason, it may well be considered whether the obtaining of a register of all the bonds issued by the State, which is not now the case, would not justify the expense and labor of preparing new bonds, to be substituted in the place of the old ones. The subject is commended to your favorable consideration.

The reports for the financial years, 1848 and 1849, of the treasurer and comptroller general, are herewith transmitted. By law it is made the duty of the treasurer, to submit to the General Assembly, estimates of the probable receipts and expenditures of the government for the next two years.

This officer, from the very nature and character of his duties, is made the authoritative medium by which you and the country are informed, at the opening of each session, of the amount of income received from all sources and the actual expenditures for the two preceding years—and the estimated receipts and the expenditures for the two succeeding years, for your guidance and direction. My attention, on first entering upon the duties of the executive office, was turned to the Treasurer's Report submitted to the Legislature of 1847, and more especially, as the reliability of that report was virtually endorsed in the late governor's communication, by adopting it as the basis of the financial measures recommended by him to the Legislature for adoption.

By comparing the estimates submitted to the General Assembly in 1847, of probable receipts and expenditures for the political years 1848 and 1849, with actual receipts and expenditures for the same period, the result will not fail to convince you how little reliance is to be placed upon all estimates of income and expenditure, made under the present tax act. What is true of the two last years, will be found to be also true of the two previous years.

This comparison is not invited with the remotest view of reflecting upon the capacity or integrity of the officers in charge of the Treasury at the periods referred to; but my object is higher—it is to show first, that the fault is not with the officer at the head of the Treasury, but with our whole system for collecting revenue; and that as long as it is maintained, results are, and will continue to be, exposed to great fluctuations; and secondly, to expose the unreliable data, upon which I felt it to be my duty to reject the tax act of the last session, among other reasons, because of its apparent insufficiency to raise adequate income to meet all charges upon the Treasury.

It will be seen that the sum of \$67,351.52 was the total available balance in the Treasury at the close of the present financial year; from this sum, are \$25,172.21 of undrawn appropriations, \$15,199.30 of the tax of the year 1850 collected, and \$9,625.50 dividends on "Education Fund," to be deducted, leaving a surplus, at the close of the fiscal year just ended, of \$17,534.51. Of the undrawn appropriations, it is probable that \$3,000 will revert to the Treasury—making the actual surplus about \$20,534.50—subject to any future appropriation the Legislature may make. It is not

believed that a higher rate of tax will be required, if the present system is continued; nor do I feel at liberty to recommend any reduction. This must depend, in a great measure, upon the appropriations, ordinary and extraordinary, of the present session, and the sum that may, finally, be established by law as an annual sinking fund—a measure that should claim your early attention.

The public debt is now, \$1,828,472.22. Of this sum, less than \$23,000 are payable in January, 1858, and \$10,000 in July, 1863. The balance of our bonds are payable from 1863 to 1874—making the entire public debt redeemable in twenty-five years.

To provide a sinking fund for this object, in equal annual instalments, would require less than \$74,000.

If the balance of the debt contracted for the extension of the Western and Atlantic Railroad, of \$300,000, be deducted in your estimates, you should then make provision for one million and a half, in round numbers, and consequently reduce your sinking fund to \$60,000 per annum.

This amount, at least, should be provided by law as a permanent annual sinking fund; and in addition, it is recommended, that authority be given to apply to the same object any surplus that may be in the Treasury at the close of each fiscal year.

By the adoption of the policy suggested, the public debt can be fully discharged at or before the respective periods at which our bonds fall due, by a process certain to sustain the par value of our securities, and by imposing upon the people a burden so light as to produce no derangement in business transactions or discontent in the public mind.

In the foregoing statement no estimate is made for the ultimate liability of the State on account of the Central Bank—which, though not yet ascertained, it is believed will not fall short of \$200,000—and for the payment of this amount, when it becomes due, provision should now be made.

Among the interesting subjects that will claim your attention during the present session, is the adoption of a system of finance, equal in its burdens upon all interests, and, at the same time, adequate to the wants of the State. I entertain the opinion that the true policy of the State in raising revenue from its citizens, is never to demand more than its necessities require, on the one hand, nor fail in exacting an adequate sum for that purpose, on the other. It has long been a source of regret and surprise that a system of finance accomplishing this object, has never been adopted. In reviewing our legislation on the subject, it will not fail to occur to you that interesting as it is, and involving, as it does, the essential principles of good faith in every monetary transaction by the government, as well as the most delicate of all relations between the representative and constituent, it has shared most sparingly of the care and deliberation of those to whom the subject has been heretofore committed. Since the year 1804, but little has been done in the way of improvement to the system then adopted. Did this proceed from the conviction resting upon the public mind that the system then adopted was just and equal, or that it was reliable for its certainty in bringing an adequate supply to the Treasury? Or did it originate from the want of moral firmness, or industry, to investigate, expose, and reform a system wrong in itself, because of some imaginary dread of the constituent? If the latter,

be assured that the representative has nothing to fear from his constituents, if his measures are just and equal to all. The people are honest ; they are just, and expect of you the adoption of measures in strict unison with those noble principles which will ever receive their cordial greeting.

Whatever, therefore, may be the wants of the State, created by proper legislation, having due regard to economy, every right-minded man will cheerfully contribute his quota. Place your tax act upon the plain principles of equality of burdens and equality of benefit, and the people will sustain you. Viewing as an evil of no ordinary magnitude the present system of specific taxation, with odious discriminations in reference to property and persons, I feel it to be an imperative duty, most respectfully but earnestly, to urge upon you its repeal and the adoption of an ad valorem tax.

---

T E N N E S S E E .

Extracts from the annual message of Governor Neil S. Brown, to the Legislature of Tennessee, October 5, 1849.

The Bank of Tennessee has at all times, since its creation, formed a subject of deep interest to the State. Much depends upon it. It is the great paymaster for all the public obligations. So far, it has certainly met all demands against it—has, in the main, been well conducted ; and its profits have been equal to those of most other banking institutions of the day. But I think it can be demonstrated that there has been a loss of the capital of the bank to the amount of near eight hundred thousand dollars, if not more. I mean it has taken that much, together with its net profits, to discharge the obligations that have, from time to time, been imposed upon it. If this be so, the result sooner or later, and at no distant day, cannot be mistaken—it must end disastrously.

To determine whether there has been this loss of capital we need only refer to the history of its operations, and the reports made from time to time. Whether the amount of the loss upon the capital of the bank is correctly stated or not, it is certain there has been a loss, and that on the 1st of January, 1848, it amounted to \$777,360.69 according to the report of the joint select committee of the last session of the General Assembly. This is a state of things that ought not to be permitted to continue. The evil arises from the fact, that the bank has been required to do impossibilities. It has made an average profit of about seven per cent., taking the whole term of years since it was organized ; but to meet all the liabilities imposed upon it, would require a profit of about ten or eleven per cent. This it cannot, and ought not to be expected to accomplish. If the present line of policy is continued, we must look forward to the time when the whole capital of the bank shall have been expended. That capital, as is known, embraces the common school fund, and the surplus revenue fund deposited with the State by the General Government. If the latter should ever be called for it would present to us a melancholy alternative—while there is but little probability that the former would ever be supplied, however solemnly it has been pledged by the Constitution, and however ardently it has been cherished by the friends

of education. The real capital of the bank at present, does not exceed two millions and a half; and if we assume that the net profits will hereafter amount to seven per cent. per annum, we would realize an aggregate profit of \$175,000 per annum. With this sum, according to the stated liabilities in 1847, we would have to meet \$271,712 87, which shows a deficit at that date of \$96,712 87. This calculation allows nothing for the increased liabilities of the bank for the last two years, nor for the reduction in the capital by the current drain. The bank began its operations on the 1st of July, 1838, with a capital of \$3,226,976 82, and by the 1st of July, 1849, has lost the sum of \$800,000, as is believed. Now, at this rate of loss it can be demonstrated that in sixteen years the whole capital will have been expended. No man who wishes well to the prosperity of the State, desires such a result. And yet it is to me most manifest, if the bank is continued with the present encumbrances upon it. The policy of the gradual liquidation has heretofore been tested by your predecessors and was zealously advocated by many. Others there were, who, while they conceded the evils connected with the institution, were deterred from fixing a period to its duration, by the fear of what they deemed greater evils. The bank then, as now, with its numerous branches, furnishes a large portion of the circulating medium of the country, and is convenient for many purposes—both to the State and to the people. The public mind was not then prepared for its withdrawal. Whether it is now, you will determine. A more intimate acquaintance in the last two years, with the history and operations of the bank, has satisfied me, that the public interest requires that it should either be discontinued, or that it should be so far relieved from its obligations as to save its capital from further reduction.

Indisposed at all times to favor a radical change upon questions of mere domestic policy, while any reasonable ground of success remains, I would be willing to see the bank continued for the present, if the relief indicated is extended to it. This I think can be accomplished by making the Treasury chargeable with all the liabilities which now rest upon the bank; and responsible for any deficit in the means of payment. In this way, whatever profits the bank may realize, will go into the Treasury, and upon accounting with the Treasury for its profits, let the bank be discharged from further obligation. Under the present system, if the profits of the bank are inadequate, as they have been, the capital is made to supply the deficit; and thus we are presented with a policy, which, in the case of an individual in private life, would be universally condemned, and lead inevitably to poverty and bankruptcy. This policy is also recommended by its simplicity, irrespective of the condition of the bank. It would render the state of our resources less complex, and manifest at all times, without dispute or cavil, the precise amount of available means. And what objection can be taken to this course of policy? Let us not be startled at the idea of an increase of taxation to make up any deficit. I believe no such necessity will arise. But if it does, we ought to know it in due time, and not wait until the whole capital of the bank is expended—until necessities multiply upon us to an extent beyond our ability to meet.

If the bank is put in a state of liquidation, it should of course be so gradual as not to impair the business of the country, or lessen the circulation. As

the vacuum is formed it would be supplied from other banks now in existence, or such as you may choose to create.

I am, then, prepared, and do earnestly recommend, that the bank be either discontinued or disencumbered. Either policy is decidedly preferable to the present. Either would be safe to the best interests of the State, while the present is destined, in my judgment, to be disastrous.

The subject of Internal Improvement is one which is exciting more interest at present, than any perhaps which will enter into your deliberations. And it is gratifying to witness the spirit which now pervades the different sections of the State with regard to it. The Nashville and Chattanooga railroad, and the East Tennessee and Georgia railroad are in a state of vigorous progress, and furnish assurances of their completion at no distant day. Much interest is also felt in upper East Tennessee, in favor of a road from Knoxville to the Virginia line, chartered at your last session. These enterprises are all rendered more important by the policy of the State of Virginia, which promises the construction of a route from the Tennessee line to Lynchburg, thus presenting the prospect of a line of railroad, almost unbroken from Nashville to the Eastern Atlantic; while, by the enlightened policy and liberal enterprise of the people and State of Georgia, a continuous line is opening to us, to the Southern Atlantic. The vast advantages presented by these works, appeal to your enlightened policy for all the aid in your power to bestow, to ensure their completion. Although the State debt is now considerable, yet it is not such in my opinion, considering the amount of our means, as to deter us from still further appropriations of the public credit in aid of specific objects. I say in aid of specific objects, for I hope never again to see the indiscriminate policy of the act of 1837-8 resorted to by the State. Such a policy, if persevered in, would bankrupt any State in the world. The tendency was to construct any and every sort of road, without reference to its importance or value. The upper East Tennessee route, viewed both in its local bearing upon the interests of that section of the State, and as a part of the great chain connecting us with the Eastern Atlantic, becomes an enterprise of the highest value. Indeed, it is indispensable, and I have no hesitation in recommending it as deserving a liberal patronage at the hands of the State. How much may be needed, remains to be seen; and how much should be granted, you will determine. It is not to be expected that private enterprise alone can build the road—it is a work of too much magnitude. The advantages of this branch of improvement to East Tennessee are apparent. No man can contemplate her condition and natural resources, without being impressed with it. But these works, though directly connected with East and a portion of Middle Tennessee, are important to the whole State. They form the basis of other and similar enterprises already in agitation, and destined, at no distant day, I trust, to be carried out. Looking at the spirit of the day upon such subjects, and the necessity of multiplying outlets to market, no one can believe for a moment that the Nashville and Chattanooga railroad will be limited to its present terminus. And to all who indulge an enlarged view of the interests of the whole State, it must be a desirable object to see this road extended from Nashville, or some intermediate point West to Memphis. The Western portion of the State is interested in such a communication to the East and Southeast. And so are

other sections of the State, in a speedy approach to the Mississippi and the Southwest. The extension of this route West, would complete the chain from one end of the State to the other. And besides the commercial advantages to flow from it, it would bring into constant and close communication, the people of all portions of the State; a result greatly to be desired, in every view of our social and domestic well-being. I trust you may concur with me in the importance and practicability of the route from Nashville to Memphis, and grant a charter, with such pledges of aid from the State as you may deem safe. I do not doubt but the greater portion of the stock, at least, would be taken, as the line would pass through many counties of great wealth and resources, and deeply interested by their locality in the attainment of such a road. I need not employ arguments or facts to enforce the incalculable benefits of such a line of railroad to the people of Tennessee. Remote from the ocean and lakes, and limited, and to a great extent excluded from water communication, this State, with all its vast resources, has been kept in the rear of improvements which now mark the age. Our growth in numbers and wealth, though considerable, has been slow, compared to our capabilities. This is a question which addresses the interest of every farmer and mechanic in the land, more especially, they being producers and directly concerned in the enjoyment of a speedy and certain market. The interest of all others compared to theirs, is but secondary. But there is another inducement, which appeals alike to all. The construction of such a road throughout the length of the State, would conduce to the growth of manufactures in all their variety. Besides its influence in enticing the capital of our own people into that department of industry, it would not fail to bring into our midst the capital and enterprise of other States. Our natural resources, agricultural, mineral and manufacturing, are well known and appreciated. Development ought to be the order of the day, at least in the politics of Tennessee. The property-holder and the non-property-holder are equally interested: the former in the increased value of what he has, and the latter in the acquisition of means for the attainment of property.

And if we need the stimulus of example upon this subject, we have it in the policy of our sister State of Georgia. That State has the honor of being foremost, among all the Southern States, in this great branch of enterprise. Though bounded on her southern limits, by the Atlantic shore, and enjoying many navigable rivers, yet, not content with these natural advantages, far superior to ours, her public undertakings for railroads already amount to about six millions, while private enterprise has incurred an equal sum, on the same account. The results so far have been propitious, and promise the certainty of a new era in the wealth and commerce of that State.

---

**BANK OF THE STATE OF SOUTH CAROLINA.**—The charter of the Bank of the State of S. C. expires on the 1st of May, 1856. The first instalment of the Fire Loan, amounting to \$534,461.12, is due in Europe in 1858. The second instalment, amounting to \$538,794.49, is due also in Europe in 1868. Two other instalments, amounting to \$808,031.14, are payable in this country in the years 1860 and 1870. It will be thus perceived that the charter expires two years before the first instalment on the Fire Loan, and fourteen years before the last instalment becomes payable.

## MICHIGAN.

The indebtedness of the State of Michigan is as follows :

|                                                                                                |              |
|------------------------------------------------------------------------------------------------|--------------|
| Five Million Loan Bonds, due Jan., 1850, . . . . .                                             | \$49,979.20  |
| General Fund Bonds, due May, 1856, . . . . .                                                   | 100,000.00   |
| Detroit and Pontiac R. R. Stock, due July, 1858, . . . . .                                     | 100,000.00   |
| Penitentiary Bonds, due Jan., 1859, . . . . .                                                  | 20,000.00    |
| do do do 1860, . . . . .                                                                       | 40,000.00    |
| Full paid Million Loan Bond, due Jan., 1863, . . . . .                                         | 215,000.00   |
| Part paid do do fundable, including interest to<br>Jan., 1849, due Jan., 1863, . . . . .       | 1,573,554.23 |
| Less \$83,000 part paid bonds.                                                                 |              |
| Internal Improvement Warrant bonds, issued up to Oct. 25th,<br>1849, due Jan., 1870, . . . . . | 196,200.00   |
| Internal Improvement Warrant bonds, issuable, estimated,<br>due Jan., 1870, . . . . .          | 60,000.00    |
| (Funded or fundable debt, \$2,437,733.43.)                                                     |              |

## LOANS FROM TRUST FUNDS.

|                                         |            |
|-----------------------------------------|------------|
| Due Primary School Fund, . . . . .      | 157,331.34 |
| Due University Fund, . . . . .          | 90,958.71  |
| (Loans from trust funds, \$248,290.05.) |            |

|                                               |              |
|-----------------------------------------------|--------------|
| Total aggregate State indebtedness, . . . . . | 2,603,023.48 |
| Less available resources, . . . . .           | 889,228.87   |

Leaving actual State debt Dec. 1st, 1848, . . . . . \$1,713,694.61

All at 6 per cent. interest, payable semi-annually in the city of New York, excepting the Penitentiary Bonds interest, which is payable in Michigan.

THE LONDON MONEY MARKET.—September, 1849. Affairs continue *en calme* in the mercantile world. Bullion accumulates still, both in the Bank of England and the Bank of France, and discounts, though not quite so easy here as last week, show no quotable advance. There is a loan advertised in our papers by a London firm, on behalf of the French Government, for a considerable sum, on the security of lands; but as yet we hear of few tenders being made, although the tempting boon of six per cent. is held out. Nor do we think it likely that English capitalists will invest freely in a country where revolutions are *improvised* so readily as in France. As events would appear to be tending towards an expansion of our general trade, it is not impossible that a greater demand for accommodation may spring up before Christmas, and money become consequently dearer, unless met by heavy arrivals of the precious metals from California and other quarters. The Funds continue to range within a marvelously limited margin, and the Railway Share Market, in the result of the unsatisfactory half yearly meeting just held, remains more than ever depressed. With regard to railway matters, we believe, however; that the worst is past, and that we shall now have permanent though perhaps tardy improvement. \* \*

The late Mr. Denison, M. P., of the London banking firm (Denison, Heywood, Kennards & Co., 4 Lombard street) has died worth above two and a half millions sterling. It is within the recollection of many persons when his father used to take home his rump-steak in a cabbage-leaf to Saint Mary Axe for dinner.—*London Correspondent National Intelligencer.*

**A NEW DYNASTY MUST BE BAPTIZED IN BLOOD.**—The quantity of blood which was shed in France during the reign of terror will hardly be credited in future ages. Prudhomme, who, as a republican, could scarcely be disposed to exaggerate the crimes committed by the popular party, gives the following appalling enumeration of the victims of the revolution of 1793.

There were guillotined by sentences of the revolutionary tribunals—

|                                           |        |                                         |           |
|-------------------------------------------|--------|-----------------------------------------|-----------|
| Nobility of both sexes, . . . . .         | 2,028  | Women died from grief, . . . . .        | 3,748     |
| Wives of laborers and artisans, . . . . . | 1,467  | Women killed at La Vendée, . . . . .    | 15,000    |
| Priests, . . . . .                        | 1,135  | Children “ “ . . . . .                  | 22,000    |
| Religieuses, . . . . .                    | 350    | Men “ “ . . . . .                       | 900,000   |
| Common persons, . . . . .                 | 13,623 | Victims of Carrier at Nantes, . . . . . | 32,000    |
|                                           | 18,603 | Killed at Lyons, . . . . .              | 31,000    |
|                                           |        | A total of . . . . .                    | 1,022,351 |

Of the victims sacrificed by Carrier, 500 children were shot and 1,500 drowned; 264 women were shot and 500 drowned; 300 priests were shot and 460 drowned; 1,400 nobles were drowned, and 5,300 artisans were drowned.

The general results of this enumeration are strikingly curious. The nobles and priests guillotined are only 2,413, whilst the persons of plebeian origin put to death in this manner were above 13,000. The nobles and priests exterminated at Nantes do not much exceed 2,000; the infants drowned and shot amount exactly to this number, and the artisans drowned exceed five thousand. It thus appears that the middling and lower ranks were the greatest sufferers by the revolution, which professed to have been undertaken and carried on exclusively in their interest. Finally, the total number of persons destroyed at Nantes and Lyons alone exceeded the total number guillotined in virtue of the judgments pronounced by the revolutionary tribunals, by no less than 42,397.

In this enumeration are not included the massacres at Versailles, the Abbaye, the Carmes, and other prisons, on the 2d of September; the victims of the Glaciere of Avignon; and those shot at Toulon and Marseilles; nor the persons slain in the little town of Bedoin, which was almost entirely depopulated.—*Prudhomme and Chateaubriand.*

**THE LAST OF THE MONSTER.**—The Stone Banking House, on Main street, between Third and Fourth, built many years ago by the Bank of Cincinnati, and afterwards owned and occupied by the Bank of the United States, has disappeared—not a single stone is now lying on the top of another! This was a substantial building, and a splendid one in its day, but it occupied too much terra firma for these days of high prices and high buildings. The Bank U. States sold it to the old Commercial Bank—the trustees settling up the affairs of that bank since its charter expired, sold it to a company for the new Commercial. A part of the House was taken down two or three months since, and a fine new iron and stone building has been since erected, which is occupied as a bank. Now the rest is torn down to make way for two new structures. Thus three buildings take the place of the old one on the Main street front, and there is a front of equal extent on Hammond street, formerly Bank Alley.—*Cincinnati Gazette, 24 August*

**A DANGEROUS COUNTERFEIT.**—We were shown on Thursday morning a counterfeit half eagle, so skilfully made as to render it necessary for all to be on their guard. It was taken at one of our banks, where it escaped detection, and was paid out. Subsequently it was received at the Custom House, and was only detected by its trial upon the delicate scales in use there. The coin is, on the surface, of pure gold, and the impressions are in every respect perfect imitations of the genuine. Upon breaking it open, however, it was ascertained that the gold was only about the thickness of ordinary writing paper, the inner part being of zinc, lead, or some other base metal. The difference in the weight of this and the genuine half-eagle is scarcely appreciable upon ordinary scales; and the external appearance is so exactly like those issued from the mint, as to prevent the detection of the counterfeit by an ocular examination. Let all be on their guard against it.—*Phila. Bulletin, 28 September.*

**IMPORTANT ARREST OF COUNTERFEITERS.**—About two years ago, a batch of counterfeit bills on the New Haven Bank, Conn., (tens, fives, twos,) made their appearance, which created much astonishment by the accuracy with which they were engraved, and the skill with which the names, &c., were filled in with the pen. No trace, however, could be obtained of the counterfeiters, and the affair at length passed off, and was partially forgotten. Only about \$1500 of this emission was ever discovered by the bank.

About one year ago, the five and ten dollar bills of the New Haven County Bank, at New Haven, were counterfeited, with the same mystery as to the engraving, and the same extraordinary skill in the signatures. Of this emission some \$3000 or \$4000 were discovered by the bank.

The two banks, thereupon, made the most vigorous and persevering efforts to detect the villains, but without success. They also warned the public to beware of said counterfeit bills, and immediately took measures to procure entirely new plates and new paper, calling in their old emissions as fast as possible. This was at length nearly accomplished, when, in August last, the officers of the New Haven Bank were astounded by the discovery that their new five dollar plate had been counterfeited, with the same exact imitation as the old, and with even more perfection in the (manuscript) signatures. Of this emission, only \$300 or \$400 has been discovered by the bank.

Since the appearance of this *third* counterfeit, the two banks have been unceasing in their efforts to solve the mystery, and bring the offenders to justice. We rejoice to say that their efforts have at length been crowned with success. Within the last few days, Henry Knickerbacker, William E. Brockway, and a man by the name of Synder, have been arrested at Hudson, on a charge of being concerned in getting up or passing those counterfeit bills, or both, and having been subjected to a long and rigid examination, facts were elicited which leave no reasonable doubt that some, if not all of them, were guilty. Brockway was shown to have had an active agency in getting up the counterfeit bills, and was probably at the bottom of the whole affair. Besides the above, three persons have been arrested at Brooklyn, one in this city, and one elsewhere, making eight, supposed to have been concerned in the villainy. The officers of justice are in pursuit of still others of the same gang. Altogether, it was one of the most dangerous combinations to defraud the public, that ever existed in this country, and we may well congratulate the community if it is at length broken up.

The prominent part taken in the counterfeiting by Brockway, was made known by Knickerbacker, (who was first arrested,) but not till many ineffectual efforts had been made to induce him to confess. Among other things, Knickerbacker states that he received \$4000 of the counterfeit bills from Brockway, for the purpose of getting them exchanged for other bills, but that finding some difficulty in so doing, he returned \$3,500 of them to Brockway.

It was conclusively shown that the three counterfeit bills were perpetrated by the same gang. It is admitted, we understand, by both banks, that the first counterfeit bills on those institutions must have been printed from the genuine plates. As to the recent counterfeit on the New Haven Bank, the case is not so clear, but there would seem to be a strong presumption in favor of the supposition, from the fact that Brockway was formerly a journeyman in the office at New Haven, where the genuine bills of both banks were, at that time, printed.

It further appeared that the villains had not confined their operations to the New Haven Banks, but had got up and issued counterfeit twos on the North River Bank in this city, and also counterfeit bills on one or two other banks.

These facts we have obtained from undoubted sources, and they cannot fail to be interesting to the public.—*N. Y. Journal of Commerce, Nov. 5.*

**THE FRENCH ARMY.**—The Army of France is to be reduced to a peace establishment. On the 1st of September, 1840, it amounted to 503,000 men. On the 1st of October the 40,000 of the contingent of 1842 will be discharged, and 40,000 more of the same will receive leave of absence without pay. Before December 80,000 more men will be similarly disposed of, and by the 1st of January, 1850, the peace establishment of 360,000 will be resumed.

## NOTICES OF NEW BOOKS, &amp;c.

**BANK NOTE PAPER.**—We have before us a beautiful specimen of bank note paper which received the premium medal given by the American Institute of New York. The manufacturers are Messrs. Crane & Co., of Dalton, Massachusetts. Fine engraving and superior paper are the most effectual checks to counterfeiting; and when we look at some of the bank issues which come before us every week, the engraving unworthy an apprentice, and the paper not much superior to ordinary writing paper, it is not surprising that the counterfeiters are encouraged to continue their swindling operations. The cost of the best article is but little beyond that of the indifferent one; and we are sure that our banking friends will consult their own interests by a trial of the paper made by Messrs. Crane & Co.

**THE AMERICAN ALMANAC FOR 1850.**—This valuable periodical has now reached its twenty-first volume, and comprises 350 closely printed pages, filled with useful statistical information, historical and original matter, which render it one of the most comprehensive works issued in this country. It contains copious details relating to the executive, the courts, finances, public schools, internal improvements of each State. The executive government of the United States; Army and Navy Register; heads and clerks of the public departments; tables of imports, exports, tonnage, debt, population, revenue, expenditure, coinage, postage, post-offices, for each year since 1790; together with a vast amount of foreign and domestic statistics, to which every business man has occasion to refer frequently. [*Published by Little & Brown, Boston. Price, one dollar; postage free to any part of the United States.*]

**THE SOUTHERN LITERARY MESSENGER FOR NOVEMBER 1849.**—This number possesses peculiar attractions. The Messenger is at all times a most acceptable production, and has several contributors of high talent. This number contains a well written tribute to the eminent professional talent and private worth of the late Chapman Johnson, of Virginia; also some lines on the proposed sale of the Natural Bridge of Virginia. We learn with surprise that this great natural object is in the market. It is one of the high-ways and by-ways that should be held by the State only. We commend the Literary Messenger to our friends, as well worthy their support. [*Published by John R. Thompson, Richmond, Va. \$5.00 per annum.*]

**FOREIGN LITERATURE.**—The Westminster Review for October contains several articles that are well worthy the attention of our readers. The subjects discussed are as follows. Loans and Standing Armaments: Ratios of Population and Capital: Redundant Population: Decay of Ancient Populations: Laws of Population: Human Progress. To Life Insurance Companies the article on Population is a useful commentary.

The Edinburgh Review for October contains a valuable article on the Coal and Iron Products of Europe and America: being a Review of *Taylor's Statistics of Coal*; also articles on Agriculture and Science; the Magnetic Telegraph; and Schools of Design. [*Leonard Scott & Co., Publishers, 79 Fulton Street, New York.*]

**THE KNICKERBOCKER, OR NEW YORK MONTHLY MAGAZINE.**—It would seem a work of supererogation on our part to chronicle this "ancient and honorable" periodical. But there may be a few *unknown to fame*, to whom this monthly is a stranger. It is yet under the editorial management of Lewis Gaylord Clark, Esq., whose literary table groans with luxuries of the highest order. Old *Knicker* has now reached its thirty-fourth volume: yet it is in its prime and possesses all the freshness of *sweet sixteen*. The editor is *tête à tête* with his readers monthly, and whispers in their ears a little gossip about men, manners and things, which makes the work equivalent to *wine and walnuts* after dinner. Every page of the *Knickerbocker* gleams with light; there is no trash in its *signatures*; discrimination marks its contributions and selections, and we pity the host or hostess whose parlor does not number it among its monthly literary accessions. [*Published by S. Hueston, and PRINTED BY W. OSBORN, New York. Five dollars per annum.*]

THE FRANKLIN INSTITUTE.—“The Journal of the Franklin Institute of the State of Pennsylvania, for the Promotion of the Mechanic Arts; devoted to Mechanical and Physical Science, Civil Engineering, the Arts and Manufactures, and the Recording of American and Foreign Patented Inventions.”—This is a journal truly essential to the man of science. It is conducted by a Committee of the Institute, and published monthly at Philadelphia. The last number contains exceedingly valuable contributions upon Mechanics, Physics, and Chemistry; Foreign Railway Statistics; on the Floating Railway Bridge; on the Britannia Tubular Bridge; on High Pressure Steam Engines. One of the most useful features of the work is the list of new American patents, accompanied with exemplifications by Mr. Keller, late Chief Examiner of the Patent Office.—The Journal is frequently illustrated by numerous engravings of a costly character, which add materially to the value of the work and render it a most acceptable production to the engineer, the mechanic, the chemist, and to scientific men generally. [*Published at Philadelphia, monthly, five dollars per annum; postage to subscribers prepaid when the subscription is paid in advance.*]

---

## BANK ITEMS.

BANK OF THE STATE OF MISSOURI.—The case of the *State vs. Nathaniel Childs* came on for trial before the Criminal Court of St. Louis, in November. The accused was charged with embezzlement of \$120,000 specie funds; for details of which see page 359 of our last number. The State had six members of the bar as counsel, and the defendant had seven engaged in his defence. The evidence on the part of the State was closed on the 23d, the cashier and the several directors having been closely examined. Nothing but circumstantial evidence was elicited. The testimony for the defence, it is understood, will not occupy much time, as there are but few witnesses to examine.

Of bank losses this is one of the most remarkable cases on record. A loss occurred with the same bank some ten years since; a bag of gold containing \$20,000 having been abstracted from a keg of coin in transitu between St. Louis and New York, *via* New Orleans. The gold was never recovered, nor was there ever any trace of the loss.

PENNSYLVANIA BANKS.—The following banks have given public notice of their applications for re-charter:—The Lancaster County Bank; Wyoming Bank, Wilkesbarre; Bank of Pittsburg; the Farmers' Bank, Lancaster; the York Bank; the Easton Bank;—and the following charters will be applied for:—the Bank of Pottsville, Pottsville, Schuylkill Co.; the Farmers' Bank of Lebanon, Lebanon, Lebanon Co.; The Mechanics' Bank, Reading; Mauch Chunk Bank, Mauch Chunk.

ROBBERY OF THE AGENCY OF CAMDEN BANK.—This morning, about 9 o'clock, the office of the Agency of the State Bank at Camden, N. J., No. 12 Church Alley, was entered by means of false keys, and robbed of six thousand two hundred and forty-three dollars. The office is in the second story room of the building, and the robber or robbers opened the front door below, at the foot of the stairway, and also the door entering into the office room. The money consisted principally of the notes of the Camden Bank, of small and large denominations, there being in the amount three or four of five hundred dollars. It was taken out of an iron chest standing near the desk of the agent. The sum taken had been deposited there but a short time before by the agent, who, as his usual custom is, after bringing the funds from the bank, proceeded to make his exchanges with the banks in the city. He was absent only about thirty minutes, during which time the robbery was perpetrated. A reward of \$500 is offered for the detection of the robber.—*Phila. Bulletin, Nov. 24.*

**BANK OF CHESTER COUNTY.**—November 22, 1849.—Many erroneous statements having gained currency concerning the old and new issues of this bank, a short statement of facts seems necessary.

The amount of notes stolen from the president was \$51,160; the amount that has been recovered from the thieves and their accomplices is \$39,440, and the whole amount of old issue yet outstanding and unredeemed, is \$9,650; the largest portion of which, we have reason to believe, is of the stolen money.

The new issues are redeemed at the Bank of Pennsylvania, and at the counter of this bank, as heretofore; and the old issues continue to be redeemed at the counter of the bank, upon such information from the holders as will raise a reasonable presumption that they are not part of the stolen money.

W. TOWNSEND, Cashier.

**NEW YORK BANKS.** The Merchants' Exchange Bank has been organized under the general banking law (Safety Fund) of New York, with a capital of \$1,235,000. A new banking house is now in course of erection for this institution, and will be ready for occupancy about 1st of January next, at the corner of Greenwich and Dey Streets.

**THE BANK OF ITHACA.**—We understand the Bank of Ithaca, the charter of which will expire in January, 1850, proposes to organize under the general banking law, and to remove their business from Ithaca to Syracuse.

**NEW YORK.**—The Drovers' Bank, formerly located at Olean, Cattaraugus Co., has been removed to Ogdensburg.

**VERMONT BANKS.** Acts have been passed by the late legislature for the incorporation of four new banks: The Merchants' Bank, at Burlington; Passumpsic Bank; Franklin County Bank, at St. Albans' Bay; the Missisquoi Bank. Also to extend the charter of the Bank of Woodstock, and to increase the capital of the Stark Bank.

The following act was also passed, taxing bank stock owned by non-residents.

*It is hereby enacted by the General Assembly of the State of Vermont, as follows:*

SEC. 1. All bank shares or bank stock in any of the banks in this State, owned by any person or persons residing without this State, or which may be hereafter owned by any person or persons residing without this State, shall be set in the lists of the several towns in which such banks may be located, and shall be subjected to the same taxes as the stock or shares in such banks, owned by any person or persons residing within this State, are by law subjected.

2. It shall be the duty of the cashiers of the several banks in this State, to certify to the several town clerks of the towns where such banks are located, the name of the person or persons, and the amount of stock or number of shares such person or persons, if any, may own in such banks, who live or reside without this State.

3. It shall be the duty of the listers in the several towns in this State, where any bank or banks are, or may be hereafter located, to set in the list of said town the name or names of all persons residing without this State, and owning stock or shares in such bank or banks, with the amount of stock or number of shares owned by such person or persons, in the same manner as is by law provided for taxing bank stock owned in this State; and said shares or stock shall be held liable to be distrained, by the several collectors of taxes in any such towns in this State, for the payment of all taxes assessed on any such bank stock, under the same regulations in all respects as by law appertains to the collection of taxes on any bank stock or bank shares owned in this State.

4. In case of the distraining and selling any bank stock or shares for the payment of any tax or taxes, in pursuance of the provisions of this act, such sale shall have the same legal effect, to convey a valid title to the purchaser or purchasers, as would obtain in case the owner or owners of said stock or shares, so distrained and sold, resided in this State.

5. This act shall take effect from its passage.

Approved, November 9th, 1849.

**MASSACHUSETTS.** The Roulstone Bank, at Fitchburg, chartered last winter, has been recently organized by the appointment of Moses Wood, Esq. President, and L. H. Bradford, Esq. Cashier. Both gentlemen were formerly residents of Providence.

**LOWELL BANK.** J. L. Ordway, Esq. has been elected Cashier of the Lowell Bank.

The Union Bank at Haverhill, has been organized by the appointments of George Cogswell, Esq. as President, and James Noyes, Esq. Cashier.

Several new banks are spoken of as organizing in Boston: one to be called the Bank of Commerce, with a capital of \$500,000; another to be located at East Boston, and to be called the Maverick Bank; and a third, which as yet, has not received a name.

**NEW HAMPSHIRE.** Moses Sanborn, Esq. has been elected President of the Granite Bank, at Exeter, N. H.

**RHODE ISLAND.** Stephen Harris, Esq. was, on the 17th November, elected President of the American Bank, at Providence, in place of H. P. Franklin, Esq. deceased.

**CITY BANK, PROVIDENCE.** At a special meeting of the Directors of the City Bank, holden Tuesday, 20th November, Amos W. Snow, Esq. was elected Cashier in the place of Henry Earle, resigned.

**MAINE.** Thomas D. Robinson, Esq. has been elected President of the Sagadahock Bank, at Bath. The nominal capital of the bank is \$100,000, of which \$50,000 is paid in, according to the last Report of the Secretary of State.

**PENNSYLVANIA.** Gideon J. Ball, Esq. Treasurer of the State of Pennsylvania, has given public notice that the notes of the Erie Bank may now be received in payment of tolls on the public works.

The Susquehanna County Bank, at Montrose, Pennsylvania, suspended specie payments in November. A large amount of circulation is believed to be out. Mr. T. P. St. John, the Cashier, was on the 10th November arrested and committed to prison in default of \$40,000, the bail required.

**NEW JERSEY.** The State Bank at Morris suspended payment about the same time with the Susquehanna County Bank in November. Urgent efforts had been made to obtain a large circulation of the notes in the Western country.

**MICHIGAN.** The Peninsular Bank, at Detroit, has commenced operations: its circulation being secured by the deposit of State stocks as collateral security. H. H. Brown, Esq., formerly Cashier of the Michigan Insurance Company, is elected Cashier of the new bank, and Charles Howard, Esq., President.

**NEW ORLEANS BANKS.** Several changes having taken place this year in the direction of the New Orleans banks, we now give a correct list of the presidents and cashiers and capital for November, 1849.

| Name.                          | Capital.    | President.         | Cashier.           |
|--------------------------------|-------------|--------------------|--------------------|
| Bank of Louisiana, . . . .     | \$3,992,200 | Wm. W. Montgomery. | Robert M. Davis.   |
| N. O. Canal & Banking Co. . .  | \$3,163,750 | Glendy Burke.      | Samuel C. Bell.    |
| City Bank of New Orleans, . .  | 1,014,100   | Peter Conrey, Jr.  | Robert J. Palfrey. |
| Louisiana State Bank, . . . .  | 1,734,820   | Samuel J. Peters.  | Richard Relf.      |
| Mechanics & Traders' Bank, . . | 1,704,350   | George Morgan.     | G. Cruzat.         |
| Union Bank of Louisiana, . . . | 2,672,000   | Charles A. Jacobs. | F. Frey.           |

## CIRCULATION DEPOSITS AND SPECIE, 27 OCT. 1849.

|                                      | Circulation.       | Deposits.          | Specie.            |
|--------------------------------------|--------------------|--------------------|--------------------|
| Bank of Louisiana, . . . . .         | \$922,167          | \$2,453,576        | \$2,815,153        |
| New Orleans Canal & Banking Co., . . | 1,108,400          | 813,333            | 971,734            |
| City Bank of New Orleans, . . . .    | 332,785            | 802,974            | 705,471            |
| Louisiana State Bank, . . . . .      | 930,885            | 1,233,140          | 746,326            |
| Mechanics & Traders' Bank, . . . .   | 931,165            | 1,529,950          | 1,880,220          |
| Union Bank of Louisiana, . . . . .   | 25,935             | 8,810              | 203,721            |
| <b>Total,</b>                        | <b>\$4,251,337</b> | <b>\$6,841,783</b> | <b>\$7,322,625</b> |

# Stocks and Exchanges.

PHILADELPHIA, 24 NOVEMBER.

|                               |      |      |   |      |
|-------------------------------|------|------|---|------|
| U. S. 6 per cent.....         | 1850 | 108½ | @ | 108½ |
| Do. do.....                   | 1862 | 111½ | @ | .... |
| Do. do. coupons ½..           | 1862 | 111½ | @ | 112  |
| Do. do. do.....               | 1868 | 116  | @ | 116½ |
| Do. 5 per cent.....           | 1868 | 102  | @ | 102½ |
| Do. Treasury Notes, 6 p. ct,  |      | 111½ | @ | 111½ |
| Do. 6 per cent.....           | 1868 | 114½ | @ | 114½ |
| Pennsylvania, 6 per cent...   |      | 100½ | @ | 101  |
| Do. 5 per cent...             |      | 89   | @ | 89½  |
| Kentucky, 6 per cent.....     |      | 105  | @ | 106  |
| Tennessee, 6 per cent.....    |      | 86   | @ | 87   |
| Cincinnati, 6, water works..  |      | 95   | @ | 96   |
| Pittsburgh, 6, .....          |      | 90   | @ | 91   |
| Bank of Pennsylvania,..       | 100  | 109  | @ | 110  |
| Bank of N. America, ...       | 100  | 130  | @ | 131  |
| Philadelphia Bank,.....       | 100  | 127  | @ | 128  |
| Farm. and Mechanics',...30    |      | 63   | @ | 64   |
| Commercial Bank,.....         | 50   | 56   | @ | 57   |
| B. Northern Liberties.....    | 35   | 48   | @ | 50   |
| Mechanics' Bank, .....        | 20   | 26   | @ | 26½  |
| Southwark Bank,.....          | 50   | 67½  | @ | 68   |
| Kensington Bank,.....         | 50   | 58   | @ | 60   |
| B. Penn Township,.....        | 22½  | 28   | @ | 30   |
| Western Bank,.....            | 40   | 60   | @ | 64   |
| Manuf. and Mechanics',...25   |      | 25½  | @ | 26   |
| Bank of Commerce,.....        | 50   | 53   | @ | 55   |
| Girard Bank,.....             | 50   | 12½  | @ | 12½  |
| Bank of Pittsburg,.....       | 50   | 46   | @ | 48   |
| Exchange Bank, .....          | 50   | 46   | @ | 48   |
| Merchants and Manuf....       | 50   | 46   | @ | 48½  |
| Philadelphia, 6 per cent., .. |      | 104  | @ | 105  |
| United States Bank,.....      |      | 2½   | @ | 2½   |
| Bank of Louisville,.....      | 100  | 99   | @ | 100  |
| Northern Bank, Ky.,...100     |      | 107  | @ | 109  |
| Bank of Kentucky,.....        | 100  | 104  | @ | 104½ |
| Union Bank, Tenn.,...100      |      | 50   | @ | 51   |
| Planters' Bank of Tenn., ..   |      | 49   | @ | 50   |
| N. O. Gas Light Bank Co.,     |      | 111  | @ | 113  |
| Morris Canal, .....           | 25   | 8½   | @ | .... |
| Reading Rail Road, ....       | 50   | 15½  | @ | 15½  |
| Do. Bonds, 6 p. et. 1850,     |      | 57   | @ | 58   |
| Do. Mortgages, 1860,...       |      | 65   | @ | 66   |
| Com. and Vicksb. R. R.,...50  |      | 14   | @ | 14½  |
| Phil. and Trenton R. R. 100   |      | 113  | @ | 118  |
| Phil. W. Balto. R. R. ....50  |      | 24   | @ | 25   |
| Harrisburgh R. R. ....50      |      | 46   | @ | 47   |

BALTIMORE, 24 NOVEMBER.

|                               |     |      |
|-------------------------------|-----|------|
| Maryland, 6 per cent.,.....   | 103 | 104  |
| Virginia, 6 per cent.,.....   | 101 | .... |
| Baltimore, 6 per cent., 1890, | 104 | 105  |
| B. and O. R. R. Stock,.....   | 44½ | 44½  |
| Do. do. Bonds, 1854,          | 100 | 101  |
| Do. do. Div. Bonds, 94        | 94½ | 94½  |
| Bank of Baltimore, .....      | 100 | 97   |
| Merchants' Bank,.....         | 100 | 97   |
| Union Bank, .....             | 75  | 63½  |
| Mechanics' Bank,.....         | 15  | 15½  |
| Commerc'l and Farm.,...33½    |     | 34   |
| Western Bank, .....           | 20  | 20½  |
| Farmers and Planters'...25    |     | 26½  |
| Chesapeake Bank, .....        | 25  | 23½  |
| Marine Bank,.....             | 30  | 28   |
| Farmers and Merch'ts',..40    |     | 31   |
| Franklin Bank,.....           | 12½ | 11   |
| Farmers' Bank of Md.,...50    |     | 50   |
| Patapsco Bank,.....           | 25  | 21   |

UNCURRENT MONEY.

|                             |         |
|-----------------------------|---------|
| Patapsco Bank, .....        | par.    |
| Havre de Grace,.....        | ½ @ 1   |
| Cumberland, .....           | ½ @ ¾   |
| Maryland, interior, .....   | ½ @ ¾   |
| Bank of Virginia, .....     | ½ @ ¾   |
| Do. do. Branches,...        | ½ @ 1   |
| Farmers' Bank of Va., ..... | ½ @ ¾   |
| Do. do. Branches,           | ½ @ 1   |
| Exchange Bank of Va., ..... | ½ @ ¾   |
| Do. do. Branches,           | ½ @ 1   |
| Bank of the Valley, .....   | ½ @ ..  |
| Do. do. Leesburg,..         | ½ @ ..  |
| Do. do. Romney, ..          | ¾ @ 1   |
| Wheeling, .....             | ¾ @ 1   |
| New York City,.....         | par.    |
| Philadelphia, .....         | par.    |
| Pennsylvania, .....         | ½ @ 1   |
| New England, Country,.....  | ½ @ ..  |
| Ohio, .....                 | 1 @ 1½  |
| Indiana, .....              | 1 @ 1½  |
| Kentucky, .....             | 1 @ 1½  |
| North Carolina, .....       | 1 @ 1½  |
| South Carolina, .....       | 1 @ 1½  |
| Georgia, .....              | 1 @ 1½  |
| New Orleans, .....          | 1½ @ .. |
| Tennessee,.....             | 2 @ 3   |

| NEW YORK, 24 NOVEMBER.        |      |        | BOSTON, 24 NOVEMBER.            |      |        |
|-------------------------------|------|--------|---------------------------------|------|--------|
| New York, 6 per cent., 1860   | 108  | @ 111  | Albany, W. R. R. 6's, .....     | 100  | @ .... |
| Do. 6 per cent., 1865         | 112  | @ 112½ | Do. do. .1865                   | 100  | @ .... |
| Do. 5 per cent., 1862         | 102½ | @ 105  | Boston 6's, .....               | 100½ | @ .... |
| Do. do. 1858                  | 102½ | @ 103  | Boston 5's, .....               | 95   | @ 95½  |
| N. Y. City, 7 per cent., 1857 | 110  | @ 111  | Massachusetts 6's, .....        | 94½  | @ .... |
| Do. 5 per cent., 1856         | 99½  | @ 100  | Massachusetts Sterlings, ...    | 100½ | @ 100½ |
| Do. Do. W. Ln. 1858           | 99½  | @ 100  | Atlantic Bank, .....            | 102½ | @ 103  |
| N. Y. and Erie R.R., new, 6   | 60½  | @ 60½  | Atlas Bank, .....               | 97   | @ 100  |
| Syracuse and Utica, .....     | 120  | @ 125  | Boston Bank, .... (par 50)..    | 55   | @ 55½  |
| Auburn and Rochester, ...     | 79½  | @ 79½  | Boylston Bank, .....            | 102  | @ 102½ |
| Long Island, .....            | 15   | @ 16   | City Bank, .....                | 100  | @ .... |
| Providence and Stoning, ...   | 46½  | @ 47   | Columbian Bank, .....           | ...  | @ 102  |
| Tonawanda, .....              | 115  | @ 120  | Eagle Bank, .....               | ...  | @ 102  |
| Harlaem, .....                | 51½  | @ 51½  | Exchange Bank, .....            | 100½ | @ .... |
| Mohawk, .....                 | 86   | @ 88   | Freeman's Bank, .....           | 106½ | @ .... |
| Utica and Schenectady, ...    | 122  | @ .... | Globe Bank, .....               | 104  | @ .... |
| Hudson River, .....           | 66½  | @ 66½  | Granite Bank, .....             | 96½  | @ 98   |
| Bank of New York, .....       | 129½ | @ .... | Grocers' Bank, .....            | 95   | @ 96½  |
| Manhattan Bank, .....         | 105½ | @ 105½ | Hamilton Bank, .....            | 95   | @ 105  |
| Merchants' Bank, .....        | 110  | @ 113  | Market Bank, ... (par 70)..     | 79   | @ .... |
| Mechanics' Bank, .....        | 113½ | @ .... | Massachusetts, (par 250)..      | 233½ | @ 242  |
| Union Bank, .....             | 125½ | @ 125½ | Mechanics' Bank, (S. B.)..      | 100  | @ .... |
| Bank of America, .....        | ...  | @ 105½ | Merchants' Bank, .....          | 105½ | @ .... |
| City Bank, .....              | 114  | @ 116  | New England Bank, .....         | 104  | @ 104½ |
| Phenix Bank, .....            | 100  | @ 103½ | North Bank, .....               | 96   | @ .... |
| Tradesmen's Bank, .....       | 129  | @ 134  | Shawmut Bank, .....             | ...  | @ 100  |
| Fulton Bank, .....            | 120  | @ .... | Shoe and Leather Dealers', ..   | 108½ | @ .... |
| Del. and Hudson C. Co., ..    | ...  | @ 163  | State Bank, .... (par 60)..     | 60½  | @ .... |
| Butchers and Drovers', ..     | 119  | @ 125  | Suffolk Bank, .....             | 129  | @ .... |
| National Bank, .....          | ...  | @ 110½ | Traders' Bank, .....            | ...  | @ 98   |
| Merchants' Exchange, ...      | 106½ | @ 106½ | Tremont Bank, .....             | ...  | @ 98½  |
| Leather Manufacturers', ..    | 106  | @ 107  | Union Bank, .....               | 102  | @ 103½ |
| Bank of the State, .....      | 96½  | @ .... | Washington Bank, .....          | 94½  | @ 95   |
| Bank of Commerce, .....       | 104  | @ 104½ | American Insurance Co., ...     | 110½ | @ .... |
| Mech. Banking Asso'n, ...     | 90   | @ 92   | Boston Ins. Co., .....          | ...  | @ 105  |
| Amer. Exch. Bank, .....       | 114  | @ 114  | Boylston Fire and Marine, ..    | 105  | @ 108  |
| N. Y. L. I. and T. Co., ...   | 115  | @ 120  | Fireman's Ins. Co., (par 25)    | 30   | @ .... |
| Farmers' L. and T. Co., ...   | 35½  | @ 35½  | Franklin Ins. Co., .....        | 93   | @ 98   |
| Ohio Life and T. Co., ...     | 97   | @ 98   | Hope Ins. Co., .....            | 85   | @ .... |
| Canton Co., .....             | 38   | @ 38½  | Manufacturers' Ins. Co., ...    | 112  | @ .... |
| Bank of Louisiana, .....      | ...  | @ .... | Mass. Fire and Marine, ...      | 110  | @ 112  |
| Louisiana State Bank, ...     | 90   | @ 95   | Mercantile Marine, .....        | 89½  | @ .... |
| N. O. Canal and B. Co., ...   | 70   | @ 72   | Merchants' Ins. Co., .....      | ...  | @ 120  |
| Mech. and Traders' Bank, 6    | 80   | @ 82   | National Ins. Co., ... (par 50) | 58   | @ 60   |
| Ohio, 6 per cent., .....      | 109  | @ 110  | Neptune Ins. Co., .....         | 155  | @ .... |
| Do. 7 per cent., .....        | 102½ | @ 103  | New England Ins. Co., ...       | ...  | @ .... |
| Ill. Int. Imp. Stock, ...     | 46½  | @ 47   | Suffolk Ins. Co., .....         | ...  | @ 99   |
| Indiana Bonds, .....          | 41   | @ 45   | Tremont Ins. Co., .....         | 98   | @ .... |
| Do. State Fives, .....        | 70   | @ 70½  | United States, .... (par 50)    | 54   | @ .... |
| Arkansas, 6 per cent., ...    | 36   | @ .... | Warren, .....                   | 50   | @ .... |
| Alabama, 5 per cent., ...     | 72   | @ 75   | Washington, .....               | 95   | @ .... |

## Notes on the Money Market.

BOSTON, 26 NOVEMBER, 1849.

The month of October closed with sterling bills at 109 $\frac{3}{4}$  @ 110 $\frac{1}{4}$ , which latter rate was maintained for a few days only for leading signatures. Bills on London, 60 days, for the steamer of the 28th inst. may be quoted at 108 $\frac{1}{2}$  @ 109. Paris, 60 days, 5.30 @ 5.25. The exports of coin during the present month have been confined mostly to silver for France; and the amount now going forward to Europe creates no uneasiness among our banks. The amount of coin exported from New York up to 17th November was \$4,167,962, and for the last week, ending 24th, \$64,088; making a total of \$4,232,050, since 1st January last.

It is to be hoped that foreign bills will be kept at present prices, or something less, in order to obviate further remittances in specie to Europe. The bulk of our imports for the season have terminated, while the shipments of cotton are going on with some activity, and the bills in the market against prior consignments will serve to keep foreign balances nearly even. The price of cotton is fully maintained in Great Britain in view of an estimated short crop in the United States, and in consequence of the increased demand for their home consumption. The shipments of cotton up to the middle of November, are as follows:

|                                          | Sep. 1 to Nov. 15, 1848. | Same, 1848.   |
|------------------------------------------|--------------------------|---------------|
| To Great Britain, . . . . .              | 163,600 bales.           | 58,500 bales. |
| To France, . . . . .                     | 35,400 "                 | 35,600 "      |
| To other countries in Europe, . . . . .  | 36,100 "                 | 31,190 "      |
| Total, . . . . .                         | 235,100 "                | 113,200 "     |
| Gross receipts to same period, . . . . . | 413,500 "                | 345,600 "     |

The subject of cotton is receiving increased attention in Great Britain. Our present number contains a copious article from the pen of Mr. James Wilson, M. P., and editor of the *Economist*, in which the writer demonstrates the importance of this staple to the masses of that country. A short crop is now, like a short grain crop, looked upon as a national loss. The fact that Great Britain requires, for domestic consumption, not less than 34,000 bales weekly, is in itself evidence of the dependence of her manufacturers upon this country for the material for the labor of hundreds of thousands.

Money is abundant in New York at six per cent. for No. 1 paper, and on short loans, secured by adequate collaterals; for 4 months paper of the best kind, eight per cent.; while in Boston the demand is greater, and less favorable rates must be submitted to. Notwithstanding the large amount of capital in Boston, it is fully absorbed, and in active use. Money seems to possess here more value, and to find more numerous channels of permanent and temporary investment. This is shown by the ordinary amount of bank deposits in Boston, compared with New York city and Philadelphia.

|                          | Bank Capital. | Individual Deposits. | Loans.       |
|--------------------------|---------------|----------------------|--------------|
| Boston, . . . . .        | \$19,280,000  | \$6,400,000          | \$34,000,000 |
| New York City, . . . . . | 24,600,000    | 27,200,000           | 50,000,000   |
| Philadelphia, . . . . .  | 9,700,000     | 8,700,000            | 21,000,000   |

Boston has seven railroads leading out of it, and connected with above eighteen branch roads, all penetrating the inmost recesses of the State. Their paid-up capital in Massachusetts is \$28,000,000; and not contented with these, accompanied with large investments in cotton mills at Lowell, Lawrence, &c., the capitalists of Boston have rather injudiciously extended their investments to the South. They have large portions of the stocks, and the control of the Reading Railroad, which cost, with its appurte-

nances, \$15,000,000; the Philadelphia and Baltimore Railroad, 97 miles, and the Portsmouth and Weldon Railroad; only one of which pays an interest, and that but three per cent.

The profits of the Massachusetts Railroads arise, we think, largely from cheap fares for local travel. Some of these companies charge less than two cents a mile for local travel or way fares. The result is an extraordinary rise of real estate throughout the lines of the roads. A ready market is now created for agricultural supplies from farms and gardens, 50, 100, and 200 miles off; and a country residence is obtained for a Boston merchant, 10, or 20, or 30 miles off, at \$20 @ \$50 per acre, when adequate accommodations for the same persons in the city itself would cost the same parties \$800 or \$1200 a year.

A striking example of this increase of property may be seen in the new town of Lawrence, 26 miles from Boston. Five years ago it was almost a forest; now it has a population of 7000. It is reached in one hour by no less than six trains daily, and the fare is sixty cents. From printed tables before us we have selected the following list of a few towns, their distances from Boston, time, and fare:—

| <i>Place.</i>         | <i>Distance from Boston.</i> | <i>Time.</i> | <i>Fare.</i> |
|-----------------------|------------------------------|--------------|--------------|
| Andover, . . . . .    | 23 miles.                    | 55 minutes.  | 50 cents.    |
| Hingham, . . . . .    | 17 "                         | 54 "         | 37 "         |
| Fall River, . . . . . | 53 "                         | 2h. 25 "     | 135 "        |
| Providence, . . . . . | 43 "                         | 1h. 45 "     | 125 "        |
| Dedham, . . . . .     | 9½ "                         | 32 "         | 20 "         |
| Worcester, . . . . .  | 45 "                         | 1h. 30 "     | 100 "        |

The Railroads in fact not only pay their dividends, but they contribute largely, in an indirect way, to the wealth of the city. Every passenger arriving from the terminus of a road, contributes somewhat to the city. Each one leaves more or less money in the hands of its merchants, its hotel keepers, &c.

We refer to our copious Stock lists for the present quotations. United States loan of 1868 has reached 116½; New York State, 5 per cent., 104. Some remittances of United States 6 per cent. of 1867 and New York City Water Loan have been made by the Havre packets and British steamers. The tendency of foreign exchange is downwards, and the movements in coin and in stocks for Europe are small.

The whole country now looks to Congress for new action upon the tariff and upon the treasury. The iron interest of Pennsylvania looks for some relief, with a view of lessening the present heavy importations of the article from abroad. The Pennsylvania capitalists cannot, in the absence of protection, compete with Welsh labor, and with English capital at 2½ per cent. per annum. Legislation should have an eye to the retention of our own capital for our own laborers, instead of driving it to Europe in payment of pauper labor.

Some curious and valuable statistical details may be found in the Edinburgh Review for October, in an article upon coal and iron. The writer furnishes the following return of iron and coal produced:—

|                               | <i>Tons Iron annually.</i> | <i>Tons Coal per. ann.</i> |
|-------------------------------|----------------------------|----------------------------|
| Great Britain, . . . . .      | 2,200,000                  | 31,500,000                 |
| United States, . . . . .      | 502,000                    | 4,400,000                  |
| France, . . . . .             | 448,000                    | 4,141,000                  |
| Russia, . . . . .             | 400,000                    |                            |
| Prussia, . . . . .            | 300,000                    | 3,500,000                  |
| Austria, . . . . .            | 190,000                    | 700,000                    |
| Belgium, . . . . .            | 150,000                    | 4,960,000                  |
| Sweden, . . . . .             | 145,000                    |                            |
| The rest of Europe, . . . . . | 76,000                     |                            |

It appears that the import of railroad iron from Great Britain into this country has been, from the 1st March to the 1st September, 1849, 105,000 tons, at an average value of \$35 per ton, and a total value of \$3,678,000, delivered in the United States.

Our iron manufacturers want protection against overpowering wealth abroad. Protection to iron will do no harm to cotton and grain, which take care of themselves. As has been said by the eminent head of the treasury in 1828, "The merchant, like the manufacturer, requires, at proper junctures, the helping hand of Congress; and may suffer without it. Hence it has been the object, as it was the duty, of this department, to invoke legislative favor for both these great interests, under the belief that they flourish most when they flourish together."

The revenue of the Union is not so large as was anticipated for the present year. The treasury report of December last, and the actual results, are as follows, for the year ending 30th June last :

|                         | Treas. Estimates for 1849. | Actual Receipts. |
|-------------------------|----------------------------|------------------|
| Customs, . . . . .      | \$32,000,000               | \$28,342,000     |
| Public Lands, . . . . . | 3,000,000                  | 1,646,000        |

For the quarter ending 30th October the receipts from customs were \$11,450,000, and from public lands, \$370,000; and miscellaneous sources, independent of loans, \$175,000. Our public debt is no more now than in 1828, when our customs receipts, instead of being eleven millions per quarter, as now, were only twenty-three millions for the entire year. Notwithstanding which, the following semi-official notification appears at Washington :—

"In the amount of revenue which will be requisite to meet the expenditures of the government for the fiscal years ending the 30th of June, 1850, and the 30th of June, 1851, there will be a deficit of between fifteen and twenty millions of dollars. This deficit will not have been occasioned by any insufficiency of the current revenue to meet the ordinary expenditures of the government, but by extraordinary expenditures growing out of the Mexican war, and the late treaty of peace with that country."

The country is now beginning to appreciate in its full force the enormous expense of the Mexican war, the items of which are far from being yet liquidated. We turn, however, to the official tables which demonstrate that the three years' war of 1812-15 cost \$94,000,000, while the late war cost \$133,000,000, up to June, 1849, viz. :

|                               | 1812.        | 1813.        | 1814.        | 1815.        |
|-------------------------------|--------------|--------------|--------------|--------------|
| Military establishment, . . . | \$12,187,000 | \$19,906,000 | \$20,608,000 | \$15,394,000 |
| Naval establishment, . . . .  | 3,959,000    | 6,446,000    | 7,311,000    | 8,660,000    |
|                               | 1846.        | 1847.        | 1848.        | 1849.        |
| Military establishment, . . . | \$13,579,000 | \$41,281,000 | \$27,820,000 | \$17,368,000 |
| Naval establishment, . . . .  | 6,450,000    | 7,931,000    | 9,406,000    | 9,792,000    |

The ordinary expenses of the war and navy branches, in a time of peace, for instance 1841-44, were about fourteen millions annually.

The finances of the individual States are shown to be in a most favorable condition, with one or two exceptions. Georgia shows a total public debt on the 6th November, 1849, of \$1,828,472, which may be liquidated by an annual appropriation of \$80,000, for twenty-five years. The governor has a greater dread of this debt than Boston has of its city debt, amounting at this period—for water loans, \$3,787,328—for other loans, \$1,547,517—an aggregate of \$5,334,845.

Maryland and Pennsylvania are both in the market, purchasing their own loans by means of adequate sinking funds. Taxation has brought this about. Michigan also makes a fair exposé, as will appear in our present number; and in Pennsylvania it is believed that the next legislature will abolish the tax now levied on its State stocks, a tax which at present interferes with their value abroad.

We have to record the failures of two small banks during the past month, which have

created some uneasiness among the bill holders. These are, the Susquehanna County Bank, at Montrose, Penn., and the State Bank, at Morris, N. J. Both of these have been mere speculative concerns, and not in good credit for some time past. Instances of this kind demonstrate the utility of the New York banking system, a system that works well for the banks themselves, and preserves the community from any loss on the issues of suspended institutions. This system is eminently deserving the attention of the legislatures of other States. It works admirably in New York, and in Ohio also, where the same plan is in operation. The most desirable ends are obtained by this process. 1st, a redemption of all bank issues,—2d, the support of State credit. The banks of New York have a registered circulation of twenty-three millions, all of which is secured by bonds and mortgages, so that their paper passes with perfect confidence in its redemption. The Ohio banks have deposited State bonds to the amount of two millions of dollars. They act, therefore, as conservators of public credit, and are essentially identified with the financial reputation of the State.

Above all, we think it necessary that all banking institutions should make periodical publications of their condition, so that the community may distinguish between the sound and the speculative ones. In England, a monthly statement is made by the country banks, and weekly by the Bank of England. These are too frequent. A quarterly exposé of the banks of the several States would be useful, and would serve to show which are the institutions that are too much extended.

The country banks of Maryland and those of Georgia, make no published statement of their condition. Their line of deposits—their specie, their circulation—are unknown to the community: and their issues are limited only by the judgment of the presiding officers.

Some check will be found necessary in any charters that may be hereafter granted, and we cannot point to a better system than that of New York, as a model for safety.

#### DEATHS.

AT LANCASTER, PENN., on the 29th November, Christian Bachman, Esq., in the 54th year of his age, cashier of the Lancaster Bank.

Few men were more extensively known in the county of Lancaster, and in the State, than the deceased; and none who knew him could fail to appreciate his intelligence, integrity, and the various excellencies of character, which rendered him so universally esteemed by all who had intercourse with him. He held the office of Prothonotary of the county for six years; and performed all its duties with ability and fidelity, and with the general approval of his fellow citizens. His energy and admirable management of the duties of his station, as cashier of the Lancaster Bank for fourteen years, is the subject of general commendation. His unvaried courtesy, quickness of perception and admirable business qualifications, were combined with strict integrity of purpose; and in all the varied transactions of his busy life, his conduct was so invariably marked by frankness, sincerity, and devotion to duty, that it is not trespassing beyond the bounds of truth to say, he has taken his departure from the turmoils and cares of the world, almost without an enemy; and with the general regret of his fellow-citizens, for the loss of one, whose public spirit and official and private character rendered him so invaluable to the community.

AT PROVIDENCE, R. I., on the 15th November, Henry P. Franklin, Esq., President of the American Bank.

THE  
**BANKERS' MAGAZINE,**  
 AND  
**Statistical Register.**

~~~~~  
 VOL. IV. JANUARY, 1850. No. VII.
 ~~~~~

THE TREASURY REPORT FOR 1849-50.

We have before us an eminently *American* document from the Treasury. The recent annual Report from that department enters closely into an examination of the questions of present and prospective public finance, the home market, the causes of the existing deficit, advalorem and specific duties, &c. It is an able American State paper, demonstrating most forcibly the advantages of *the American System*, and urging most clearly the dependence of the different sections of the Union upon each other. We regret that our space will not permit the insertion of the whole Report, as the most valuable Treasury document of the last twenty years. It is, however, in various shapes before our readers, and accessible to all. We will merely allude to its prominent points as more especially deserving the careful and candid consideration of all portions of the Union.

The receipts and expenditures for the fiscal year ending 30th June, 1849, were—

|                                                             |                 |                 |
|-------------------------------------------------------------|-----------------|-----------------|
| Receipts from customs, . . . . .                            |                 | \$28,346,738.82 |
| “ “ public lands, . . . . .                                 |                 | 1,688,959.55    |
| “ “ miscellaneous sources, . . . . .                        |                 | 1,038,649.13    |
| “ “ avails of Treasury notes and loans in specie, . . . . . |                 | 17,755,750.00   |
| “ “ do. funded, . . . . .                                   |                 | 10,833,000.00   |
|                                                             |                 | \$59,663,097.60 |
| Add balance in the Treasury July 1, 1848, . . . . .         |                 | 153,534.60      |
|                                                             |                 | \$59,816,632.10 |
| The expenditures for the fiscal year were, . . . . .        | \$46,798,667.82 |                 |
| Treasury notes, funded, . . . . .                           | 10,833,000.00   |                 |
|                                                             | \$57,631,667.82 |                 |
| Leaving a balance in the Treasury July 1, '49, . . . . .    |                 | \$2,184,964.28  |

The estimated receipts and expenditures for the fiscal year ending 30th June, 1850, are—

|                                                       |                       |
|-------------------------------------------------------|-----------------------|
| Receipts from customs, . . . . .                      | §31,500,000.00        |
| Receipts from public lands, . . . . .                 | 1,700,000.00          |
| “ “ miscellaneous sources, . . . . .                  | 1,200,000.00          |
| Receipts from avails of loans in specie, . . . . .    | §399,050.00           |
| Receipts from do in Treasury notes, funded, . . . . . | 839,450.00            |
|                                                       | <u>1,238,500.00</u>   |
| Total receipts, . . . . .                             | §35,638,500.00        |
| Add balance in the Treasury July 1, 1849, . . . . .   | 2,184,964.28          |
|                                                       | <u>§37,823,464.28</u> |

## EXPENDITURES, VIZ.:

The actual expenditures for the first quarter, ending 30th

September, 1849, were, . . . . . §8,904,829.96

The estimated expenditures during the other three quarters,

from 1st October, 1849, to 30th June, 1850, are:

|                                                              |                      |
|--------------------------------------------------------------|----------------------|
| Civil list, foreign intercourse and miscellaneous, . . . . . | 10,330,116.62        |
| Expenses of collecting revenue from customs, . . . . .       | 1,925,000.00         |
| Expenses of collecting revenue from lands, . . . . .         | 113,850.00           |
| Army proper, &c., . . . . .                                  | 8,245,039.80         |
| Fortifications, ordnance, arming militia, &c. . . . .        | 1,997,420.93         |
| Internal improvements, &c., . . . . .                        | 77,072.30            |
| Indian department, . . . . .                                 | 859,963.73           |
| Pensions, . . . . .                                          | 682,630.77           |
| Naval establishment, . . . . .                               | 6,814,783.43         |
| Interest on public debt and Treasury notes, . . . . .        | 3,700,878.40         |
|                                                              | <u>43,651,685.94</u> |
| Deficit 1st July, 1850, . . . . .                            | §5,828,121.66        |

The estimated receipts and expenditures for the fiscal year commencing July, 1, 1850, and ending June, 30, 1851, are—

|                                      |                       |
|--------------------------------------|-----------------------|
| Receipts from customs, . . . . .     | §32,000,000.00        |
| “ “ public lands, . . . . .          | 2,150,000.00          |
| “ “ miscellaneous sources, . . . . . | 300,000.00            |
|                                      | <u>§34,450,000.00</u> |

The expenditures during the same period, as estimated by the several departments of State, Treasury, War, Navy, Interior, and Postmaster General, are:

|                                                                                                 |                       |
|-------------------------------------------------------------------------------------------------|-----------------------|
| The balance of former appropriations which will be required to be expended this year, . . . . . | §5,656,530.34         |
| Permanent and indefinite appropriations, . . . . .                                              | 5,643,410.24          |
| Specific appropriations asked for this year, . . . . .                                          | 33,697,152.16         |
| Total, . . . . .                                                                                | <u>§44,997,092.73</u> |

This sum is composed of the following particulars :

|                                                                |                 |
|----------------------------------------------------------------|-----------------|
| Civil list, foreign intercourse and miscellaneous, . . . . .   | \$11,088,724.64 |
| Expenses of collecting revenue from customs, . . . . .         | 2,750,000.00    |
| Expenses of collecting revenue from lands, . . . . .           | 170,835.00      |
| Army proper, &c., . . . . .                                    | 8,296,183.44    |
| Fortifications, ordnance, arming militia, &c., . . . . .       | 2,015,446.00    |
| Internal improvements, . . . . .                               | 1,247,203.38    |
| Indian department, . . . . .                                   | 1,912,710.53    |
| Pensions, . . . . .                                            | 1,927,010.00    |
| Naval establishment, . . . . .                                 | 11,353,129.64   |
| Interest on Treasury notes and public debt, . . . . .          | 3,742,951.13    |
| Purchase of stock of the loan of 28th January, 1847, . . . . . | 492,898.97      |
|                                                                | <hr/>           |
|                                                                | \$44,997,092.73 |
|                                                                | <hr/>           |
| Deficit July 1, 1851, . . . . .                                | \$10,247,092.73 |
| Do. July 1, 1850, . . . . .                                    | 5,828,121.66    |
|                                                                | <hr/>           |
| Total deficit, 1850 and 1851, . . . . .                        | \$16,375,214.39 |

A deficit is thus shown of \$5,800,000 in July next, and a further deficit of \$10,547,000 in July, 1851.

During the current fiscal year there will be required, in May next, for the payment of an instalment to Mexico, \$3,540,000, and the land revenue, estimated as diverted, will be \$2,000,000—making together \$5,540,000, which, added to the aforesaid sum of \$12,694,638 67, would make \$18,144,538 67, from which deducting the estimated deficit on the 1st July, 1850, of \$5,828,121 66, would have left an estimated balance in the treasury, on that day, of \$12,316,417 01. Adding to that balance the instalment to Mexico, due in 1851, \$3,360,000, and the revenue from lands diverted, \$2,000,000, would make an aggregate of \$17,676,417 01, from which deducting the estimated deficit on the 1st of July, 1851, \$10,547,092 73, would have made an estimated balance in the treasury, on that day, of \$7,129,324 28.

I have gone into this detail for the purpose of showing that the resources of the country are ample, that the estimated deficit will have arisen from the extraordinary expenses of the war and treaty with Mexico, and that the justly high public credit of the United States is not endangered by the fact that, in this position of affairs, a new loan will be required.

Under these circumstances, I propose that authority be given to raise such sum, not exceeding \$16,500,000, as may be found necessary, from time to time, by the issue of stock or treasury notes, on such terms of interest (not exceeding six per cent.) and repayment, as the President in his discretion shall, previous to their being issued, think fit to order.

An opportunity now occurs for properly testing the feasibility of treasury note issues, as suggested in our last No. Instead of making a new loan to meet the anticipated wants of 1850 and 1851, the government can use its credit advantageously by an issue of about ten millions of treasury notes, in sums of \$20, \$50, and \$100, payable to bearer, without interest and redeemable in specie at New York. Such issues will be acceptable to the mercantile community in its dealings with the Custom House, and effectually remedy the most objectionable feature in the Subtreasury system.

## The Revenue

The accruing revenue not being sufficient to meet the current expenditures, the Secretary recommends a modification of the Tariff. "I entertain no doubt of the rightful power of Congress to regulate commerce, and lay imposts and duties *with the purpose of encouraging our own industry.*

He proposes a return to specific duties on articles on which they can be conveniently laid; and an increase of duty on cottons, hempen goods, sugar, salt, coal and iron.

It is far better to realize a revenue of \$32,000,000 from duties on one hundred millions than on one hundred and fifty millions of foreign imported goods. Every case of foreign cotton manufactures brought into the country, interferes with the labor and products of our own. If the cotton goods consumed in the Union were confined entirely to our own fabrics, they would contribute essentially to the prosperity not only of the manufacturing States, but to that of every portion of the Union—to the community at large.

The increase of dry goods exported by Great Britain to this country, is in a much larger ratio than the increase of cotton imported from the United States. In fact, we are among the best customers of England for her cotton goods, which are manufactured cheaper than our own, notwithstanding the disadvantages of double freight, double insurance, loss of time, commissions and other expenses, to which our own manufactures are not exposed. We have given in a previous No. (p. 387-8) official tables of the British exported goods from 1845 to 1849, from which the following figures will demonstrate the quantities shipped to the United States, to the injury of our own mills.

## PRINTED AND DYED CALICOES EXPORTED BY GREAT BRITAIN.

|                                  | 6 ms. 1845.     | 6 mos. 1848.    | 6 mos. 1849.    |
|----------------------------------|-----------------|-----------------|-----------------|
| Brazil, . . . . .                | 14,320,000 yds. | 14,960,000 yds. | 16,650,000 yds. |
| Chili and Peru, . . . . .        | 12,870,000      | 7,350,000       | 17,860,000      |
| Hanse Towns, . . . . .           | 16,300,000      | . . . . .       | 11,530,000      |
| India, . . . . .                 | 12,740,000      | 5,300,000       | 10,980,000      |
| Turkey and the Levant, . . . . . | 14,960,000      | 22,370,000      | 24,220,000      |
| United States, . . . . .         | 8,800,000       | 19,220,000      | 24,720,000      |

No other country took over ten millions of yards, while it will be observed that in four years their exports to the United States *were trebled.*

## COTTONS, LINENS, WOOLLENS, SILKS, EXPORTED BY GREAT BRITAIN.

| Six months ending<br>June 30, 1849.  | Cotton Goods.    | Linen Goods.    | Woollens.<br>Value. | Silks.<br>Value. |
|--------------------------------------|------------------|-----------------|---------------------|------------------|
| Br. America and W. Indies, . . . . . | 32,168,000 yds.  | 3,715,000 yds.  | £145,000            | £38,000          |
| East Indies and Ceylon, . . . . .    | 119,552,000      | 152,000         | 66,000              | 6,000            |
| United States, . . . . .             | 44,881,000       | 15,148,000      | 882,000             | 107,000          |
| Brazil, . . . . .                    | 46,804,000       | 2,334,000       | 92,000              | 4,500            |
| Other parts S. America, . . . . .    | 68,783,000       | 3,832,000       | 386,000             | 42,000           |
| Turkey and Greece, . . . . .         | 53,791,000       | 400,000         | 29,000              | 200              |
| China, . . . . .                     | 36,041,000       | 19,000          | 214,000             | . . . . .        |
| All other countries, . . . . .       | 240,657,000      | 13,339,000      | 1,076,800           | 137,600          |
| Total, . . . . .                     | 642,677,000 yds. | 38,939,000 yds. | £2,890,800          | £336,300         |

The Secretary affirms, we think with perfect truth, that "the rates of duty (by our tariff) are too low, especially on articles similar to our own staples."

The injurious effects of the present system upon the home manufacturer are clearly elucidated, as well as the indirect injury, thereafter, to other classes of the people. The agriculturist, the merchant, the mechanic, the manufacturer, are severally benefited by that policy which protects home-made fabrics; and any system which encourages foreign manufactures, in opposition to our own, directly and indirectly affects the whole country. This view was strongly urged upon Congress by the Treasury Department, in 1828, when occupied by Mr. Rush. In his last Report upon the Finances, he said, "the merchant, like the manufacturer, requires at proper junctures the helping hand of Congress, and may suffer without it. Hence it has been the object, as it was the duty of this department, to invoke legislative favor for both these great interests, under the belief that they flourish most when they flourish together."

That beneficial policy which contributed so largely to the prosperity of the country, was lost sight of unfortunately in 1831-1841, and another substituted which unquestionably led (added to the ill-judged state bank deposit system,) to the disastrous suspension of 1837.

There are certain truths to be elicited from statistical returns, which no arguments can dispel. The statesman, the merchant, the manufacturer, may with profit turn to the official tables of the general government for the years 1825-1840. These tables demonstrate the causes of a great commercial crisis, and history warns us of the effects of enormous customs revenues.

In 1829 our public debt was fifty-eight millions of dollars. In 1832, twenty-four millions. In 1835, *nothing*.

For six years ending in 1830, our imports from abroad were 495 millions, or an average of 83 millions of dollars annually.

For six years ending 1836, our imports were 778 millions, or an average of nearly 130 millions annually; and for the six years ending 1842, the imports were 730 millions, or an average of 122 millions nearly.

The immense imports of 1831 to 1841, induced by a ruinous treasury policy, and an unfortunate combination of Bank and State in 1833, brought millions into the public coffers, paid off the public debt, created a magnificent surplus fund for the States, and spread ruin far and wide, which latter effect the country has not yet recovered from. The financial history of 1833 to 1836, affords abundant material for deep reflection. The overthrow of that potent and wise policy, engrafted upon the country by a Hamilton, and sustained by the wisdom of Mr. Gallatin and his successors for twenty years after his retirement, brought about, very rapidly, a mighty revolution in our country. A chapter could be readily written, recounting the rapid increase of bank issues—of State banks—two hundred millions of State debts—largely accumulated commercial obligations abroad—millions to be divided among the States (*to be returned when wanted*)—millions invested in railroads where there were no people and no commerce to sustain them—all followed by GENERAL BANKRUPTCY.

Things assumed a better shape in 1842, but the policy of the Treasury has unfortunately since turned to the encouragement of foreign manufactures.

The years 1847-8-9 exhibit the importation of immense quantities of foreign goods. Our steamers and our packets are groaning with rich cargoes of silks, linens, woollens and cottons. A great national calamity in Great Britain in 1847 brought a balance of trade temporarily in our favor—but we have no resource of that nature now. *Coin* instead of *corn* has sought shipments to Europe—and the whole dry goods market of the Union is crowded with foreign and costly fabrics as substitutes for our own.

We cannot better illustrate these positions than by the following practical and statesman-like opinions, urged by the present head of the Treasury in his late Report. If they have their due weight upon Congress the country will realize extended benefits from their operation, and enable us in fifteen years to cancel our public debt.

As every producer in one branch of useful industry is also a consumer of the products of others, and as his ability to consume depends upon the profits of his production, it follows that to give prosperity to one branch of industry is to increase that of the rest. Within each branch of industry there will be individual rivalry, but among the several branches of useful industry there must always exist an unbroken harmony of interest.

No country can attain a due strength or prosperity that does not by its own labor carry its own productions as nearly as possible to the point necessary to fit them for ultimate consumption. To export its raw material and reimport the articles manufactured from it, or to neglect its own raw materials and import the articles manufactured from that of another country, is to pretermitt the means which nature has provided for its advancement.

For instance, we exported, during the fiscal year ending 30th June, 1849, raw cotton to the value of about sixty-six millions of dollars. If that cotton had been spun and woven at home, (supposing its value to be increased fourfold by manufacture) it would have produced a value of about one hundred and ninety-eight millions in addition. What would have been the effect of this increased production on the prosperity of the country?

This question would not be completely answered by merely pronouncing the added value of one hundred and ninety-eight millions of dollars to be a large profit to the manufacturer, any more than the question of the effect of the production of wheat would be answered by deducting the cost of seed wheat from the value of the crop, and pronouncing the remainder to be a large profit to the farmer.

The manufacture of cotton cloth is begun with the planting of the cotton—it is carried to a certain point by the planter, and then taken up and perfected by the spinner and weaver. The planter and manufacturer are not engaged in different branches of industry, but in the same—the one commences the process which the other completes. Cotton seed of insignificant value being by regular stages of labor developed and brought to the form of cotton cloth, has acquired a value of about two hundred and sixty-four millions.

The planting States have added many millions to the annual production of the country, by the culture of cotton. By continuing the process they could quadruple that addition.

The planter would then have a market at his door for all his produce, and the farmer would in like manner have a home market for his. The power of consumption of not only breadstuffs, but of every article useful or necessary in the feeding, clothing, and housing of man, would be vastly increased—the consumer and producer would be brought nearer to each other—and in fact a stimulus would be applied to every branch of productive industry.

Our annual products were estimated by my predecessor in this department, at three thousand million dollars, while our average exports are about one hundred and thirteen millions, and our imports about one hundred and six millions, making together two hundred and nineteen millions, exclusive of gold and silver and of foreign commodities imported and re-exported. An eminent British authority estimates the annual creation of wealth in Great Britain and Ireland, at between two thousand one hundred and two thousand two hundred millions. If we add, for articles omitted, three or four hundred millions, we shall have a total of two thousand five hundred millions. The British exports and imports amount annually to about five hundred and twenty millions, exclusive of gold and silver, and of foreign commodities imported and re-exported. If their foreign trade were brought down to our scale upon this estimate, it would be reduced to about one hundred and eighty-three millions. If ours were raised to their scale, it would reach about six hundred and twenty-four millions.

Estimating the population of Great Britain and Ireland at thirty millions, and our population at twenty-one millions, their foreign trade averages \$17.33 for each individual; ours \$10.42. If their foreign trade were no greater than ours, in proportion to population, it would be reduced from five hundred and twenty to three hundred and twelve millions. If our foreign trade were as great in proportion to population as is theirs, it would be swelled in amount from two hundred and nineteen to three hundred and sixty-four millions.

A leading cause of the existing difference is to be found in the fact, that Great Britain exports chiefly what she has first brought to the form in which it is ready for ultimate consumption; it is at the stage of its highest value, and her market is almost co-extensive with the civilized world.

All history shows that where are the workshops of the world, there must be the marts of the world, and the heart of wealth, commerce, and power. It is as vain to hope to make these marts by providing warehouses, as it would be to make a crop by building a barn.

Whether we can have workshops to work up, at least, our own materials, must depend upon the question, whether we have or can obtain sufficient advantages to justify the pursuit of this kind of industry.

The circumstances favorable to production in this country may be stated to be: 1st. Facility in procuring raw materials. 2d. Abundance of fuel. 3d. Abundance of food and other articles necessary for the sustenance and housing of the laborer. 4th. The superior efficiency of the laborers in comparison with those of other countries.

The circumstances supposed to be unfavorable to our production may be thus classed:

1st. Want of capital.

2d. Dearnness of our labor as compared with that of other countries.

3d. Insecurity by exposure to the influence of violent and excessive fluctuations of price in foreign markets, and to undue foreign competition.

To counteract the influence of these unfavorable circumstances, which, so long as they continue, must greatly retard our advancement, limit our foreign commerce, and prevent the due progress of industry, I propose that the duties on the staple commodities, (whether raw material or manufactured articles,) in which foreign nations compete with our own productions, be raised to a point at which they will afford substantial and sufficient encouragement to our domestic industry, provide for the necessary increase and due security of the revenue, and ensure the permanence and stability of the system. Experience has, I think, shown this to be a wise, just, and effectual mode to promote new, and revive languishing branches of industry, provided the selection of the objects be wisely made, and limited to those productions for which the country is naturally adapted.

¶ We have been perhaps too long hesitating and vacillating on the threshold of a great career. The want of stability in the course of legislation, and other disturbing causes, have heretofore occasioned inconveniences. The short duration of some of the tariff acts—the great expansion of the currency which occurred during their operation—the compromise act, (a result of what was believed to be a political necessity,) which, whatever its effects on existing establishments, undoubtedly discouraged new adventurers—and finally the unexpected repeal of the act of 1842—these circumstances have certainly been of a retarding character.

It is gratifying to know that the manufacture of cotton has already been introduced into several of the planting States, and it ought not to be doubted will rapidly be extended.

The manufacture of iron, wool, and our other staples would lead to similar results. The effect would be a vast augmentation of our wealth and power.

Upon commerce the effects might be expected to be, if possible, still more marked. It is not enough to say that no country ever diminished its commerce by increasing its productions—and that no injury would therefore result to that interest. There would probably be, not only a great increase in the amount, but an improvement not less important in the nature of our commerce.

Of the immense addition that would accrue to our internal and coasting trade, (which in every country form the great and most valuable body of commerce) it is unnecessary to do more than merely speak in passing—but it may be well to offer a few remarks on foreign commerce.

#### SUB-TREASURY.

The question of the expediency of continuing the system established by the act entitled, "An act to provide for the better organization of the treasury, and for the collection, safe-keeping, transfer, and disbursement of the public revenue," approved 6th August, 1846, is respectfully submitted to the wisdom of Congress. Experience has demonstrated some of the requirements of the act to be productive of great inconvenience—if, indeed, there be not some which, under the influence of strong necessity, are often violated. Disbursing officers, to whom drafts for large sums are issued, are, by existing arrangements, obliged to receive the full amount of said drafts at one payment from the proper assistant treasurer, while their expenditures must be made in small sums from time to time. The custody of the money is thus forced upon them, without any provision for its convenience, or even safety. If the money is to be disbursed at points distant from the place where it is received, the burden of transferring it is in like manner imposed on them. If they adopt the usual and customary mode of keeping and transferring money, they violate the law. If they undertake themselves its custody and carriage, they incur great risk and responsibility.

The actual carriage of coin from place to place in the same town is burthensome; especially in those Southern ports where silver is the coin chiefly in use.

The number of clerks authorized by law to be employed is believed to be much too limited.

To alleviate some of the inconveniences attending the system, I respectfully suggest, if it is to be continued—

1st. That any person having a draft on an assistant treasurer be permitted to deposit his draft with the assistant treasurer, and draw for the amount from time to time in such sums as he may desire, upon his own orders, payable to any person or persons; provided, that the whole amount of the draft should be actually drawn within a short period, say two weeks, after the deposit of the draft.

2d. That any disbursing officer having a draft on an assistant treasurer should be permitted to deposit such draft, and draw for the amount in like manner; provided

that each order should be presented for payment within two weeks after its date. These provisions would, it is believed, effectually prevent the checks or orders being used as currency.

The proposed system would render necessary an increase of the force employed in the offices of the several assistant treasurers, and ought to be accompanied by an increase of their own compensation.

The inconvenience arising from the accumulation of coin at points where it is not required for the public service, is very great; but it seems to be inseparable from the system itself. To pay a public creditor with a draft on a remote office which he cannot sell but at a discount, or collect in person without a journey, would be unseemly, and the Government has no means itself of making transfers in such cases, other than the despatch of special messengers, at some expense and much risk of loss.

The home-market is, beyond question, the true subject of *protection*. Encourage our own manufacturers, our own laborers, our own capitalists, and every class and grade of the community will reap the reward. "The labor and the savings of individuals are at once the source and the measure of NATIONAL OPULENCE AND PUBLIC PROSPERITY. They may be compared to the drops of dew, which invigorate and nurture all vegetable nature. None of them has singly any perceptible influence; but we owe the foliage of summer and the fruits of autumn to their combined action."

~~~~~

LEGAL MISCELLANY.

DECISIONS OF THE SUPREME COURT OF THE UNITED STATES.

January Term, 1849—From Howard's Reports, Vol. VII.

Bills of Exchange—Promissory Notes.

A note held by a bank for a debt due to it, and renewed from time to time with the same maker and endorser, is sufficient to constitute the bank a creditor in claiming to have conveyances set aside as fraudulent, although the note was not due when the conveyances were made, and the present note was renewed afterwards.—*Bank of Potomac v. McLaughlin*, p. 220.

When the original debtor had made a conveyance of property to a trustee for the purpose of securing his endorser, it was not necessary to pursue and exhaust that trust-property before proceeding against the endorser and his property. A judgment had been obtained against the administrator of the endorser, which fixed his liability.—*Ibid*.

A statute of the State of Alabama, directing that promissory notes given to the cashier of a bank may be sued and collected in the name of the bank, is a law which affects the remedy only, and, although passed after the note was executed, does not impair the obligation of the contract.—*Bank of the State of Alabama v. Crawford*.

The suit was on a note for \$3,817 50, payable to B. Gayle, cashier. This designation was not made, it is presumed, as matter of description, but to show that the note was given to the agent of the bank, and for its use. A law was passed in Alabama authorizing suits to be brought on such notes in the name of the bank; and it was contended that this law impaired the

obligation of the contract, especially as regards contracts made prior to its passage.

The Court held that the law is strictly remedial, and that it in no respect affects the obligation of the contract.

India Rubber Goods.

By the Tariff of 1842, a duty of thirty per cent. is laid on "India-rubber oil-cloth, webbing, shoes, braces or suspenders, or any other fabrics or manufactured articles composed wholly or in part of India-rubber"—while "India-rubber in bottles or sheets, or otherwise unmanufactured," is declared exempt from duty.

By these sections, the duty of thirty per cent. is payable upon shoes made of India-rubber in Brazil, although they are made by the same process as bottles or sheets, provided they come to this country in a condition to be worn without further material labor on them here, and were actually worn in this form.

The article comes within the letter of the law, and the act of 1842 was framed with a desire to tax whatever might compete with our own manufactures. When India-rubber is made into a shape suitable for use, it may be considered a manufactured article. *Allen and Paxton v. C. W. Lawrence*, (Collector of New York.) Suit for \$2,908 60 for duties paid (under protest) on common India-rubber shoes.

Insurance.

Where the vessel was run on shore by the captain in order to save the lives of those on board, and for the preservation of the cargo, by which act the vessel was totally lost, but the cargo was saved and delivered to the consignee, a libel *in personam*, filed by the owner of the vessel against the consignee of the cargo, (and the result would be the same if filed against the owner of the cargo,) for a contribution by way of general average, cannot be sustained in the Admiralty Courts of the United States.

In cases of general average, the lien is a qualified one, depends upon the possession of the goods, and ceases when they are delivered to the owner or consignee.

Whatever may be the liability of the owner after he has received his cargo, it is founded upon an implied promise to contribute to the reimbursement of the owner of the lost vessel, which promise is implied by the common law, and not by the maritime law.—*Rae v. Pliny Cutler*. Action by the owner of the barque *Zamora*, against the owner of 154 bales of cotton, a part of the cargo. The vessel was overtaken by a storm in Massachusetts Bay, and was run on shore by the captain, in order to save the lives of those on board, and for the preservation of the cargo, which, together with the vessel, were in imminent danger of being totally lost.

In an insurance upon freight, there is no total loss of a memorandum article as long as the goods have not lost their original character, but remain in specie, and in that condition are capable of being shipped to their destined port, no matter what may be the extent of the damage.

If, however, the articles are not capable of being carried, in specie, to the port of destination, arising from danger to the health of the crew or to the

safety of the vessel, or the public authorities at the port of distress order the articles to be thrown overboard, from fear of disease, there would be a total loss.

In construing the contract of insurance upon freight, the interest of the insured, or of the underwriters of the cargo, is not considered. Therefore, if the vessel is in a condition to carry on the cargo to the port of destination, or another vessel can be procured for that purpose, it is the duty of the owner of the vessel to carry it on, although it may be for the interest of the insured and insurers of the cargo to sell it at the port of distress; and if so sold, the insured cannot recover for a total loss of freight.

But although it is the duty of the owner of the vessel, either to repair his own or to procure another at the port of distress to carry on the cargo, yet, if it should be made to appear that the repairs or procurement of another vessel would necessarily produce such a retardation of the voyage as would, in all probability, occasion a destruction of the article, in specie, before it could arrive at the port of destination, or, from its damaged condition, it could not be reshipped in time, consistently with the health of the crew or safety of the vessel, or would not be in a fit condition, from pestilential effluvia or otherwise, to be carried on, it then became the duty of the master to sell the goods for the benefit of whom it might concern.

A policy of insurance upon "freight of the barque Margaret Hugg, at and from Baltimore to Rio Janeiro, and back to Havana or Matanzas, or a port in the U. S., to the amount of \$5,000, upon all lawful goods, &c.," upon which a greater premium was paid than was usual for the outward voyage alone, must not be construed as a policy upon the round voyage.

The contract of insurance is, that it shall be in the power of the insured to earn his freight: that is, that the perils insured against shall not prevent the ship from earning full freight for the assured in that voyage. *Hugg and Bandel v. The Augusta Insurance and Banking Company.*

DECISIONS OF THE SUPREME COURT OF THE STATE OF GEORGIA.

Bills of Exchange—Promissory Notes—Damages.

The endorsee of a negotiable promissory note, drawn in Georgia, payable in New York, and returned protested for non-payment, is entitled to charge five per cent. damages against the endorser, as provided by the act of 1823 in cases of protested bills of exchange. *Howard v. Central Bank.*—*Kelly's Reports*, Vol. III. p. 378.

A note transferred before due, and without notice, as collateral security for an existing debt, is not liable, in the hands of the transferee, to any of the equities between the maker and the payee. *Gibson v. Conner.*—*Ibid*, 48.

The charter of the Insurance Bank of Columbus prescribes the mode in which contracts shall be executed, to be binding on the Company, viz.: that they shall be signed by the president, and countersigned by the cashier. In a suit at the instance of the holder of a bill against the endorser, on a bill drawn by himself as president of the corporation, and in his own favor, he cannot object to the regularity of the contract, nor is he protected in his endorsement by its want of conformity to the statute. *McDougald v. Central Bank.*—*Ibid*, 191.

The 26th section of the Central Bank charter, dispensing with proof of demand and notice in order to charge endorsers, applies to suits upon notes payable elsewhere, as well as to those payable at that bank—viz.: “all suits commenced by said corporation upon any note, bill, bond or obligation, upon which there shall be any endorser, the maker or makers, together with the endorser or endorsers, or their representatives, may be embraced or sued in the same action, and no proof of notice, demand or protest, shall be required on any trial, to authorize a recovery.”—*Ibid*, 191.

Where endorsers of a promissory note resided in the county of Richmond, the one seven and a half miles and the other twelve miles from the city of Augusta, and were in the habit of receiving their letters and papers at the Augusta post office at least once a week, *held*, that notices of the dishonor of a note, deposited in the Augusta post office, addressed to them, was sufficient to make them liable, although there was a post office at the Richmond Factory, nearer to them than the office at Augusta. *Walker v. the Bank of Augusta*.—*Ibid*, 495.

Notaries Public.

Their certificates *prima facie* evidence of the non-payment of a note, and of the notice also, when so stated therein.—*Ibid*, 495.

The act of 1836 makes the certificates, protests and other acts of notaries public under their hand and seal, *prima facie* or presumptive evidence of the facts therein stated, in relation to the non-payment of a promissory note.—*Ibid*.

The general rule with regard to giving notice of the dishonor of bills and notes, is, that when the parties reside in the same city or town, the notice must be personal, or by leaving it at the dwelling house or place of business of the party, if absent; but if the endorser reside at a different place, then notice may be sent through the post office to the post office nearest to him, or to the one to which he usually resorts for his letters and papers.—*Ibid*, 497.

Usury.

If usury is paid by a surety to the contract, cognizant to its being usurious, he cannot recover the usurious interest from his principal. *Hargraves v. Lewis*.—*Ibid*, 167.

DECISIONS OF THE SUPREME COURT OF OHIO, 1848-9.

Banks and Bankers.

A. Gordon, in Pittsburgh, drew upon his debtors in Zanesville for \$114.04, subject to his own order, and endorsed the draft to Warrick Martin & Co., exchange brokers at Pittsburgh, who endorsed and sent it to H. N. Kearney at Zanesville for collection, who received the money upon it. Before the payment of the draft, W. M. & Co. failed, and were indebted to H. N. K. in a sum larger than the amount of the draft, which indebtedness grew out of their dealings as exchange brokers. When the latter received the draft, he had no notice that the drawer was its owner, but he had such notice before

the money was paid. *Held*, that H. N. K. might retain and apply the proceeds of the draft, on his account against W. M. & Co. *Gordon v. Kearney*.—Kelly's Ohio Reports, Vol. XVII. p. 572.

Notaries Public—Bills of Exchange.

A notary public, having a bill of exchange for the purpose of demanding payment of an acceptor, who had, a short time before, been a boarder at a public hotel at Cincinnati, is under no obligation, when informed at the hotel that the acceptor had gone down the river to be absent some days, to present the bill or make demand of payment of any one there, in order to fix the liability of the endorser. *Bellefont Bank of St. Claresville v. Patterson*.—*Ibid*, 78.

A memorandum at the foot of a promissory note in these words, "I do hereby obligate myself that the above note shall be paid in three years from this 4th day of June, 1838," made in consideration that the payee will delay the payment until two years after the maturity of the note, is an original agreement, and demand and notice are not necessary to charge the signer of the memorandum. *Reed v. Evans*.—*Ibid*, 128.

Interest—Usury.

Where illegal interest has been incorporated in an obligation, it cannot be collected; but where the obligation has been annually renewed, embracing both principal and interest, annual interest will be allowed. *Mattocks v. Humphreys*.—*Ibid*, 336.

Where interest greater than at the rate of six per cent. has been voluntarily paid, the same cannot be recovered back, or set off against the principal debt. *Graham v. Cooper*.—*Ibid*, 605.

DECISIONS OF THE SUPREME JUDICIAL COURT OF MAINE.

[Continued from page 50, July, 1849.]

Bills of Exchange and Promissory Notes.

Although a contract of guaranty of payment of an existing negotiable note is not negotiable, yet the note itself may be negotiated by the same instrument which creates the guaranty. *Myrick v. Hasey*.—Shipley's Reports, Vol. XIV. p. 9.

Where a note was made payable to R. D. H. or order, it was held that these words, "I hereby guaranty the payment of the within note, R. D. H." written by the payee upon the back of the note, operated as a sufficient endorsement thereof.—*Ibid*.

The defendant, being the maker of a negotiable note, will not be permitted to prove usury by his own oath in defence, where the suit is brought by an endorser.—*Ibid*.

Where a note then payable, having thereon a blank endorsement, by the payee, was received of him by the holder, with the understanding, of which the endorser was perfectly conusant, that demand on the maker and notice to the endorser were not intended to form a condition upon which alone the

latter should become liable—it was held, that demand and notice were thereby waived by the endorser. *Fullerton v. Rundlett*.—Ibid, 31.

Evidence of the declaration of the endorser as to the contract, prior to the endorsement of the note, and in reference to it, tending to show the terms upon which the note was received, and especially when connected with subsequent conduct and declarations having the same tendency, is admissible.—Ibid.

To enable the plaintiff to maintain an action upon a promissory note, made payable at a particular time and place, it is not necessary to aver and prove its presentment at the time and place named therein. If the maker was there, prepared to pay it, that is matter of defence to be pleaded and established by him. *Lyon v. Williamson*.—Ibid, 149.

Although the maker was at the place of payment, at the time named, prepared to make payment of the note, and the holder was not there to receive the money, yet if he subsequently demand payment there, and cannot obtain it, he may maintain an action against the maker to recover the amount.—Ibid.

The plea, when such defence is made, to be a good one, must state that the maker was ready to pay the money at the time and place named; that he has ever since been ready there to pay the same; and that he brings the money into Court for the plaintiff. The facts alleged may be put in issue, and must then be established by proof, or the defence must fail.—Ibid.

If a note be endorsed, after it has become overdue, thus, “endorser not holden, D. S.,” the endorser is, nevertheless, liable therefor, if a payment has been made upon the note, or a set-off can be claimed, when the note exhibits no indication of them, and the endorser leaves the endorsee in entire ignorance of any thing of the kind. *Ticonic Bank v. Smiley*, 225.

If the endorser of a note has paid to the endorsee a part thereof, he may recover the amount so paid of the maker in an action for money paid, although a part of the money still remains unpaid. *Garnsey v. Allen*, 366.

It is wholly immaterial whether such payment be made in money or other property, if it be received as a payment of so much. And evidence offered by the maker, that the property received by the endorsee of the endorser, was in fact of less value than the amount for which it was received, is inadmissible.—Ibid.

A partial failure of consideration for a note, given in payment for land sold, not arising out of a failure of title, but out of fraudulent misrepresentations respecting the quantity of timber trees then upon it, may be given in evidence in defence in a suit upon such note, while it remains in the hands of the seller, or in the hands of one having no superior rights. *Hammatt v. Emerson*, 308.

Public Carriers.

The owners of a steamboat, being a common carrier, are liable for a shipment on board of her, lost by means of a collision with another vessel at sea, and without fault imputable to either, there being no express stipulation of any kind, between the owner of the goods and the owners of the boat, that they should be exempted from the perils of the sea. *Plaisted v. Kennebec and Boston Steam Nav. Co.*, 132.

DECISIONS OF THE SUPERIOR COURT OF JUDICATURE OF NEW HAMPSHIRE.

Bills of Exchange and Promissory Notes.

A promissory note is subject to the *lex loci* where it is given. *Dow v. Rowell.*

Where a note is endorsed in a different government from that in which it was given, the endorsement is a new and substantive contract; and, as betwixt the endorser and endorsee, is subject to the laws of such government; but such endorsement cannot change the original liability of the promisor.

By the present statute of Vermont, the liability of parties to negotiable notes is subject to the ordinary rules of the common law.

Where a conveyance of land has been made by a deed, executed with covenants of warranty, and a note has been received in consideration of the conveyance, a partial failure of title will not constitute a defence to the note, but the remedy of the party must be by suit on the covenants of his deed. *Chase v. Weston.*

Where a promissory note is made payable generally, without any designation of the place of payment, the law of the place where it is made must determine the construction to be given to it, and the obligation and duty it imposes. *Bank of Orange County v. Colby.*

A note was made and dated at Boston, payable in twelve months. It was endorsed, and held by a bank in Vermont. At the end of the twelve months a demand was made upon the maker, residing in Maine, and notice given to the endorser in this State. By the law of Massachusetts, the maker was entitled to grace. *Held*, that the demand was premature, and that the endorser was not liable.

If a note be made payable to a bank, for the purpose of being discounted there, but is discounted by an individual, with the assent of all the makers, the party receiving it may declare upon it as a note made payable to the bank, giving the bank an indemnity against costs; or he may declare upon it as made payable to himself, by the name of the bank. And it *seems* that he may also, at his election, declare on it in his own name, as a note payable to the bearer, regarding the name of the payee as fictitious. If he can obtain a valid endorsement of it, by the bank, he may maintain an action as endorsee. *Elliot v. Abbot.*

The cashier of a bank, for the purpose of collection, may endorse notes belonging to the bank, and those lodged there for collection, or as collateral security.

But where a note, made payable to a bank, is discounted and taken by a third person, the cashier cannot make a valid endorsement of the note, without authority from the directors, or from the corporation. And the separate assent of a majority of the directors, (without any meeting,) that he should make an endorsement, confers no authority upon the cashier for that purpose.

The fact that the sureties on a note assented to several requests of the principal for delay, is not evidence, standing alone, on which the jury may find their assent to subsequent delays upon the same note. *Merrimack County Bank v. Brown.*

Where a creditor has a mortgage to secure two or more notes, on some of which the mortgagor is principal alone, and on another he is joint princi-

pal with another person, the creditor cannot apply the proceeds of a sale of the mortgaged premises in payment of the whole of the note in which the two are joint principals, to the prejudice of the sureties on the other notes. The law will apply the property in the first place to the payment of the actual debt of the mortgagor. *Merrimack County Bank v. Brown.*

If the defendant have authorized another to subscribe his name to a note, the fact that the signature was placed there by an agent need not appear on the note. *Moore v. Green.*

The endorser of a negotiable note cannot maintain an action upon it against the maker so long as the endorsee has the right to demand payment of the maker. If the endorsee have obtained judgment against the endorser, and collected part of it, that will not entitle the endorser to maintain an action upon the note against the maker. *Little v. Ingalls.*

An attorney, to whom a promissory note is committed for the purpose of collection, by the payee, derives no authority, from the mere fact of the employment, to endorse and transfer the note, in behalf of his client, to a third person, so as to enable him to maintain an action for the benefit of the payee. *White v. Hildreth.*

A note, given for a patent right for an invention, neither new nor useful, is without sufficient consideration to sustain it, and is void. *Dunbar v. Marden.*

If a note signed by several, be written, "I promise," a change of the word "I" into "we," will be a material alteration, which will render the note void, if made without the assent of the signers. *Humphreys v. Guillow.*

But a subsequent ratification of the alteration will be equivalent to an original authority to make it.

The burthen is upon the holder to prove that a material alteration was authorized or assented to by the maker.

A material alteration of a note, made with the assent of the signers, will not render it void.

After a material alteration had been made in a note, the maker said to the agent of the payee that it had been altered, and he was not bound to pay it, but would pay it; and he gave collateral security for its payment, and declared to others that he would pay it. *Held*, that this was competent evidence of his assent to the alteration. *S. C.*

The drawer of a bill of exchange, which has been duly accepted, is liable only upon due presentment to the acceptor for payment, and notice of the non-payment; unless he has in some way waived his right to insist upon demand and notice. *Moore v. Waitt.*

His liability is not changed by a notice, when the bill is drawn, that it will be discounted or left for collection at a certain bank in the vicinity, where the usage is not to make presentment when the bill becomes due, but to give notice to the acceptor and drawer.

If a promissory note be obtained, without consideration, by the fraudulent representations of the payee, but the maker afterwards, with full knowledge of the fraud, receives a consideration, and promises to pay it, he cannot set up the fraud in defence. *Russell v. Abbott.*

And if the new promise be made after the commencement of a suit upon the note, it will avail, as a ratification to sustain the action.—*Ibid.*

INTEREST.

BY J. R. McCULLOCH, ESQ., AUTHOR OF THE DICTIONARY OF COMMERCE; GEOGRAPHICAL DICTIONARY, &c.

On the rates of interest from the earliest ages to this time. The rate of interest varies according to the value of the security. On the interference of government in adjusting the rate of interest. House of Commons' Report on Usury. Usury laws do not reach the government.

Rate of interest is regulated by the relation between the supply of capital and the power of employing it advantageously.

Interest is the sum which the borrower of a *capital* obliges himself to pay to the lender for its *use*. Interêt : loyer d'un *capital* prêté ; ou bien, en termes plus exacts, achat des *services productifs* que peut rendre un capital.

Formerly it was universally believed that, in the event of all legislative enactments fixing and regulating the rate of interest being repealed, its increase or diminution would depend wholly on the comparative scarcity or abundance of money ; or, in other words, that it would rise as money became scarce, and fall as it became more plentiful. Mr. Hume was the first to point out the fallacy of this opinion, (see his *Essay on Interest*,) and to show that the rate of interest is not determined by the amount of the currency, but by *the average rate of profit derived from the employment of capital*. No doubt it most frequently happens that, when a loan is made, it is made in the currency of the country. This, however, is really of no consequence. There is obviously no difference between one individual furnishing another with 100 bushels of corn, to be repaid at the expiration of a twelve-month by the delivery of 104 or 105 bushels, or with as much money at four or five per cent. as would have purchased the corn. Besides, it is easy to perceive that the same identical sum of money might serve to negotiate an infinity of loans. Suppose A lends to X £1000, which X immediately pays away to B for commodities of equal value ; but B has no use for the money, and he therefore lends it to Y, who pays it away for commodities to C, who again lends it to Z, and so on ; it is plain the borrowers X, Y, Z, have really received a loan of commodities, or capital, from the lenders A, B, C, worth *three* times (and it might have been worth three hundred or three thousand times) as much as the money employed in settling the transactions. According as the supply of currency, compared with the business it has to perform, is greater or less, we are obliged to give a greater or less number of guineas or livres, pound notes or assignats, for the commodities we wish to obtain. It is plainly, however, by the *advantage* or *profit* we expect to derive from the acquisition of the commodities which constitute capital, and not from the accidental, and, in this respect, unimportant circumstance of a larger or smaller number of pieces of gold or silver, or of bits of engraved paper, being given for them, that the rate of interest, or the compensation given to the lender for the use of his stock, must be determined. It may perhaps be supposed, that when the quantity of metallic money is in-

creased, goldsmiths, jewellers, &c., obtain the raw material for carrying on their business with greater facility; but this is not always the case, and, though it were, it would not affect the rate of interest. No coins are ever sent to the melting pot unless when the currency is either degraded or depreciated; that is, unless it be deficient in weight or *relatively* redundant in quantity. And it is clear that the inducement to promise a high or low rate of interest for loans of metallic money, which it was intended to work up into some species of manufactured goods, would depend, not on the supply of such money, but on the profit to be derived from the operation, a circumstance totally unconnected with the scarcity or abundance of coin.

It appears, therefore, that the rate of interest, at any given period, depends exclusively on the supply of real disposable capital, such as land, machinery, raw and manufactured products, &c., compared with the power of profitably employing it. An increase of metallic money adds only very inconsiderably, and an increase of paper money adds nothing whatever, to the real capital of the country, or to the material of which all loans are really composed. If an increase of paper money was equivalent to an increase of capital, bank notes could not be too much multiplied, and France would have been about twenty times as rich at the era of the assignats as at this moment. It is not denied that considerable mischief and derangement must always be experienced in a highly manufacturing and commercial country like Great Britain, when any sudden check is given to the facility with which discounts are generally obtained, or when the currency is suddenly contracted. But the *frottement* and inconvenience occasioned by a contraction of the currency could only be temporary. It is impossible it could have any lasting effect on the industry of the country. We should still possess the same amount of real capital; and as neither its productive power, nor the liberty to transfer it from one individual to another, would be at all impaired, the real revenue of the state would continue as great as ever, and the same or a greater amount of stock might be disposed of by way of loan. *Money prices* would certainly fall proportionally to the reduction of the currency; or, which is the same thing, the value of commodities would henceforth have to be ascertained by comparing them with a smaller number of bits of gold or paper. But, in every other respect, the business of society would continue exactly on its former footing; and without some change in the rate of profit, on which fluctuations in the value of money have almost no effect, the rate of interest would continue invariable.

Mr. Ricardo has set this principle in a clear and striking point of view. "The rate of interest," he observes, in answer to those who had contended that it would be increased by a diminution of the discounts of the Bank of England, "is not regulated by the rate at which the bank will lend, whether it be five, four, or three per cent., but by the rate of profit which can be made by the employment of capital, and which is totally independent of the quantity and of the value of money. Whether a bank lend one million, ten millions, or a hundred millions, they would not permanently alter the market rate of interest; they would alter only the value of the money which they thus issued. In one case ten or twenty times more money might be required to carry on the same business, than what might be required on the other. The applications to the bank for money, then, depend on the comparison

between the rate of profits that may be made by the employment of it, and the rate at which they are willing to lend it. If they charge less than the market rate of interest, there is no amount of money which they might not lend: if they charge more than that rate, none but spendthrifts and prodigals would be found to borrow of them. We accordingly find, that when the market rate of interest exceeds the rate of five per cent. at which the bank uniformly lend, the discount office is besieged with applicants for money; and, on the contrary, when the market rate is even temporarily under five per cent., the clerks of that office have no employment." Ricardo's *Principles of Political Economy*, 1st edit. p. 511.

It is foreign to the object of this article to enter into any detailed examination of the causes which tend to elevate or depress the rate of profit. Whatever diversity of opinion may be entertained respecting them, it is abundantly evident that the rate of interest afforded for the use of borrowed capital must be proportional to the profits which might be derived from its employment. In the United States, the market rate of interest varies from ten to fourteen per cent.; and in Holland, previously to the invasion of the French in 1794, it did not exceed two or three per cent. The immense extent of fertile and uncultivated land in America, the lowness of taxation, and the absence of all restrictive regulations, naturally occasion high profits, and consequently high interest; whilst the sterility and limited extent of the soil of Holland, the excessive load of taxes, laid equally on necessaries and luxuries, and the injudicious restraints imposed upon various branches of commerce, by rendering it impossible to derive large returns from capital, proportionally sink the rate of interest. Had the soil of Holland been as fertile, and taxation as light, as in the United States, profits and interest would, notwithstanding the abundant supply of capital, have been equally high in the one republic as in the other. It is not by the absolute amount of the stock of a country, but by the comparative facilities for its advantageous employment, that the compensation or interest which a borrower can afford for its use must always be regulated. Previously to the termination of the late war, the market rate of interest in this country, for sums which could not be immediately demanded, fluctuated from five to twelve per cent. It has since fallen to four or five per cent.; a decline which has not certainly been occasioned by any sudden increase of capital, but by the extraordinary depression of commerce, and the consequent impossibility of investing stock so as to yield as large a profit as it did during the period when we engrossed almost the whole trade of the world.

Rate of interest varies according to the security for the repayment of the principal and the duration of the loan.

Besides such variations as are proportional to variations in the general and average rate of profit, and which *equally* affect *all* loans, the rate of interest must vary according to the degree of security afforded for the repayment of the principal, and the duration of the loan. No capitalist would lend on the personal security of a gunpowder manufacturer, and on mortgage over a valuable estate, at the same rate of interest. The extraordinary hazard of the gunpowder trade exposes the stock invested in it to an extreme degree of risk. It may be dissipated in an instant, and the power of the borrower

to refund the capital he had borrowed annihilated for ever. A lender of money on mortgage is almost entirely relieved from such contingencies. The owner of an estate on which a loan is secured may become bankrupt; but the estate itself will remain, and may either be sold or taken possession of by the lender. It is plain, therefore, that there must be a very great difference in the rate of interest paid by those whose security for the repayment of the principal is so exceedingly different. The gunpowder manufacturer, besides paying a rate or percentage equivalent to the common and average rate of interest derived from the most secure investments, would have to pay an *additional* rate, which, although it might not be designated by that name, would really constitute a *premium* of insurance proportioned to the greater risk to which the lender was exposed of losing his principal. The preferable security offered by the landholder would relieve him from the necessity of paying any considerable premium, or excess of interest, on account of risk; and of course he would be able to borrow at so much less than the manufacturer. We should mistake, however, if we supposed that the latter was thus placed in a comparatively disadvantageous situation. He would be completely indemnified for the greater risk to which his stock was exposed, and for the higher rate of interest which he was in consequence obliged to pay, by the greater *gross profits* he would derive from his business. The constantly operating principle of competition will not permit, taking every thing into account, a greater *net profit* to be permanently derived from one department of industry than from another. But those who invest their stock in employments of more than ordinary hazard, must be able to dispose of their produce at such a price as will yield them the common and average rate of profit, besides affording a surplus adequate to insure their stock against the extra risk to which it is exposed. If this were not the case, no capitalist would place his property in a state of comparative danger, and no undertakings of a hazardous nature would be entered into. Wherever there is risk, that risk must be compensated. And it may, and very frequently does, happen, that the manager of a hazardous branch of industry, paying from ten to twenty per cent. for borrowed capital, is realizing a larger net profit than the landlord who has purchased an estate with money for which he only pays three or four per cent.

This principle is never lost sight of in bargaining for loans. In Athens, the rate of interest was not regulated by law; and it is distinctly mentioned by ancient authors, that the average rate of interest paid by those who employed their stock in the shipping trade with the countries situated on the Euxine and Mediterranean Seas amounted, on account of the hazard of the voyage, to about thirty per cent.; whilst bankers, agriculturists, and others, whose security was preferable, paid only about twelve per cent. Say, in noticing this striking fact, supposes that the thirty per cent. was charged by the voyage; and that, as two voyages to the Crimea or Sicily might be made annually, *maritime* interest really amounted at Athens to sixty per cent. There does not, however, appear to be the least ground for this assertion. It is the average annual rate of interest that is always spoken of. (*Travels of Anacharsis*, vol. iv. p. 368, Eng. Transl.; De Pauw, *Récherches sur les Grecs*, tom. i. p. 287; Say, tom. ii. p. 132.)

But supposing the securities to be equal, capital lent for *short* periods, or

in such a way that the lender may obtain possession of it *at pleasure*, will always bring a lower rate of interest than capital lent for a considerable or definite period. No borrower could afford to pay so high a rate of interest for a capital whose productive services he might be deprived of in an instant, and which he could not therefore venture to invest in any employment from which it might not be easily withdrawn, as for a capital lent for a fixed period, especially if that period was of considerable length. But here, as in every other case, the real interests of the borrower and lender coincide. The same circumstances which prevent a borrower from giving as high a rate of interest for a loan payable on demand as if it were payable at a fixed and distant term, induce the lender to rest satisfied with a smaller compensation in the one case than in the other. We wish to be able to exercise a complete command over our capital. No merchant would ever consent to lend his stock on mortgage. If he did, he would no longer be able to carry on his business with advantage. He would be deprived of all power of speculating; and although this might in many instances be for his advantage, yet the flattering opinion which every one entertains of his own abilities and good fortune would but seldom allow him to doubt of its being a very material disadvantage. It is by this principle that we are able to account for the comparatively low rate of interest at which banking companies who pay the sums deposited with them on demand, and governments whose circumstances are perfectly desperate, are able to borrow. A stockholder's mortgage (his claim on the revenue of the country) can be immediately converted into cash at the current prices. And however much the majority of the public creditors may be impressed with a conviction of the inability of the state to discharge *all* the claims upon it, every particular individual, confident in his own good fortune, foresight, and acuteness, flatters himself with the idea that *he*, at least, will be able to predict the coming tempest, and that *he* will be able to sell out before a national bankruptcy.

Interference of government in adjusting the rate of interest.

Instead, however, of leaving the rate of interest to be adjusted by the unfettered competition of the borrowers and lenders, on the principles we have thus briefly explained, the governments of most countries have interfered, either to prohibit the taking interest altogether, or to fix certain rates which it was declared legal to exact, at the same time that any excess over these rates was declared to be *usury*, and prohibited under the severest penalties. In the rude and unenlightened ages in which these enactments had their origin, the precious metals, then the only species of money, were considered as uninfluenced by the same principles which regulate the value of other products. Being used both as standards whereby to ascertain the comparative value of different commodities, and as the equivalents for which they were most frequently exchanged, they acquired a factitious importance, not merely in the estimation of the vulgar, but in that of persons of the greatest discernment. The simple consideration that all buying and selling is really nothing more than the bartering of one commodity for another, of a certain quantity of corn or beef, for example, for a certain quantity of gold or silver, and *vice versa*, was entirely overlooked. The attention was gradually transferred from the money's worth to the money itself; and the wealth of states and

of individuals came to be measured, not by the abundance of their disposable produce, by the quantity or value of the commodities with which they could afford to purchase the precious metals, but by the *quantity of these metals* actually in their possession. Because it sometimes happened that the holders of ordinary commodities were unable easily to dispose of them at any price, whilst money was always sure to find a ready and advantageous market, it was considered as something mysterious, as a real *marchandise par excellence*. We cannot, therefore, be surprised at the measures to which the erroneous opinions entertained respecting it necessarily led; or that efforts should have been made to protect the interests of those who were unprovided with so powerful an instrument, from becoming a prey to the encroachments of their more fortunate neighbors. Every individual was allowed freely to dispose of his corn, cattle, land, &c.; but it was imagined there was something peculiar in money, and that the desire to obtain it was so great, that, unless the lenders were restrained in their demands, they would, by taking advantage of the necessities of the borrowers, infallibly ruin them, and engross the whole property of the country.

Another source of the prejudice against stipulating for interest must be sought for in the dislike so universally entertained in remote ages to accumulation. There can be no accumulation without economy, without a saving of income; and this was then not only considered as indicative of a sordid and avaricious disposition, but as being positively hurtful. Before the nature and functions of capital were properly understood, it was believed that it could not be increased otherwise than by injuriously abstracting a portion of the national revenue, and that any advantage it might give to the proprietor must have been obtained at the public expense. It did not occur to our ancestors, that an individual who, by his economy, has accumulated stock, has really added to the wealth of the state, without diminishing that of others; nor were they aware that this stock, when afterwards expended, as is almost always the case, in the support of productive industry, would afford the means of producing an increased income. But reckoning, as they did, the savings of individuals as so much withdrawn from the public income, it was natural enough that they should endeavor to limit the advantage to be derived from their employment.

Much, also, of the prejudice against bargaining for interest, so prevalent in the middle ages, may be traced to the authority of some texts of Scripture, which were understood entirely to prohibit its exaction. It has, however, been shown, that these texts will not really bear this interpretation; but, supposing that they did, nothing, it is plain, could be more absurd than to consider the municipal regulations of a people placed in such peculiar circumstances as the Jews, as general and fixed principles, applicable in all ages and countries.

But, whatever may have been the causes of the efforts so generally made to regulate and limit the rate of interest, it is certain that, so far from succeeding in their object, they have had a precisely opposite effect. Should a borrower find it for his advantage to offer six, seven, or eight per cent. for a loan (and unless it were for his advantage, nothing could possibly induce him to make such an offer), what right has the legislator to interfere, and to prohibit the lender from receiving, and the borrower from paying, more than

four or five per cent. Such an interference is not only uncalled for and unnecessary, but it is, in the highest degree, prejudicial. Restrictive laws, instead of reducing, have uniformly contributed to raise the rate of interest. Nor is this any thing more than might have been foreseen and expected. It is plain that no law can be so framed as to prevent a borrower from offering a higher rate of interest than what is fixed by statute; and if the lender had implicit confidence in the secrecy and solvency of the borrower, he might accommodate him with the sum wanted, without requiring any additional interest or *premium of insurance* because of the danger of entering into what the law declares to be an *illegal* transaction. But this must be a very rare case. Gratitude, and a sense of benefits received, are, unfortunately, when they come into contact with self interest, but slender securities for honorable conduct. Numberless unforeseen events occur to weaken and dissolve the best cemented friendships; and a transaction of this kind would undoubtedly afford an additional source of jealousies and divisions. In such matters, indeed, men are more than usually sharp-sighted, and are very little disposed to trust to moral guarantees for the security of their property. But neither the threatenings of the law, nor the powerful inducements which it holds out to dishonest debtors to break their engagements, and treacherously to recede from the stipulations to which they had agreed, have been able to prevent, or even greatly to lessen, what are termed *usurious* bargains. Their only effect has been, to oblige the lender to demand, and the borrower to bind himself to pay, a higher rate of interest than would otherwise have been required. A bargain for more than the statute rate of interest being declared illegal, the lender is thus exposed to an additional *risk*. But no person will gratuitously place his fortune in a situation of comparative hazard; and, therefore, the sum necessary to cover this risk must be proportioned to the greater or less anxiety on the part of government to prevent and punish such bargains; or, in other words, the rate of interest is invariably increased according as the laws intended to reduce it become more severe, and diminished according as they are relaxed.

Thus a capitalist might be inclined to lend a sum at six or seven per cent.; but as the law declares that any individual who shall stipulate for more than five per cent. shall, if detected, forfeit *three times the principal*, it is clear, provided there was no method of defeating this statute, that there must be an end of all borrowing, except when the market rate of interest was below the statutory rate. Whenever it was above that rate, no person would be able to obtain a single farthing in the way of loan. There could, then, be no transference of capital. It would continue locked up in the same hands; and the national property and welfare would, in consequence, suffer severely. Luckily, however, the mutual interest and ingenuity of borrowers and lenders have always proved an overmatch for the enactments of the law. These have done nothing but fetter the transference of stock, and force the borrowers to pay a higher rate of interest for it. What might have been borrowed at six per cent., had there been no hazard from anti-usurious statutes, is, on account of that hazard, raised to perhaps eight or even ten per cent.; and, what is still worse, a contempt for the institutions of society, and a habit of carrying on business in a secret and underhand manner, are generated. The odium which attaches to a positively pernicious regulation, weakens the re-

spect which would otherwise be felt for those which are acknowledged to be advantageous; and that spirit of frankness, openness, and sincerity, which, wherever it predominates, is so highly valuable, is cramped in its development, or altogether supplanted, by duplicity, extortion and cunning.

Effect of the usury laws in Rome.

These conclusions do not rest on theory only, but are supported by a constant and uniform experience. At Rome, during the period of the republic, the ordinary rate of interest was excessively high. The debtors, or plebeians, were every now and then threatening to deprive their creditors, who were generally of the patrician order, not only of the interest of their capital, but of the principal itself. Repeated instances occurred to show that these were not mere empty threats; and the patricians were therefore obliged to indemnify themselves, by means of a corresponding premium, for the risks to which they were exposed. "Des continuelles changements," says Montesquieu, "soit par des loix, soit par des plebiscites, naturaliserent à Rome l'usure; car les créanciers, voyant le peuple leur débiteur, leur législateur, et leur juge, n'eurent plus de confiance dans les contrats. Le peuple, comme un débiteur décrédité, ne tentoit à lui prêter que par *des gros profits*; d'autant plus que, si les loix ne venoient que de temps en temps, les plaintes du peuple étoient continuelles, et intimidoient toujours les créanciers. Cela fit que tous les moyens honnêtes de prêter et d'emprunter furent abolis à Rome, et qu'une usure affreuse, toujours foudroyée, et toujours renaissante, s'y établit. Le mal venoit de ce que les choses n'avoient pas été ménagés. Les loix extrêmes dans le bien font naître le mal extrême: *il fallut payer pour le prêt de l'argent, et pour le danger des peines de la loi.*" (*Esprit des Loix*, livre xxii. chap. 21.)

Interest in the East; in the middle ages; in France; in Livonia.

In Mohammedan countries, notwithstanding the positive prohibition in the Koran, the ordinary rate of interest is at least ten or twenty times as high as its ordinary rate in Europe. "L'usure augmente dans les pays Mahometans à proportion de la sévérité de la défense: le prêteur s'indemnise du péril de la contravention." (*Esprit des Loix*, liv. xxi. ch. 19.)

During the middle ages, the average rate of profit could not be much higher than at present: "But the clamor and persecution raised against those who took interest for the use of money was so violent, that they were obliged to charge it much higher than the natural price, which, if it had been let alone, would have found its level, in order to compensate for the opprobrium, and frequently the plunder, which they suffered; and hence the usual rate of interest was what we should now call most exorbitant and scandalous usury." Macpherson's *History of Commerce*, vol. i. p. 400. The extraordinary risks to which lenders were exposed rendered the premium of insurance on all sorts of capital excessively high; for, of the fifty and even a hundred per cent. which borrowers then frequently engaged to pay as interest, not more than eight or ten per cent. can properly be said to have been given for the productive services of capital. The rest must be considered as a *bonus*, to compensate the lender for the hazard he encountered of losing the principal itself. It is impossible to form any very accurate estimate of the rate of profit in the middle ages; yet several striking facts may

be adduced in support of the opinion here advanced. At Verona, in 1228, the interest of money was fixed by law at twelve and a half per cent. Towards the end of the fourteenth century, the republic of Genoa paid only from seven to ten per cent. to her creditors; and the average discount on good bills at Barcelona, in 1435, is stated to have been about ten per cent. But whilst the rate of interest in Italy and Catalonia, where a considerable degree of freedom was allowed to the parties concerned in bargaining for a loan, was thus comparatively moderate, it was, in despite of its total prohibition, incomparably higher in France and England. Matthew Paris says that, in the reign of Henry III., the debtor paid ten per cent. every two months; and this, though absolutely impossible as a general practice, may not have been very far from the average interest charged on the few loans that were then contracted for. (Hallam's *History of the Middle Ages*, vol. iii. p. 402.)

In France the rate of interest was fixed at five per cent. so early as 1665; and this, a few short intervals only excepted, continued to be the legal rate until the Revolution. Laverdy, in 1766, reduced it from five to four per cent. Instead, however, of the market rate being proportionably reduced, it was raised from five to six per cent. Previously to the promulgation of the edict, loans might have been obtained on good security at five per cent.; but an additional per cent. was now required to cover the risk of illegality. This caused the speedy abandonment of the measure. Storch, *Traité d'Economie Politique*, tome iii. p. 187.

The same thing happened in Livonia in 1786, when the Empress Catherine reduced the legal rate of interest from six to five per cent. Hitherto, says Storch (*in loco supra citato*), those who had good security to offer were able to borrow at six per cent.; but henceforth they had to pay seven per cent. or upwards. And such will be found to have been invariably the case, wherever governments have interfered to reduce the statutory below the market rate of interest.

History of the laws regulating the rate of interest in England.

From the earliest period of the history of England down to the reign of Henry VIII., the taking of interest was absolutely forbidden to all persons within the realm except Jews and foreigners, who, nevertheless, were frequently plundered for the sake of enriching the crown, under the miserable pretext of punishment for what were then called their "hellish extortions." The disorders occasioned by this ruinous interference on the part of government at length became so obvious, that, notwithstanding the powerful prejudices to the contrary, a statute was passed in 1546 (37 Hen. VIII. cap. 7), legalizing the taking of interest to the extent of ten per cent. per annum; and this because, as is recited in the words of the act, the statutes "prohibiting interest altogether have so little force, that little or no punishment hath ensued to the offenders." In the reign of Edward VI. the horror against taking interest seems to have revived in full force; for, in 1552, the taking of *any* interest was again prohibited, "as a vice most odious and detestable," and "contrary to the word of God." But, in spite of this tremendous denunciation, the ordinary rate of interest, instead of being reduced, immediately rose to fourteen per cent., and continued at this rate until, in 1571, an act was passed (13 Eliz. cap. 8) repealing the act of Edward VI., and

reviving the act of Henry VIII., allowing ten per cent. interest. In the preamble to this act it is stated, "that the prohibiting act of King Edward VI. had not done so much good as was hoped for; *but that rather the vice of usury hath much more exceedingly abounded*, to the utter undoing of many gentlemen, merchants, occupiers, and others, and to the importable hurt of the commonwealth." This salutary statute was opposed, even by those who, it might have been expected, would have been among the first to emancipate themselves from the prejudices of the age, with all the violence of ignorant superstition. Dr. John Wilson, a man famous in his day, and celebrated for the extent and solidity of his learning, stated in his place in the House of Commons, that "it was not the amount of the interest taken that constituted the crime; but that all lending for any gain, be it ever so little, was wickedness before God and man, and a damnable deed in itself, and that there was no mean in this vice any more than in murder or theft." In order to quiet the consciences of the bench of bishops, a clause was actually inserted, declaring *all* usury to have been forbidden by the law of God, and to be in its nature sin, and detestable. When first enacted, this statute was limited to a period of five years; but, "forasmuch as it was by proof and experience found to be very necessary and profitable for the commonwealth of this realm," it was, in the same reign, made perpetual. (39 Eliz. cap. 18.)

In the 21st of James I. the legal rate of interest was reduced to eight per cent., by an act to continue for seven years only, but which was made perpetual in the succeeding reign. (3 Car. I. cap. 4.) During the commonwealth, the legal rate of interest was reduced to six per cent., a reduction which was afterwards confirmed by the act 12 Car. II. And, finally, in the reign of Queen Anne, a statute (12 Anne, cap. 16) was framed, reducing the rate of interest to five per cent., at which it now stands.

In the preamble to this statute, it is stated, that, "whereas the reducing interest to ten, and from thence to eight, and thence to six, in the hundred, hath from time to time, by experience, been found very beneficial to the advancement of trade and the improvement of lands, it is become absolutely necessary to reduce the high rate of interest of six per cent. to a nearer proportion to the interest allowed for money in foreign states." It was for these reasons enacted, that all bargains or contracts stipulating for a higher rate of interest than five per cent. should be utterly void. And "that all persons who should after that time receive, by means of any corrupt bargain, loan, exchange, chevizance, or interest, of any wares, merchandise, or other thing whatever, or by any deceitful way or means, or by any covin, engine, or deceitful conveyance for the forbearing or giving day of payment, for one whole year, for their money or other thing, above the sum of £5 for £100 for a year, should forfeit, for every such offence, the *triple* value of the monies or other things so lent, bargained," &c.

Laws regulating the rate of interest in Scotland; in Ireland.

In Scotland, previously to the Reformation, no interest could be legally exacted for money. But this great event, by weakening the force of those religious prejudices, which had chiefly dictated the laws prohibiting interest, occasioned the adoption of sounder opinions on the subject, and led to the

enactment of the statute of 1587 (11 Parl. Jac. VI. cap. 52), which legalized the taking of interest to the extent of ten per cent. In 1633 the legal rate was reduced to eight per cent., and in 1661 to six per cent. The statute of Queen Anne, reducing the rate of interest to five per cent., extended to both kingdoms.

The statutes prohibiting the taking of interest in Ireland were not repealed until 1635, when, by the statute 10 Car. I. cap. 22, liberty was given to stipulate for interest to the extent of ten per cent. In 1704 this rate was reduced to eight per cent.; in 1722 it was reduced to seven per cent., and in 1732 it was further reduced to six per cent., at which it has since continued fixed.

Comparison between the market rate and the statutory rate of interest, from 1714 to 1793.

It has been observed by Dr. Smith, that the different statutory regulations, reducing the rate of interest in England, were made with great propriety. Instead of preceding, they followed the fall which was gradually taking place in the market rate of interest; and, therefore, did not contribute, as they otherwise must have done, to raise the rate which they were intended to reduce. Sir Josiah Child, whose celebrated Treatise, recommending a reduction of interest to four per cent. was published about 1670, states positively, that the goldsmiths in London, who then acted as bankers, could obtain as much money as they pleased, upon their servants' notes only, at four and a half per cent. The supposed insecurity of the revolutionary establishment, and the novelty of the practice of funding, occasioned the payment of a high rate of interest for a considerable portion of the sums borrowed by the public in the reigns of William III. and Anne; but private persons, of undoubted credit, could then borrow at less than five per cent. During the reign of George II. the market rate of interest fluctuated from three to four and four and a half per cent. On the 18th of December, 1752, the three per cents. brought the highest price they have hitherto reached, namely, 106 $\frac{3}{4}$ per cent. On the 20th of September, 1797, the day on which the failure of Lord Malmesbury's attempt to negotiate with the French republic transpired, consols fell to 47 $\frac{3}{4}$, being the lowest price at which they have ever been sold.

Dr. Smith mentions, that the increased means of profitably investing capital acquired during the war which terminated in 1763, raised the market rate of interest, subsequently to the peace of Paris, to a level with the statutory rate, or perhaps higher. But this rise was only temporary, and it was not until the late war that any very material or general inconvenience was found to result from the limitation of the rate of interest to five per cent.

Expedients for defeating the laws limiting the rate of interest.

It is necessary, however, to observe, that this remark applies exclusively to the loans negotiated by individuals who could offer unexceptionable security; for, ever since the passing of the act 1714, persons engaged in employments of more than ordinary hazard, whose character for prudence and punctuality did not stand high, or who could only offer inferior security, were unable to borrow at five per cent., and have in consequence been compelled to resort to a variety of schemes for defeating and evading the enact-

ments in the statute. The most common device was the sale of an annuity. Thus, supposing an individual whose personal credit was not good, and who had only the life-rent of an estate to give in security, wanted to borrow any given sum, he sold an annuity to the lender sufficient to pay the interest stipulated for, which, because of the risks and odium attending such transactions, was always higher than the market rate, and also to pay the *premium* necessary to insure payment of the principal on the death of the borrower. It is curious to observe, that although the sale of an *irredeemable* life annuity, at a rate exceeding legal interest, was not reckoned fraudulent or usurious, yet, so late as 1743, Lord Hardwicke held, that in their less exceptionable form, or when they were *redeemable*, annuities could only be looked upon as an evasion of the statute of usury, and a loan of money.—*Considerations on the Rate of Interest*, by E. B. Sugden, Esq. *Pamphleteer*, vol. viii. p. 278. But the extreme inexpediency of this distinction soon became obvious, and the law on this subject is now entirely changed. The greater extension of the traffic in annuities, and the advantage of giving as much publicity as possible to such transactions, led to various parliamentary inquiries and regulations respecting them in the early part of the reign of his late majesty. The consequence has been, that irredeemable annuities are now nearly unknown, and that the sale of a redeemable annuity cannot be impeached, although it should appear on the face of the deeds that the lender had secured the principal by effecting an assurance of the borrower's life. By the act 53 Geo. III. cap. 141, it is enacted, "That a memorial, setting forth the date of every deed, bond, instrument, or other assurance, whereby an annuity or rent-charge shall be granted for one or more life or lives, or for a certain number of years, the names of all the witnesses, and of all the parties thereto, the sum given for the security, and the amount of the annuity itself, shall be registered in the Court of Chancery." This act only applies to England and Wales.

During the greater part of the late war, however, the usury laws operated, not to the prejudice of one, but of all classes of borrowers. The extent of the loans, the high rate of interest given by the state, the facility of selling out of the funds, the regularity with which the dividends were paid, and the temptations arising from the fluctuations in the price of funded property, diverted so large a proportion of the floating capital of the country into the coffers of the treasury, as to render it next to impossible for a private individual to borrow at the legal rate of interest, except from the trustees of public companies, or through the influence of circumstances of a very peculiar nature. The proprietors of unencumbered freehold estates, of which they had the absolute disposal, were almost universally obliged to resort to those destructive expedients which had formerly been the resource only of spendthrifts, and persons in the most desperate circumstances. Annuities were not unfrequently granted for the term of several lives, at the rate of twelve, fourteen, fifteen, and even twenty per cent., exclusive of the premium of insurance on the lives of the persons named in the grant of the annuities. Mr. Onslow, in his speech on the usury laws, 23d of May, 1816, mentions that he knew the case of a gentleman possessed of a very large estate in *fee-simple*, who had been compelled to grant an annuity for *four* lives (and the survivor of them), named by the grantee, for *eight* years' purchase.

House of Commons' Report on the Usury Laws.

The Report of the Committee on the Usury Laws, laid before the House of Commons in 1818, contains much valuable evidence, establishing the impolicy and the pernicious effects of these laws in the clearest manner. Mr. Sugden, a gentleman very extensively concerned in the management of landed property, stated, that when the market rate of interest rose above the legal rate, the landed proprietor was compelled to resort to some shift to evade the usury laws. For this purpose, Mr. Sugden informed the committee he had "known annuities granted for *three* lives, at ten per cent. upon fee-simple estates, unencumbered, and of great annual value, in a register county. He had also known annuities granted for *four* lives, and more would have been added, but for the danger of equity setting aside the transaction on account of the inadequacy of the consideration. Latterly many annuities were granted for a term of years certain, not depending upon lives." On being asked whether, if there were no laws limiting the rate of interest, better terms could or could not have been obtained, Mr. Sugden answered, "I am decidedly of opinion that *better terms* could have been obtained; for there is a stigma which attaches to men who lend money upon annuities, that drives all respectable men out of the market. Some leading men did latterly embark in such transactions, but I never knew a man of reputation in my own profession lend money in such a manner, although we have the best means of ascertaining the safest securities, and of obtaining the best terms. In all loans, two solicitors are invariably concerned, one for the borrower and one for the lender; and although the borrower always pays the expense of the securities, yet a regular professional bill is invariably made out; whereas, in the case of an annuity, although it is in strictness a loan, only one solicitor is employed, and he never makes out a regular bill, but charges what is termed a *lumping sum*, for all his expense and trouble in the transaction." And, in another place, Mr. Sugden observes, "the temptation on the part of a solicitor, to lend money upon annuities, is very strong, because, *without any check upon his charges he demands whatever sum he pleases, and he takes care that it is instantly paid; for in no instance is the borrower allowed to leave the room till he has paid the solicitor's charge.*" "Nothing," Mr. Sugden justly adds, "short of a *repeal of the usury laws* can put a stop to the abuses which attend grants of annuities; they strongly encourage a spirit of gambling; for, as the repayment of the money lent cannot be enforced, and the annuity is granted upon a contingency, the borrower too frequently neglects to provide for the payment of the loan, and trusts to chance for the determination of the annuity."

"The laws against usury," says Mr. Holland, partner of the house of Baring, Brothers, and Company, and one of the best informed merchants in the country, "drive men in distress, or in want of money, to much more disastrous modes of raising it than they would adopt if no usury laws existed. The landowner requires capital to increase his live stock, or improve his land, or for any other purpose, at a period when the government is borrowing money at above five per cent., or when the funds give a greater interest than five per cent.; no one will then lend to the landowner, because his money is worth more to him than the law allows him to take; the landowner

must, therefore, either give up his improvements, or borrow money on annuity interests, on much more disadvantageous terms than he could have done if no law existed against usury. The man in trade, in want of money for an unexpected demand, or disappointed in his returns, must fulfil his engagements or forfeit his credit. He might have borrowed money at six per cent., but the law allows no one to lend it to him, and he must sell some of the commodity he holds, at a reduced price, in order to meet his engagements. For example, he holds sugar which is worth 80s. ; but he is compelled to sell it immediately for 70s. to the man who will give him cash for it, and thus actually borrows money at twelve and a half per cent., which, had the law allowed him, he might have borrowed from a money dealer at six per cent. It is known to every merchant, that *cases of this kind are common occurrences in every commercial town, and more especially in the metropolis.* A man in distress for money, pays more interest, owing to the usury laws, than he would if no such laws existed ; because now he is obliged to go to some of the disreputable money lenders to borrow, as he knows the respectable money lender will not break the laws of his country. The disreputable money lender knows that he has the *ordinary risk* of his debtor to incur in lending his money, and he has further to encounter the *penalty of the law*, for both of which risks the borrower must pay. If no usury laws existed in common cases, and where a person is respectable, he might obtain a loan from the respectable money lender, who would then only have to calculate his ordinary risk, and the compensation for the use of his money."

Resolutions of the Committee.

In every part of the appendix to the *Report*, we meet with equally conclusive evidence of the pernicious effects of the laws restraining the rate of interest. And the committee admitted the full force of this evidence, by agreement to the following resolutions: 1st, "That it is the opinion of this committee that the laws regulating or restraining the rate of interest have been extensively evaded, and have failed of the effect of imposing a maximum on such rate ; and that, of late years, from the constant excess of the market rate of interest above the rate limited by law, they have added to the expense incurred by borrowers on real security, and that such borrowers have been compelled to resort to the mode of granting annuities on lives ; a mode which has been made a cover for obtaining a higher rate of interest than the rate limited by law, and has farther subjected the borrowers to enormous charges or forced them to make very disadvantageous sales of their estates. 2d, That it is the opinion of this committee, that the construction of such laws, as applicable to the transactions of commerce as at present carried on, have been attended with much uncertainty as to the legality of many transactions of frequent occurrence, and consequently been productive of much embarrassment and litigation. 3d, That it is the opinion of this committee, that the present period, when the market rate of interest is below the legal rate, affords an opportunity peculiarly favorable for the repeal of the said laws."

In spite, however, of the recommendation of the committee, and of the clear and satisfactory nature of the evidence on which it is founded, the

popular prejudice on this subject continues so strong, that there does not seem much reason to expect that this desirable measure will be speedily effected.

Pernicious effects of laws.

It is most absurdly supposed, that, were the laws limiting the rate of interest repealed, every individual who has capital to lend would henceforth indulge in all those mean and disgraceful practices which at present characterize the lowest classes of money brokers. But it might just as reasonably be supposed, that were country gentlemen allowed to sell game, they would immediately become addicted to all the vices of the poacher. The truth is, that if the rate of interest were left to be adjusted by the unrestricted competition of the parties, there would be almost no employment for the inferior class of money dealers. Except when the *market* rate of interest is below the *legal* rate, the usury laws prevent all persons, whose credit is not extremely good, from obtaining loans from capitalists of the highest character, and force them to have recourse to those who are less scrupulous. Supposing the market rate of interest to be six or seven per cent., an individual in ordinarily good credit might, were the usury laws abolished, easily obtain a loan at that rate. But the law having declared that no more than five per cent. shall be taken, and consequently having affixed a species of stigma to those lenders who bargain for a higher rate, necessarily excludes the rich and more respectable capitalists from the market, and obliges borrowers to resort to those of an inferior character, who, in addition to the premium for the risk incurred by entering into an illegal transaction, must receive an indemnification for the *odium* which in such cases always attaches to the lender. It is idle and ridiculous to attempt to secure individuals against the risk of imposition in pecuniary, more than in any other species of transactions. But although the object were really desirable, it could not possibly be obtained by such inadequate means. The usury laws generate the very mischief they are intended to suppress. Far from diminishing, they most unquestionably multiply usurious transactions in a tenfold proportion, and powerfully aggravate all the evils they were designed either to mitigate or remove.

Nothing can be more unreasonable, or more entirely unfounded, than the clamor that has been set up against usurers, as money-lenders are sometimes termed, because of their exacting a higher rate of interest than ordinary prodigals and spendthrifts. This, surely, is the most proper and efficient check that can be put upon the thoughtless or unprincipled extravagance of such persons. Supposing the security of a prodigal and of an industrious man to be nearly equal, and this can scarcely ever be the case, does not the capitalist who would lend to the latter at a lower rate of interest than he would lend to the former, confer a real service on his country? Does he not prevent those funds which ought to be employed in supporting useful labor, and in adding to the real wealth of the nation, from being wasted in ridiculous extravagances or boisterous dissipation?

They do not protect the prodigal and unwary.

But, perhaps, we shall be told that this is mistaking the object of the usury laws; that they were not intended to force capitalists to lend to spendthrifts at the same rate of interest as to industrious persons, but to protect the prodi-

gal and unwary from the extortion of usurers, by declaring any stipulation between them for more than a given rate of interest, to be null and void. But why all this solicitude about the least valuable class of society? Why fetter and restrict the free circulation of capital amongst those who would turn it to the best account, lest any portion of it might chance to fall into the hands of those who would squander it away? If the prevention of prodigality be an object of sufficient importance to justify the interference of the legislature, why not at once put the prodigal under an *interdict*? This is the only way in which it is possible to restrict him. It is not so much by borrowing money at high interest, as by contracting debts to merchants, on whose charge there is no check, that spendthrifts generally run through their fortunes. Mr. Bentham has justly observed, that so long as a man is looked upon as one who will pay, he can much easier get the goods he wants than he could the money to buy them with, though he were content to give for it twice or thrice the ordinary rate of interest. How ridiculous is it, then, to stimulate this natural facility of purchasing, to permit prodigals to borrow (for it is really borrowing) the largest supplies of food, clothes, &c., at twenty, thirty, or even an hundred per cent. interest, at the same time that we inflict a real injury on every other class of society, rather than permit them to borrow the smallest supply of money at more than five per cent. Instead of being of any service, this restriction is evidently injurious to the prodigal. It narrows his choice, and drives him from a market which might have proved much less disadvantageous, to one in which no disgrace attaches to the exaction of the most exorbitant interest, and where he can scarcely escape being ruined.

Neither is the outcry raised against capitalists for taking advantage of the necessities of industrious individuals, in any degree better founded than that which is raised against them for taking advantage of the extravagant and thoughtless disposition of the prodigal or the simple. According as a person has a character for sobriety, and for punctuality in making his engagements, and according to the presumed state of his affairs at the time, so will he be able to borrow. To say that a capitalist took advantage of the necessities of any individual, is only saying that he refused to lend to a person in suspicious or necessitous circumstances, at the same rate of interest he would have done had he been in high credit, or, which is the same thing, had there been no *risk* of losing the principal; and had he not acted in this manner, should we not have justly considered him as a fool or a madman?

But as has already been shown, whatever may be the extortion of lenders, the usury laws afford no means of checking it; on the contrary, they compel the borrowers to pay over and above the common rate of interest, a *premium* sufficient to indemnify the lender for the risk and odium incurred in *breaking them*. They attempt to remedy what is not an evil, and what, consequently, ought not to be interfered with; and in doing this they necessarily create a real grievance. What should we have thought of an act of parliament to compel the underwriters to insure a gunpowder magazine and a salt warehouse on the same terms? Yet this would not have been in any respect more absurd than to enact that the same rate of interest should be charged on capital lent to those whose security is widely different.

There were no usury laws in Holland.

Luckily we are not left to infer from general principles, however well established, the many advantages that would result from a repeal of the laws limiting the rate of interest. The case of Holland furnishes a practical and striking proof of the correctness of the theory we have been endeavoring to establish. It is an undoubted fact, that the rate of interest has been, for a very long period, lower in Holland, than in any other country in Europe ; and yet Holland is the only country in which usury laws are altogether unknown, where capitalists are allowed to demand, and borrowers to pay any rate of interest. Strictly speaking, this applies only to the state of Holland previously to the Revolution in 1795. The enactments of the Code Napoleon were subsequently introduced ; but it appears, from the Report of the Parliamentary Committee on the Usury Laws, that they have not, in any instance, been acted upon. Notwithstanding all the violent changes of the government, and the extraordinary derangement of her financial concerns in the course of the last twenty years, the rate of interest in Holland has continued comparatively steady. During the whole of that period, persons who could offer unexceptionable security have been able to borrow at from three to five and a half per cent.; nor has the average rate of interest charged on capital, advanced on the worst species of security, ever exceeded six or seven per cent., except when the government was negotiating a forced loan. The general rate of discount in Holland is from four to five per cent., and occasionally from three to three and a half per cent., but very seldom lower. During the Revolution it had been at six and seven per cent., and even at eight ; but this was generally owing to some *forced financial operation* on account of the government, and was never of long duration. The following is the average rate of discount at Amsterdam and Rotterdam from 1795 to 1817 :

1795—4,	4½,	5,	6.					1807—4,	4½,	5,	6.
1796—4,	4½,	5,	6.					1808—4,	3½,	4½,	5, 6.
1797—4,	4½,	5,	5½,	6,	9,	12.		1809—4,	4½,	5,	6.
1798—4,	4½,	5,	5.					1810—4,	4½,	5,	6.
1799—3,	4,	4½,	5.					1811—3,	3½,	4,	5.
1800—4,	4½,	5,	6.					1812—3,	3½,	4,	5.
1801—4,	4½,	5,	6.					1813—3,	3½,	4,	5, 6.
1802—4,	5,	5½,	6.					1814—4,	5,	5½,	5, 6, 6½.
1803—4,	5,	5½,	6.					1815—5½,	6,	6½,	7.
1804—4,	4½,	5,	5½,	6.				1816—5,	5½,	6,	6½, 7.
1805—4,	5,	5½,	6,	9.				1817—6,	5½,	6.	
1806—4,	4½,	5,	5½,	6,	9.						

“The Bank of Amsterdam never discounts at a higher rate than five per cent.; but they discount at a lower rate, and vary their discounts according to the abundance of capital, never exceeding five per cent., and occasionally as low as two and a half and three.” (Mr. Holland’s evidence, *Report of the Committee on the Usury Laws*, p. 45.) But in this country, where the law declares that no more than five per cent. shall be taken, the rate of interest for capital advanced on the best landed security has, in the same period, varied from five to sixteen or seventeen per cent., or *five times* as much as in Holland. Surely this ought to put to rest all doubts as to the impolicy and the inefficiency of the usury laws.

Legal rate of interest in France.

In France the usury laws were abolished at the Revolution; and it is distinctly stated, that their abolition *was not attended by any rise of interest*. Storch, *Economie Politique*, tome iii. p. 187. According to the *Code Napoleon* only six per cent. interest is allowed to be taken in commercial affairs, and five per cent. when money is advanced on the security of real property. There is not, however, any difficulty in evading this law. The method resorted to for this purpose is to give a *bonus* before completing the transaction, or, which is the same thing, to frame the obligation for the debt for a larger sum than was really advanced by the lender. None of the parties particularly interested can be called to swear to the fact of such a *bonus* being given; so that the transaction is unimpeachable, unless a third party, who was privy to the settling of the affair, can be produced as a witness. The Bank of France never discounts at a higher rate of interest than five per cent., but sometimes at a lower rate.

In Hamburg.

In Hamburg the rate of interest is quite unrestricted; or, if there be a written law restraining it, it has become altogether obsolete. The rate, therefore, varies according to circumstances. Occasionally it has been at seven, eight, and even ten per cent.; and in 1799, a period of great mercantile embarrassment and insecurity, it was as high as fourteen per cent. Generally, however, the rate of discount on good bills does not exceed four or five per cent. *Report on Usury Laws*. p. 46.

In Russia.

In Russia the legal rate of interest is six per cent. But as Russia is a country capable of much improvement, and where there are very great facilities for the advantageous employment of capital, the market rate of interest is invariably higher than the statute rate, and the law is as constantly as it is easily evaded. *Ibid*, and Storch, tome iii. p. 207.

In Austria.

At Trieste, and throughout the Austrian empire in general, the usual rate of interest is fixed by law at six per cent.; but capital can seldom be obtained for less than eight or ten per cent. See Report, *ubi supra*.

In Leghorn.

At Leghorn the ordinary rate of interest is a half per cent. per month, or six per cent. per annum; but there is no law to prevent the taking of a higher rate.

In Spain.

In Spain the ordinary rate of interest is six per cent.; but no law exists against taking a higher rate, and it seldom falls below five, or rises above seven per cent.

In the United States.

In the United States legal interest is fixed at six per cent.; but the market rate fluctuates from ten to twelve per cent. Efforts, Mr. Birbeck informs us, are now making in various parts of the Union, particularly in Virginia and North Carolina, to do away the restraints on usury, which, as he justly

observes, "*operate merely as a tax on the needy borrower.*" *Letters from Illinois*, p. 36.

Usury laws do not reach the government.

If usury laws are to have any existence, they ought certainly to be made to operate on the greatest of all borrowers : on those who do not borrow on their own credit, but on that of others. Is it not the extreme of folly, that whilst an industrious manufacturer, or agriculturist, is prevented from giving more than five per cent. for capital, which he might be able to invest so as to yield ten or twelve per cent., government should be allowed to borrow at six, eight, ten or twenty per cent.? What is this but holding out a bait to loan-mongers, and causing the capital of the country to flow with an accelerated and unnatural velocity into the treasury? Nothing surely can be more impolitic than this. If we are to have usury laws, they ought to operate alike on every class of borrowers ; and considering the superior attractions which the facility of repossessing the principal gives to the investment of capital in the funds, the rate of interest at which government should be allowed to borrow should be *less* than the rate at which private individuals might borrow.

We trust, however, that we have said enough to show the inexpediency and the pernicious tendency of all such regulations. If a landlord is to be allowed to take the highest rent he can get offered for his land, a farmer the highest price for his raw produce, a manufacturer for his goods, why should a capitalist be restricted and fettered in the employment of his stock? Every principle of natural justice, and of sound political expediency, is outraged by such a distinction.

So long as the market rate of interest continued higher than the statutory rate, it cannot be doubted that considerable inconvenience would have resulted from any *sudden* abolition of the usury laws. It is certain, indeed, that this inconvenience would have been very speedily compensated by the check which the abolition would have given to the traffic in annuities, and by the easier circulation and more advantageous distribution of capital. Now, however, when the market is fallen below the statutory rate of interest, no inconvenience could attend their repeal. It could not lead to any demand for payment of borrowed money, for no individual would require payment of what he could not relend to greater advantage. But, while their repeal would be in no respect disadvantageous, it would enable those who are engaged in employments of more than ordinary hazard, to procure adequate supplies of stock on more favorable terms ; and it would also secure us against the risk of future mischief should the market again rise above the legal rate of interest. It is unnecessary, however, to urge the *immediate* repeal of the usury laws. We think it quite visionary to apprehend any danger from the instant application of a sponge to the whole of the anti-usurious statutes, but it is enough if they are repealed *gradually*. To avoid exciting any alarm in the minds of the most timid, the rate at which capital may be legally lent at interest might be annually raised *one or one half* per cent., until the rate had been extended to eight or ten per cent., when it is clear every restrictive regulation might be abolished without the possibility of the smallest derangement happening in consequence.

Were the usury laws abolished, it would be proper to frame a statute which should fix the interest to be paid in those cases in which no previous agreement had been made respecting it. But, as in cases of this description there is very frequently considerable doubt whether it was the intention of the parties at the time the transaction took place, that any interest should be charged, it would be proper to give the borrower the full benefit of this doubt, by fixing the rate payable in such cases at the lowest market rate.

Error of some writers on the subject of a low rate of interest.

Before concluding, we may remark, that until the laws regulating the rate of profit and the increase of capital had been accurately investigated, the great wealth and commercial prosperity of Holland was invariably appealed to as a practical proof of the advantages of a low rate of interest. But Sir Josiah Child, and those who have insisted so much on this example, forget that the lowness of interest in Holland was the necessary effect of the circumstances in which that country was placed; of the lowness of profits, caused by the oppressiveness of taxation, and the deficient supply of fertile soil, and not of any *interference* on the part of the government. Neither was this lowness of interest any advantage, but a positive disadvantage. A country whose average rate of profit, and consequently of interest, has been reduced considerably below the level of surrounding nations, may, notwithstanding, abound in wealth, and be possessed of an immense capital; but it would be the height of error to suppose that this reduction of profits and interest could have facilitated their accumulation. Capital cannot be accumulated otherwise than by a saving of income; and wherever incomes are large, and this will always be the case where the rate of profit is comparatively high, there must be a proportionably increased facility of gratifying the prevalent passion for accumulation. The case of Holland, far from contradicting, furnishes a striking example of the truth of this principle. Sir William Temple mentions that her trade was rather on the decline in 1670; and the large capital of which she was then in possession had been accumulated previously to her wars with Cromwell, and when the rate of profit was much higher than at any subsequent period. Low profits are a certain proof that society has become clogged in its progress. They show that it is approaching, if it has not already reached the stationary state, and that, unless measures can be devised for relieving the pressure on the resources of the state, it will be thrown back in the career of improvement, and outstripped by its neighbors. The rate of profit and the rate of interest are ordinarily twice as high in the United States as in Great Britain or France, and it is to this that the more rapid advancement of the former in wealth and population is entirely to be ascribed. High profits, it is true, may not in every instance be accompanied by a great degree of prosperity; for a despotic government, or the want of sufficient protection, may paralyze all the efforts of those who are otherwise placed in the most favorable circumstances for the accumulation of wealth. But, *if the government be equally liberal, and if property be equally well secured, the degree of national prosperity will be correspondent to the rate of profit.* The demand for labor, or, which in effect is the same thing, the funds for supporting the largest and most valuable portion of society increase or diminish in exact

proportion to the increase or diminution of profits. Wherever they are high the laborer is well paid, and the society rapidly augments both its population and its riches ; on the other hand, wherever they are low, the demand for labor is proportionably reduced, and the progress of society rendered so much the slower.

Instead, therefore, of a low rate of profit, and a low rate of interest, for the one must be always directly as the other, being any proof of the flourishing situation of a country, it is distinctly and completely the reverse. High profits show that capital may be readily and beneficially invested in the different branches of industry, and wherever this is the case, it will be better for the borrower to pay a higher rate of interest than it would be for him to pay a lower rate, in countries where there is less facility of employing his stock with advantage. The borrower who pays ten or twelve per cent. for capital in the United States, generally makes a more profitable bargain than the English borrower who pays only four or five per cent. It is obviously not by the circumstance of the rate of interest payable on loans being absolutely high or low, but by the proportion between that rate and the average rate of profit, that we must determine whether they have been obtained on favorable or unfavorable terms. c. c.

STATE FINANCES.

Extracts from the Annual Message of Governor Smith to the Legislature of Virginia, December, 1849.

Notwithstanding the fears expressed by many lest the liberal spirit evinced in the more recent legislation of the state, touching the improvement of roads and canals, would embarrass our finances, the reports I herewith transmit to you from the several departments, will show that our condition is sound and prosperous. Indeed, there is every thing in it to vindicate the wisdom of the legislature, and to gratify the friends of a judicious but liberal system of internal improvement. It will be, I am sure, gratifying to you, and to the people at large, to know that Virginia has at her command ample means to discharge all her subsisting public debt, with the exception of a very small and inconsiderable sum. If it were thought desirable to-morrow to wipe out the public debt, a sale at par of her profitable and interest-paying stocks would effect it. This present subsisting debt amounts to \$7,541,294 11. The annual interest and dividends received by the state amount to \$430,752 08 ; showing that the stocks yielding this sum are worth, at par, \$7,179 200 or about the amount of the public debt ; that is, within \$362,000 of our present indebtedness. There is, however, an additional sum of \$6,000,000, which, under existing laws, may be called for out of the treasury, and about \$5,000,000 of which will, it is thought, be certainly demanded in the course of a few years ; hence this sum, although not now a subsisting debt, will become so, and ought, therefore, to be taken into the estimates of our liabilities. This view shows the precise condition of our financial situation, and is fully sustained by the reports and documents which will be laid before

the legislature. The state, it is true, has guaranteed loans to a considerable amount for various incorporated companies, which securityship some have regarded a part of the public debt; but this is unquestionably an error, for a knowledge of the resources and the prospects of the companies, whose bonds have been guaranteed, will satisfy all that they are, or will ultimately be, amply able to pay their bonds, as up to this time they have always done the interest on them.

This exposition is a cheering one to all, but to none more so than the friends of internal improvements, for which the debt has been mainly created. However, whilst it shows the perfect capacity of the commonwealth to manage her present debt without inconvenience, it also shows the necessity of the greatest prudence and circumspection on the part of the legislature, to avoid such increase of our indebtedness as may result in future embarrassment and additional taxation. Nothing ought to be more cautiously avoided, or earnestly deprecated by the advocates of the recent liberal system of improvement than such a result. I would recommend, therefore, that, except such sums as are necessary to carry on the great works already begun, or such as are essentially necessary to contribute to their success and profit, no farther appropriation should be made for the present out of the treasury. I make this recommendation with the greater confidence because I believe the success of a permanent and wise system of internal improvements depends upon it.

If any thing can ever restore to Virginia that pecuniary and commercial ascendancy which she once possessed in the confederacy, it must be the consummation of the system of internal improvements she has already embarked in, and the completion of the truly great works already commenced. To endanger the system or to impede the prosecution of those works, is to strike a fatal blow at the resuscitation of the commonwealth; and nothing would be so effectual for this, as a lavish expenditure of public money upon insignificant projects, from which the state at large could never receive any benefit.

The great works of internal improvement, already undertaking and so generously sustained by the public funds and public credit, together with one or two proposed but not yet determined upon, are calculated to develop very fully the resources of the state, and to swell the tide of her commercial prosperity to its utmost limits. The entire energies of the commonwealth should be devoted to their completion, but in such a way as to avoid embarrassment and to escape onerous taxation. That this can be effected by the prudence and wisdom of the legislature, I have no doubt.

It is now reduced almost to an axiom, that the greatest commercial prosperity in the Atlantic States, is only attainable by a connection with the valley of the Mississippi; and hence, from Massachusetts to Georgia, we see almost every state along the seacoast, competing anxiously and earnestly with each other, for the shortest, cheapest and safest communication.

The commercial ascendancy of Virginia was at one period of our history undisputed; her natural advantages of navigable streams, climate, and soil, gave it to her. Trusting to these, we have neglected those artificial means which could alone secure it to us permanently; and therefore the commerce, which once whitened with its sails our seaports, has almost disappeared from

our waters. The example set us by our neighbors at the North is one of wisdom, and deserves our most earnest attention. In spite of a bleak climate and sterile soil, they have, by a judicious policy, afforded such facilities to intercommunication and trade, that commerce with her golden tides has filled the land with plenty, prosperity and wealth. Our natural advantages remain still the same; they are unequalled by any Atlantic state; and whilst it is now probably too late to divert the commerce of the Atlantic cities from its present channels, still it is in the power of demonstration to show that a vast deal of what we have unwisely lost, can be regained, and that we can still secure a fair division of that commercial wealth and power which is now monopolized by the North.

Situated about midway between the northern boundary of the United States and the Gulf of Mexico, we escape in a great degree the rigors of the Northern winters, and the scorching heat of the South. Our eastern border upon the river Potomac and the Chesapeake bay, is dotted with harbors unsurpassed in safety and capacity. The fleets of the whole earth could ride safely at anchor within them. Our western border is washed for several hundred miles by the Ohio river, and at other points along it, the rich region of Kentucky and the fertile valley of the Tennessee are of easy access. Besides this, the country lying between the eastern and western boundaries, of which I speak, is unsurpassed for its fertility and the variety of its products. Minerals of every description are to be found, of the most superior quality and in quantities absolutely inexhaustible, whilst the earth in which they are embedded, unlike other mineral regions, is of the most desirable character for husbandry. Let this country be penetrated by improvements connecting our seaports with the Ohio, with Kentucky and the valley of Tennessee, and it will infuse a spirit of enterprise into the population, which must, in a short time, fully develop all of our resources.

The topography of the country is most favorable for the completion of these great connecting lines. From tide water to the Mississippi river at Memphis, there is no mountain barrier interposing a serious difficulty to the construction of a railroad, whilst the region traversed by it is inferior to none of the same extent, for mineral and agricultural resources, upon the continent of North America. The valley of the Tennessee, one of the most magnificent of all those washed by the waters of the West, the annual commerce of which is worth thirty-five millions of dollars, will find in this road an outlet for its rich products to the Atlantic. And a cargo of merchandise landed at Norfolk or Richmond, would be safely transported to the city of Memphis, ready for distribution upon those mighty waters in less than ten days. The "Virginia and Tennessee" railroad will effect this great object, when it shall be finally completed; and it affords me great pleasure to say, we are warranted in the belief that it will be prosecuted with energy and despatch.

The James River and Kanawha Canal, having for its object the connection of tide water with the Ohio river, has for a good many years been generously sustained by appropriations of public money; and, although it has met with strong opposition, it still maintains itself steadfastly in the approbation of well informed, reflecting men. The results, to Virginia, which are to flow from

its completion, will strike the mind, upon a little reflection, as really stupendous. I have no doubt that the commerce passing through this canal, will rapidly build up the towns of Virginia, to the magnitude of the first American cities, and will rescue us in a great measure from the miserable consequences of our past apathy and inaction.

The effects upon the prosperity and destiny of New York produced by the completion of the Erie canal, opening the commerce of the lakes to that city, are perfectly familiar to every one; the daily increasing importance of it, is also quite as well understood. Without the Erie canal, the city of New York would have been second still to Philadelphia. Great as the advantages of this work unquestionably are, those of the James River and Kanawha Canal are undoubtedly superior. It possesses the striking advantage of lying five degrees south of the great northern work, and therefore free from the ice which obstructs the navigation there, for so large a proportion of the year. It touches the Ohio river, far south of any water communication from the Atlantic whatever; and at a point, south of which there can be across the country no water connection. It will, after the first of November, command all the trade of a great part of Ohio, Kentucky, Indiana, Illinois and Missouri—and most probably, of those regions lying still higher up towards the sources of the Missouri and Mississippi; for, after that period, it is unsafe to send produce north, in the direction of Boston, New York or Philadelphia. A striking and peculiar advantage presented by this line is its continuity. There is no necessity whatever for transshipment. We will see canal boats laden at the falls of St. Anthony or Council Bluff discharging their cargoes at Lynchburg, Richmond and Norfolk. The extent and fertility of the region through which this work will pass, is unsurpassed by any accessible country within the territories of the United States. Superadded to this, the rivers, canals and railroads emptying into and resting upon the Ohio and Mississippi, will bring from the remote interior, which in every direction they penetrate, their contributions, to swell still higher the rich tide of commerce, flowing through the heart of the commonwealth. The trade in Indian corn, which has recently sprung up, and is increasing with such surprising rapidity between Europe and America, will be almost monopolized by this line; and will of itself, presently build up and sustain a great city. Norfolk must be the point for its shipment, for it can reach there and be sent away, without the injury which it is sure to sustain from detention at the more southern points. Indeed this line will monopolize, in a great measure, the transportation of all the principal articles of food, which are produced in the Mississippi valley for consumption in our Atlantic States and in Europe. It is a fact universally known, that provisions of every kind suffer injury from the climate during their transit by New Orleans and through the Gulf.

We have seen what the commerce of the lakes has done for the States of Massachusetts and New York; but the country which supplies it, sinks into comparative insignificance, when looked at by the side of that I have just described. These are some, probably the most striking, but only a very few of the reasons which present themselves to the mind in behalf of this great enterprise. To elaborate the subject would require a volume. I earnestly recommend the steady, energetic prosecution of the work to its completion.

PUBLIC REVENUE OF VIRGINIA.

Receipts and Expenditures for the year ending 30 September, 1849.

RECEIPTS FOR THE YEAR ENDING 30 SEPTEMBER, 1849.

The balance in the treasury on the 1st of October, 1848,	\$104,247 72
The receipts principally arising from the usual sources of revenue,	689,841 00
Dividends on bank stock owned by the State,	164,291 00
Eighteen months' interest on bond due the State, by the James River and Kanawha Company,	24,178 08
Interest due Washington Monument fund, and including a small portion of principal,	2,930 39
From the general government, on account of revolutionary claims paid by the State, and refunded,	93,586 80
Total Revenue,	\$1,079,074 99

EXPENDITURES.

The usual and ordinary expenses of government,	\$574,153 88
Interest of the public debt,	63,297 04
Board of Public Works to meet interest on public debt,	175,000 00
Public roads, under special acts,	17,233 00
Literary fund, as directed by law, revolutionary half pay claims received from the general government,	77,216 00
Lunatic hospitals for new improvements, &c.	41,754 04
Various disbursements, not ordinary expenses of government,	14,932 25
Warrant issued prior to 1st October, 1848,	63
	<hr/>
	\$963,586 84
Deduct warrants unpaid on the 1st October, 1849,	207 97
	<hr/>
Total disbursements,	963,378 87
Receipts into the treasury,	1,079,074 99
	<hr/>
	\$115,696 12

It is estimated that there will be a surplus on hand at the close of the present fiscal year—Sept 30, 1850—of upwards of \$187,000, unless expenditures not now anticipated should be sanctioned by the legislature.

By an act passed the 15th March, 1849, entitled "an act for the gradual redemption of the public debt," it was provided that the sum of \$100,000 should be annually set apart and paid over to the order of the Board of Public Works, to be applied by the Board to the gradual redemption of so much of the public debt as should be due or redeemable from time to time. The amount, for the first year, has not as yet been set apart, because, although the balance on hand the 1st of October was nominally sufficient, according to the auditor's report, it ceased to be so after satisfying the quarterly demands on that day. The treasury will, it is reported, be amply supplied with funds during the present and succeeding month; and it so happens that the five per cent. debt contracted for the Chesapeake and Ohio Canal will be redeemable on the first of January, 1850. As the debt referred to is more than double the amount to be annually redeemed, it is suggested that authority be given to substitute a six per cent. stock, at the pleasure of the owners, for so much as cannot otherwise be extinguished.

STATE BANK—PUBLIC DEBT—RAILROADS—CENSUS OF SOUTH CAROLINA.

Extracts from the Annual Message of Governor Seabury to the Legislature of South Carolina, November, 1849.

BANK OF THE STATE OF SOUTH CAROLINA.

This institution was chartered in 1812. To the pecuniary pressure of the times, induced by the restrictive policy of the Federal Government, it owed its existence. The distress of the planting community was so general and paralyzing, that the Legislature, after investigating every mode of relief, ultimately adopted the scheme of a system of public loans, in the nature of discount, on real or personal property. The accommodation furnished on mortgage to individuals, limited at first to \$2,000 each, but by the Act of '25, increased to \$10,000, the 7th section of the original law prescribed should be distributed in proportionate amounts among the election districts.

This provision, I believe, has never been carried into effect. Its execution, if required at the time, was soon rendered unnecessary, as it is well known, that our agricultural population recovered from the consequences of the sudden revulsion in their condition, at an early period subsequent to the war.

In 1820, the capital of the bank was pledged for the redemption of the public debt. This was done to meet the expenses consequent on the establishment of a system of internal improvement, then commenced by the State. The immediate effect was to convert the bank, for many years practically only a loan office, into an institution to be conducted on purely commercial principles. By the usual accommodation on bonds, it incurred embarrassments and hazards, and the operation was too slow to attain the end, which, by a virtual modification of the principal, if not exclusive design of the original act, it was henceforth to fulfil.

In 1833, it was deemed "expedient and beneficial, both to its citizens and the State, to re-charter the bank." It now becomes the solemn duty of the Legislature to inquire, whether its existence shall be prolonged beyond the year '56, to which by law it is limited. On this subject a great diversity of opinion has for many years been entertained. The public mind seems at length to have been brought to the conclusion, that the bank has not accomplished the high purposes for which it was created; that it is a dangerous institution; anti-republican its character and tendency; and that the evils inevitably arising from the connection between a moneyed corporation and the State, increase and ramify the longer the rights and privileges of the former are extended. The resolutions of your last session, adopted by very decided majorities, and the apparent acquiescence of the people in the decision of their rulers, would seem to have definitely settled the question of a re-charter, and that necessarily all minor and collateral issues have been absorbed by it.

The political history of South Carolina has too long presented the anomalous spectacle of its constituted authorities pertinaciously upholding a State

corporation, while it denounced any union between a bank and the Federal Government. To me it is obvious that, except the unconstitutionality of a United States bank, and its possession of a wider field of operations, every argument which might be wielded against it, would fall with equal, if not greater force against a State bank. From experience moreover we learn, that the establishment of such an institution, possessing the right of substituting a fictitious currency for determining the value of the products of labor, is not easily divested of its established authority. By the influence it insensibly acquires, it measurably perpetuates its own existence. The fatal blow to the Federal Bank was given by the Executive in the exercise of an unwarrantable power. I invoke the Legislature, then, to profit by the admonitions which the past has written on the legislative history of our country. I also desire, in this place, to express my settled conviction, that the Bank of the State was founded on a false and pernicious principle; that to grant to the members of a community almost exclusively devoted to rural pursuits, unusual facilities for commanding money, is to inflict upon them and their posterity an unmitigated evil; that the more numerous and difficult the obstacles in the way of receiving bank accommodations by that class, the greater their contentment, and the more certain the success in their vocation. Whenever the agriculturist substitutes speculation for the results of industry, his prospects may seem brilliant for a season, but the day of darkness and disaster will inevitably follow.

In submitting a plan for winding up the bank, I scarcely need assure you that the subject has received my most attentive examination, and that in suggesting the necessity for your action upon it, I have been influenced solely by a high sense of official duty.

It is proper that I should inform you, that Messrs. Baring, Brothers and Co. of London, have addressed to me a communication substantially protesting against closing the bank, on the ground that that institution was voluntarily offered by the State as one of the securities for the loan negotiated by them. I will only here remark, that it is not proposed to destroy the bank, but to deprive it of its banking powers. It will continue as a corporation until 1860—four years beyond the period to which its duration extends by the existing law. At that time, only \$488,888.88 of the foreign, and \$398,619.50 of the domestic debt will be due, while the assets of the bank will amount to about two and a half millions. But, in truth, the foreign debt will then have been paid, if the plan of hypothecating securities, or emitting new bonds, should the ordinary means fail, be resorted to. In order to secure that result, the directors should be invested with full powers. By this expedient, the argument of violated faith will have no ground on which to rest. The State will have discharged its obligations in full, and that too, before the period specified in the contracts. In the meanwhile, let the assets of the bank, not required for the redemption of the liabilities of that institution, be solemnly set apart for the liquidation of the public debt.

PUBLIC DEBT.

The following is a detailed statement of the debt of the State:—[See page 544.]

<i>Rate Interest, and Date of Loan.</i>	<i>Amount now owing.</i>	<i>When payable.</i>	<i>Where payable.</i>
6 per cent. R. R. loan, 1839, .	\$176,328 71	1850	Charleston.
6 " " " " " .	176,328 71	1852	Charleston.
5 " " Fire loan, 1839, .	486,666 67	1858	London.
6 " " " " " .	482,722 20	1860	Charleston.
5 " " " " " .	488,888 88	1868	London.
6 " " " " " .	325,808 90	1870	Charleston.
6 " " Randolph Stock, .	10,000 00	1850	Charleston.
5 " " Railroad Bank Capital, .	46,714 34	1859	Charleston.
3 " " Revolutionary, .	117,438 40	At pleasure.	Charleston.*
	\$2,310,896 81		

The resources of the bank, applicable to the payment of this debt, amount to \$3,888,368.60, which is an excess of available assets over the liabilities of the State of \$1,532,843.99, or over two and a half millions, if the sum of \$1,051,000, received from the Federal Government on deposit, be included.

In conclusion allow me to add that, as far as my personal knowledge extends, the bank, from its organization to the present day, has been ably and faithfully conducted. My objections are not to its administration, but to the policy in which the Institution itself originated.

RAILROADS AND OTHER PUBLIC HIGHWAYS.

The railways in this State, already finished and in progress, furnish strong evidence, that the foresight and enterprise of our citizens have been awakened on this important question of industrial progress. When Greenville, Spartanburg, and Abbeville shall have been connected with the great Western Columbia branch, it is supposed that not an avenue of communication which can profitably be opened and maintained by steam power, will remain unestablished. To consummate a purpose so intimately connected with the prosperity of the State, I trust that the power of the Legislature will not be withheld, should assistance be required.

The three principal railroads under contract, and the lesser ones on which operations may shortly be expected to commence, with the Columbia and Hamburg Road and its branches, will exhibit, when completed, a network of railways, equal to an extended line of 591 miles, in a territorial area of 30,000 square miles. Except the main trunk, the great work will have been executed by the planter and his slaves, and at a cost, too, probably lower than any similar undertaking in the United States. As these iron roads will soon have monopolized the public or general traffic, it becomes important, in view of local communication, that the carriage ways of the State should be rendered as efficient as practicable.

Plank roads in suitable localities, and a better scheme for working and keeping in permanent repair our common roads, suggest matter of no ordinary interest.

If the former be a question for the people to determine, the latter is one for legislative decision. The positive and collateral benefits of good roads are too obvious for special comment. They increase the demand for the products of industry; create new markets; develop commerce; save labor and time; diminish expense, and exercise a cumulative, moral and political

* Valued at \$72,810 60.

influence on society, which has rarely been properly estimated. From long personal examination and inquiry, I have arrived at the conclusion, that our present road system is radically defective ; burdensome to the people, and utterly unsuited to the end it was intended to accomplish. I therefore submit, with great deference, however, the elements of a new plan in the paper marked R, which I feel assured will be attentively considered by your honorable body. Substantially, it is the same that was presented to the Legislature by the Grand Jury of Newberry in 1822.

CENSUS OF 1849.

The returns of the Census takers you will find in the office of the Secretary of State. The accompanying abstract makes the present white population to be 280,385, an increase in the last ten years of 23,269. The increase between 1829 and 1839 was only 6,174.

ESTABLISHMENT OF TRUE MERIDIAN LINES.

By the letters of Professor Williams and report of Captain Parker, you will be fully informed concerning the matter entrusted to their execution. Prevented by official engagements from commencing his labors at the desirable time, local difficulties greatly retarded the operations of the latter.

~~~~~  
CHRONICLES OF THE STOCK EXCHANGE.

Chronicles and Characters of the London Stock Exchange. By John Francis, author of "The History of the Bank of England." Willoughby and Co., London, 1849.

## From the London Athenæum.

This is a pleasant volume—but it might and should have been better. The infinite variety of incident and character—the hopes, delusions and despairs—the fortunes made and lost—more or less intimately connected with the history of the Stock Exchange, might have been woven into a narrative of great interest and not without its philosophic uses. But Mr. Francis has treated the subject too generally—touched it too lightly : his sketches are in water-colors, and want breadth, depth and power. The great jobbers, brokers and money-lenders—the Medinas of the seventeenth, the Gideons of the eighteenth, the Goldsmids and Rothschilds of the nineteenth century, have with him no distinctive features : whereas the Jew of one age was the hated or despised, while in the other he is the petted child of fortune and "our representative." Are there no moral consequences in the change ? It is quite true that earlier than the beginning of the eighteenth century the Jew walked abroad without his badge of yellow felt—that few men thought it necessary to manifest their Christian charity by calling him cutthroat dog—that no one plucked his beard or spat upon his gabardine, unless he were poor ; but the best that could be said in his favor by the most tolerant was, that he "lived all on usurie"—a hateful thing, immoral and unchristian, to all borrowers in all ages, and to some ignorant but honest people

even in our own. We have not yet outlived the superstition. Trading in money is not free, even in these days of free trade :—and the modification, not the abolition of the usury laws, is the utmost that common sense has been able to obtain up to this the sixteenth year of reformed parliaments. The opinion against usury is, indeed, now a silent, silly, shamefaced opinion, —nursed and fondled only in by-places, by country gentleman ; but a century since it was loud and bitter-tongued, and walked abroad shamelessly in crowded cities. Then all who dealt in money—

lent or borrowed  
By taking or by giving of excess

—all of the stockbroker class were denounced as *usurers* (then, as now, a term of reproach) as men who kept the purse-strings of rich and poor in their hands, “ meting out life and death.” The possible abuses of a needful trade were assigned as its necessary condition, and stock-jobbing was stigmatized by Act of Parliament—more virulently still by act of pamphlet—as “ founded in fraud, cheat, wheedle, forgeries, falsehoods and all sorts of delusions.”

“They can ruin men silently,” says a writer of the period, with great vehemence ; “ undermine and impoverish, fiddle them out of their money, by the strange, unheard-of engines of interest, discount, transfers, tallies, debentures, shares, projects, and the devil and all of figures and hard names.”

We may rejoice in the change, and look hopefully towards the future,—but the past is a fact which had its influences and should have been apparent in these Chronicles. In truth, the aim and end of the work could not have been more effectively wrought out than by strongly marking, from time to time, the changes which have come over public opinion in respect to all dealings in money. However, we must be content with the book as we find it.

The following summary as to the manner in which Government managed financial matters before the Revolution of '88 may serve as an introduction :

Charles I. seized the money of his merchants, and his bonds were hawked about the streets, were offered to people as they left church, and sold to the highest bidder. The Commonwealth were debtors, on the security of the forfeited estates. Charles II. took money from France, shut up the Exchequer, borrowed from his friends, and did anything rather than run the risk of being again sent on his travels. Thus, it would seem, the exchequer of the earlier monarchs was in the pockets of the people ; that of Henry VIII. in the suppressed monasteries ; Elizabeth in the corporations ; and Charles II. wherever he could find it. The abdication of James II. and the arrival of William III. form an era in the history of the monetary world. The plans adopted by the latter to crush the power of France, and raise the credit of England, were the commencement of the great accumulation known as the National Debt, and the origin, though remote, of that building celebrated throughout Europe as the Stock Exchange. The rapid sketch now presented of the mode in which money was supplied confirms the remark of Mr. Macaulay, that “ there can be no greater error than to imagine the device of meeting the exigencies of the State by loans was imported into our island by William III. From a period of immemorial antiquity, it had been the practice of every English government to contract debts. What the Revolution introduced was the practice of honestly paying them.

Up to the close of the seventeenth century stockbrokers and money-dealers carried on their business in the common mart for all mercantile transactions, the Royal Exchange. But prejudice was strong against them; and they removed to "Jonathan's" and 'Change Alley. There was the same eagerness to obtain early intelligence then as now.

Among those who employed their great fortunes in the manner alluded to was Sir Henry Furnese, a Director of the Bank of England. Throughout Holland, Flanders, France, and Germany, he maintained a complete and perfect train of intelligence. The news of the many battles fought at this period was received first by him, and the fall of Namur added to his profits, owing to his early intelligence. On another occasion he was presented by William with a diamond ring, as a reward for some important information, and as a testimony of this monarch's esteem. But the temptation to deceive was too great, even for this gentleman. He fabricated news; he insinuated false intelligence. \* \* The wealthy Hebrew, Medina, accompanied Marlborough in all his campaigns; administered to the avarice of the great captain by an annuity of six thousand pounds per annum; repaid himself by expresses containing intelligence of those great battles which fire the English blood to hear them named; and Ramilies, Oudenarde, and Blenheim, administered as much to the purse of the Hebrew as they did to the glory of England.

Amongst the many schemes brought forward from time to time to draw money into the pockets of projectors, none seem to have been more successful than pawnbroking. It is no doubt delightful to do our small humanities in the 10 per cents. Within our time there have been some bold projects of this kind:—the late Duke of York patronized one of them, and Mrs. Fry another. Scotland has tried its "'prentice hand," successfully;—and Ireland's triumphs were recorded by Prof. Hancock at the last meeting of the British Association [*ante*, p. 970].—

In the early part of the eighteenth century, a prospectus was issued to the commercial world and the members of 'Change Alley, in which the wants of the needy and the infamy of the pawnbrokers, the purest philanthropy and a positive 5 per cent., were skilfully blended. It was shown that then, as now, the poor were compelled to pay a greater interest than the rich; that 30 per cent. was constantly given by the former on a security which the usurer took care should be ample; and it was proposed that the wealthy capitalist should advance for the benefit of the needy a sufficient sum to enable the company to lend money at 5 or 6 per cent. The proposal proved eminently successful; a capital of £30,000 was immediately subscribed, a charter obtained, and the "charitable corporation," the object of whose care was the necessitous and industrious poor, appeared to flourish. For some years the concern answered, the poor received the assistance which they required, and the company was conducted with integrity. In 1719, however, their number was enlarged; their capital increased to £600,000; an augmentation of business was looked for; cash credits were granted to gentlemen of supposed substance; and the importance of the corporation was unhappily recognized by that numerous class of persons compelled to pay in maturity for the excesses of youth. They acted also as bankers, and received deposits from persons of all classes and conditions. Its direction boasted men of rank, its proprietary men of substance, and its executive men of more capacity than character. The cashier of the company was a member of the senate; Sir Robert Sutton, a director, was one of his majesty's privy council; and Sir Archibald Grant, who took a prominent part in the affairs of the corporation, was also a member of the lower house. Every confidence was reposed in such a body, and it was regarded as a rich and prosperous society. Under these circumstances, the surprise of the public may be conceived, when it was first whispered, and

then openly announced, that the cashier, with one of the chief officers, had disappeared in company. The alarm spread to the proprietors; the public participated; the poor assembled in crowds; the rich clamored for information; a meeting was called to inquire into the case, when a most pernicious, but scarcely comprehensible piece of villany was unravelled, and a most disgraceful tissue of fraud discovered. £30,000 alone remained out of half a million. The books were falsified; money was lent to the directors on fictitious pledges; men of rank and reputation were implicated; suspicion and censure followed persons of importance. \* \* The distress occasioned by this bankruptcy was appalling, pervading nearly every class of society. Large sums had been borrowed at high interest. The small capitalist was entirely ruined; and there was scarcely a class in English life which had not its representative and its sufferer. \* \* All that the wisdom of the senate could devise was attempted to mitigate the evil. The revenge of the losers was appeased by several members being expelled the house; their fear of loss was reduced by the confiscation of the estates of the offending parties; a lottery was granted for the advantage of the sufferers; and though a dividend of nearly 10s. was eventually paid, the fraud of the Charitable Corporation was remembered long after the evils caused by it had ceased to exist.

One of the panics to which we had occasion not long since to refer as affecting the fortunes of Lauchlin Maclean is here indicated in an account of the rise and fall of Alexander Fordyce. The story is well told,—but the interest might have been heightened by a hundred illustrative anecdotes.

Bred a hosier at Aberdeen, Alexander Fordyce found the North too confined for any extensive operations; and, repairing to London, as the only place worthy his genius, obtained employment as clerk to a city banking-house. Here he displayed great facility for figures, with great attention to business, and rose to the post of junior partner in the firm of Roffey, Nealand and James. Scarcely was he thus established, ere he began to speculate in the Alley, and generally with marked good fortune.

The devil tempts young sinners with success,

—and Mr. Fordyce, thinking his luck would be perpetual, ventured for sums which involved his own character and his partners' fortune. The game was with him, the funds were constantly on the rise; and, fortunate as daring, he was enabled to purchase a large estate, to support a grand appearance, to surpass nabobs in extravagance, and *parvenus* in folly. He marked "the marble with his name," upon a church which he ostentatiously built. His ambition vied with his extravagance, and his extravagance kept pace with his ambition. The Aberdeen hosier spent thousands in attempting to become a senator, and openly avowed his hope of dying a peer. He married a woman of title; made a fine settlement on her ladyship; purchased estates in Scotland at a fancy value; built a hospital; and founded charities in the place of which he hoped to become the representative. But a change came over his fortunes. Some political events first shook him. A sensible blow was given to his career by the affair of Falkland Island; and he had recourse to his partners' private funds to supply his deficiencies. Like many who are tempted to appropriate the property of others, he trusted to replace it by some lucky stroke of good fortune, and redoubled his speculations on the Stock Exchange. Reports reached his partners, who grew alarmed. They had witnessed and partaken of his good fortune, and they had rejoiced in the far ken which had obtained the services of so clever a person; but when they saw that the chances were going against him, they remonstrated with all the energy of men whose fortunes hang on the success of their remonstrances. A cool and insolent contempt for their opinion, coupled with the remark, that he was quite disposed to leave them to manage a concern to which they were utterly incompetent, startled them; and when, with a cunning which provided for everything, an enormous amount of bank notes, which Fordyce had borrowed for

the purpose, was shown them, their faith in his genius returned with the possession of the magic paper—and it is doubtful whether the plausibility of his manner or the rustle of the notes decided them. But ill fortune continued to pursue Mr. Fordyce. His combinations were as fine, his plans as skilful, as ever. His mind was as perspective as when he first began; but unexpected facts upset his theories, and the price of the funds would not yield to his combinations. Every one said he deserved to win; but he still continued to lose. Speculation succeeded speculation; and it is remarkable that, with all his great and continued losses, he retained to the last hour a cool and calm self-possession. After availing himself of every possible resource, his partners were surprised by his absenting himself from the banking house. This, with other causes, occasioned an immediate stoppage, and a bankruptcy which spread far and wide. But Mr. Fordyce was not absent long. He returned at the risk of his life; the public feeling being so violent that it was necessary to guard him against the populace, while he detailed a tissue of unsurpassed fraud and folly. He manfully took the blame upon himself, and exonerated his partners from all save an undeserved confidence. The failures continued in the commercial world. He broke half the people in town. Glyn and Halifax were gazetted as bankrupts; Drummonds were only saved by General Smith, a nabob—the original of Foote's Sir Matthew Mite,—supporting their house with £150,000. Two gentlemen, ruined by the extravagance of the city banker, shot themselves. Throughout London the panic, equal to anything of a later date, but of shorter duration, spread with the velocity of wildfire, and part of the press attributed to the bank the merit of supporting the credit of the city, while part asserted that it caused the panic. The first families were in tears; nor is the consternation surprising, when it is known that bills to the amount of four millions were in circulation, with the name of Fordyce attached to them.

A contemporary anecdote is worth quoting.

In 1774, the number of Hebrew brokers was limited to twelve; and the privilege was always purchased by a liberal gratuity to the lord mayor. During this year, the mayoralty of Wilks, one of the privileged being at the point of death, Wilks, with characteristic boldness, openly calculated on the advantage to be obtained, and was very particular in his inquiries after the sick man. The rumor that Wilks had openly expressed a wish for the death of the Hebrew was spread by the wags of "Change Alley," and the son of the broker sought his lordship to reproach him with his cupidity. "My dear fellow," replied Wilks, with the readiness peculiar to him, "you are greatly in error. I would sooner have seen all the Jew-brokers dead than your father."

The sketch of the history of lotteries is one of the best in the volume:—still, here as everywhere throughout these pages, words are the substitute for facts. Two years since we should have quoted the whole chapter;—now, as the attempt at revival of this iniquity is somewhat abated, we shall content ourselves with a few extracts.

The first on record in England was drawn in 1569. The harbors and havens of the whole line of coast were out of repair, and the only mode of procuring money was by lottery. The prizes were partly in money and partly in silver plate, and the profits to be applied to the above purpose. But the drawing was a very important task; and as 400,000 lots were to be drawn, night and day for nearly four months were the people kept in a state of excitement.

Thenceforth lotteries were regulated according to the requirements of the Government. They were actively revived under William the Third,—flourished through the eighteenth century,—and it was in the nineteenth that Parnell wrote the following epitaph:—

Here lies the Right Honorable Nicholas Vansittart, once Chancellor of the Exchequer, who patronized Bible societies, built churches, encouraged savings' banks, and supported lotteries.

The following picture is more than usually vigorous.

That which a government employs as an instrument of wealth is sure to be followed by the people to a lower extent, but in a more mischievous manner. In 1772, lottery magazine proprietors, lottery tailors, lottery staymakers, lottery glovers, lottery hatmakers, lottery tea merchants, lottery snuff and tobacco merchants, lottery barbers—where a man for being shaved and paying threepence stood a chance of receiving £10—lottery shoe-blacks, lottery eating-houses—where for sixpence a plate of meat and the chance of sixty guineas were given—lottery oyster-stalls, where threepence gave a supply of oysters and a remote chance of five guineas, were plentiful. \* \* Every ravenous adventurer who could collect a few articles advertised a lottery. Shopkeepers, compelled by the decrease of business, took the hint, and disposed of their goods in lottery. Ordinary business among the lower tradesmen was greatly suspended. Purchasers refused to give the full price for that which might be obtained for nothing. Large profits were procured upon worthless articles; and in 1709 so great was the eagerness to subscribe to a state lottery, that Mercers' Hall was literally crowded with customers, and the clerks were insufficient to record the influx of names. It was, however, from those which were termed "little goes"—which drew the last penny from the pockets of the poor man—which saw the father gambling and the daughter starving, the mother purchasing tickets and the child crying for bread,—that most evil arose. The magistracy, not always the first to interfere, grew alarmed, and announced their determination to put in practice the penalties which, if earlier enforced, would have been beneficial, but, unhappily, were incompetent to put down that which they might easily have prevented. It was found also impossible to restrain in private adventurers the wrong that the State sanctioned in public.

An Act of Parliament was passed, by which it was declared illegal for one individual to have more than twenty lottery tickets allowed him; but lotteries were become an established mode of bribery,—and chancellors of the exchequer could not comply with the prescription of the Act.

Manasseh Lopez, whose dealings on the Stock Exchange entitled him to be termed a leader, had bribed the commissioners to permit an indirect violation of the law, by accepting a long list of feigned names as candidates for tickets. He was prosecuted by the Attorney-General, and sued in the Court of King's Bench. A fine of one thousand pounds was awarded as punishment; but as he had made more than fifty times the amount, it might be regarded as a very successful speculation.

This anecdote will serve to introduce others showing the corruption of Parliament in those days. There is nothing new in what Mr. Francis has adduced; but it may be well, on occasions, to refresh the public memory. It is the fashion to assume that our legislators are not now open to direct pecuniary bribes. It may be so; but we must leave that question to be decided by our children's children. If public rumor be not more than usually scandalous and false, there are some curious revelations in store for those youngsters relating to railway bills. Here is a pretty picture of the Pelham administration.

Under the Pelham administration members received regular stipends in bank notes, from £500 to £800 yearly, varying according to the influence or ability of

the senator. "This largess I distributed," added the person who took charge of the delicate department—and the particulars are worth enumerating—"in the court of requests on the day of the prorogation of Parliament. I took my stand there; and as the gentlemen passed me, in going to or returning from the house, I conveyed the money in a squeeze of the hand. Whatever person received the ministerial bounty, I entered his name in a book which was preserved in the deepest secrecy, it being never inspected by any one but the king and Mr. Pelham. This book was afterwards demanded of Mr. Roberts, the almoner, but he resolutely refused to yield it except by the king's express command, or to his majesty in person. In consequence of his refusal the king sent for him to St. James's, where he was introduced into the closet. He was then ordered to return the book in question, with which injunction Mr. Roberts immediately complied. At the same time, taking the poker in his hand, his majesty put it into the fire, made it red hot, and, while the ministers and Mr. Roberts stood round him, he thrust the book into the flames, where it was immediately reduced to ashes.

Our readers will remember how fiercely the Peace of Fontainebleau was denounced by Chatham and the opposition,—how formally it was asserted that the Duke of Bedford, the Earl of Bute, and others had received large sums of money from France on that occasion,—and by what triumphant majorities the Houses confirmed that Peace and whitewashed the Ministers. Now, without touching on personal corruption, it does appear to us not impossible that France did transmit large sums of money to the parties named, or to their nominees, for the purpose of corrupting others and securing the "sweet voices" of those who were to justify what the Ministers had done in defiance of the wishes of the nation,—which was then as eager for continuing the war as the Court was determined on peace.

"The peace of 1763," said John Ross Mackay, private secretary to the Earl of Bute, and afterwards treasurer to the Ordnance, "was carried through, and approved by a pecuniary distribution. Nothing else could have surmounted the difficulty. I was myself the channel through which the money passed. With my own hand I secured above one hundred and twenty votes on that vital question. Eighty thousand pounds were set apart for that purpose. Forty members of the House of Commons received from me a thousand pounds each. To eighty others I paid five hundred pounds a-piece."

There was, in our opinion, more bribery in titles, favors, pensions, and hard cash in the early part of the reign of George the Third than during the whole ministry of Walpole—who is popularly believed to have reigned by corruption alone. No administration of that day was above corruption,—if, perhaps, we except Rockingham's. Of Lord Bute's and George Grenville's, Mr. Mackay has said enough in all conscience. Chatham's was deep in the iniquity; and "the great commoner" ended by accepting both title and pension, and asking leave "to lay himself with all duty at the king's feet,"—by submitting all "to the royal pleasure," and the royal "wisdom," and that "infinite goodness" which remembered "with such benignity" the "most dutifully devoted of servants." Pshaw!

After this, loans and lotteries became the established forms and channels of bribery.

The mode of conducting the loans was then, as before, made conducive to the majority of the ministry, at the expense of the people. Out of 60,000 lottery

tickets, 22,000 were given to a few members, producing £44,000 profit. When the system was attacked, precedent, the bane of official people, was quoted; and because it was known that, in 1763, Mr. Fox had £100,000, Mr. Calcraft and Mr. Drummond £70,000, the governor of the bank £150,000 for the corporation, and £50,000 for himself, and other members similar sums, it was deemed a sufficient and an unanswerable defence.

Of the loans from 1780 to 1783—

Half was given to the members of the House of Commons, more than three millions was allotted to one person; and, without regard to the welfare of the nation, the price was determined at a rate so favorable to the contractors, that from no cause save the low terms on which it had been taken, the scrip arose at once to 11 premium. In 1781, it was said that Lord North had made an infamous bargain in a bungling manner, and that, in 1782, he had made a bungling bargain in an infamous manner. \* \* \* In 1783, out of a loan for twelve millions £7,700,000 were given to bankers. So disgraceful was the whole affair, that Lord John Cavendish was compelled to apologize for the terms on which it had been granted, because "the former minister had left the treasury without a shilling." By attempting to please men of all parties, Lord John, as usual, pleased none. He was abused by some for dividing it among so small a number; he was rated by others for allowing so many to have a share. Mr. Smith—of the house of Smith & Payne—made a formal complaint that he had been neglected in the allotment; that his firm was the only one left out. \* \* \* Although this gentleman saw no harm in receiving a portion of the loan, other bankers had higher views; Mr. Martin believing that, as a senator, he ought not to contract, lest it might bias his votes, conscientiously refused to accept any portion of loan or contract, and thus sacrificed his pocket to his principle.

The public owe thanks to Mr. Francis for digging out this odd man, Martin, from such a mass of corruption; and we suggest that if there remain a few square feet in or near the Royal Exchange, not appropriated nor destined to some military hero, the members could not do better than erect there a statue to this hero of their own,—who

faithful found

Among the faithless, faithful only he;  
 Among innumerable false, unmoved,  
 Unshaken, unseduced, unterrified,  
 His loyalty he kept, his love, his zeal:  
 Nor number nor example, with him wrought  
 To swerve from truth, or change his constant mind,  
 Though single.

During the debates which subsequently took place, other facts were elicited which prove the scandalous improvidence of Ministers and the corruptions of the Senate.—

One member possessed a contract producing £30,000 a year more than the legitimate profit. Mr. Alderman Harley made £37,000 too much by another. On a contract for remitting gold, £35,000 was paid more than was necessary. At an earlier period it was discovered that, out of 16,000 tons of beer contracted and paid for, only 7,000 tons were delivered. The rum contract was granted at 50 per cent. above a remunerating price. The transport service paid twenty per cent. too much. Millions were lying for years in the hands of favorite placemen, favorite agents, and favorite contractors, while the country was borrowing at an exorbitant interest.

Enough, the reader will say, of such exposure!—and as we agree with him, we will conclude at once, though somewhat abruptly.

FINANCES OF BOSTON.

Comparative Income and Expenditures of Boston.

| INCOME.                      | 1841-'42.    | 1842-'43.    | 1843-'44.    | 1844-'45.    |
|------------------------------|--------------|--------------|--------------|--------------|
| Taxes, . . . . .             | \$597,276.29 | \$606,437.83 | \$695,022.33 | \$720,601.05 |
| Rents, . . . . .             | 52,239.48    | 53,786.04    | 52,498.61    | 52,595.03    |
| Public Lands, . . . .        | 18,800.76    | 12,961.72    | 79,481.62    | 112,643.93   |
| Alien Passengers, . . .      | .....        | .....        | 1,136.22     | 5,764.02     |
| Fees and Licenses, . . .     | 2,557.64     | 3,319.43     | 3,079.91     | 2,734.72     |
| Burial Grounds, . . . .      | 1,153.31     | 161.69       | 219.31       | 104.80       |
| Militia Bounty, . . . .      | 499.00       | 456.25       | 248.00       | 132.19       |
| Total Income, . . . . .      | 672,526.48   | 677,122.96   | 831,686.00   | 894,575.74   |
| Balance of last Account, .   | 8,084.58     | 29,484.74    | 65,104.57    | 181,482.03   |
| Due and uncalled for, . .    | .....        | 850.76       | 2,829.18     | 1,751.48     |
| Total, . . . . .             | 680,611.06   | 707,458.46   | 899,619.75   | 1,077,809.25 |
| <br>                         |              |              |              |              |
| EXPENDITURES.                | 1841-'42.    | 1842-'43.    | 1843-'44.    | 1844-'45.    |
| Advertising, &c., . . . .    | \$.....      | \$900.00     | \$900.00     | \$900.00     |
| Annuities, . . . . .         | 850.00       | 810.40       | 625.00       | 625.00       |
| Bells and Clocks, . . . .    | 940.11       | 841.00       | 1,243.67     | 717.56       |
| Bridges, . . . . .           | 8,027.07     | 7,852.77     | 2,016.47     | 3,187.13     |
| City Debt, . . . . .         | 69,100.00    | 76,000.00    | 94,900.00    | 263,393.38   |
| Common, . . . . .            | 1,899.48     | 3,750.17     | 3,272.12     | 1,019.21     |
| Common Sewers, . . . . .     | 2,908.72     | 1,940.51     | 7,522.19     | 4,858.43     |
| Contingent, . . . . .        | 33,032.91    | 9,418.28     | 16,417.70    | 5,431.22     |
| County, . . . . .            | 24,301.36    | 42,639.76    | 38,817.67    | 37,609.74    |
| Fire Department, . . . .     | 38,586.79    | 37,304.82    | 42,042.78    | 46,197.31    |
| Fourth of July, . . . . .    | .....        | .....        | 2,885.90     | 3,679.39     |
| Health, . . . . .            | 21,399.14    | 22,693.74    | 25,102.25    | 28,014.29    |
| Interest, . . . . .          | 78,112.96    | 76,006.70    | 68,463.62    | 60,682.65    |
| Market, . . . . .            | .....        | .....        | 3,458.56     | 2,154.59     |
| Old Claims, . . . . .        | 489.17       | 1,612.03     | 1,096.62     | 793.76       |
| Police, . . . . .            | 5,698.59     | 10,337.55    | 11,137.08    | 12,375.01    |
| Printing, . . . . .          | 3,994.22     | 2,765.93     | 2,800.14     | 3,788.62     |
| Public Buildings, . . . .    | 8,393.57     | 2,323.28     | 3,362.62     | 4,322.07     |
| Public Charities, . . . .    | 38,824.78    | 42,067.17    | 30,616.64    | 39,058.36    |
| Public Lands, . . . . .      | 488.57       | 3,105.17     | .....        | 6,720.34     |
| Salaries, . . . . .          | 37,899.60    | 19,016.49    | 18,550.00    | 18,670.61    |
| Schools, . . . . .           | 150,426.44   | 136,219.10   | 201,256.26   | 205,277.68   |
| State Tax, . . . . .         | .....        | .....        | .....        | 25,488.75    |
| Streets, . . . . .           | 82,565.34    | 98,922.76    | 94,409.53    | 122,294.53   |
| Watch, . . . . .             | 43,187.50    | 45,776.26    | 47,240.90    | 48,570.39    |
| Water Works, . . . . .       | .....        | .....        | .....        | 3,106.67     |
| Total Expenditures, . . . .  | 651,126.32   | 642,353.89   | 718,137.72   | 948,936.69   |
| Balance in Treasury, . . . . | 29,484.74    | 65,104.57    | 181,482.03   | 128,872.56   |

## Revenue and Expenditures of 1845—1849.

|                                      | 1845-'46.           | 1846-'47.           | 1847-'48.           | 1848-'49.           |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>INCOME.</b>                       |                     |                     |                     |                     |
| Taxes, . . . . .                     | \$765,825.46        | \$868,415.89        | \$969,028.02        | \$1,064,081.75      |
| Rents, . . . . .                     | 48,361.60           | 55,984.85           | 58,462.33           | 65,405.78           |
| Public Lands, . . . . .              | 192,138.18          | 171,386.19          | 93,749.42           | 89,863.99           |
| State School Fund, . . . . .         | 3,055.64            | 3,948.44            | 4,492.37            | 4,142.69            |
| Fees and Licenses, . . . . .         | 2,688.03            | 4,716.01            | 6,650.42            | 3,807.26            |
| Militia Bounty, . . . . .            | 211.00              | 253.50              | 142.00              | 111.50              |
| Water Loans, . . . . .               | .....               | .....               | 1,802,089.46        | 1,658,772.66        |
| Other Loans, . . . . .               | .....               | 352,966.86          | 298,533.39          | 223,967.51          |
| <b>Total Income, . . . . .</b>       | <b>1,012,279.91</b> | <b>1,457,671.74</b> | <b>3,233,147.41</b> | <b>3,110,153.14</b> |
| Balance last Account, . . . . .      | 130,872.56          | 262,596.16          | 20,286.42           | 193,077.87          |
| Due and not paid, . . . . .          | 3,322.54            | 2,200.26            | 2,963.04            | 2,024.70            |
| <b>Total, . . . . .</b>              | <b>1,146,475.01</b> | <b>1,722,468.16</b> | <b>3,256,396.87</b> | <b>3,305,255.71</b> |
| <b>EXPENDITURES.</b>                 |                     |                     |                     |                     |
| Alien Passengers, . . . . .          | \$.....             | \$.....             | \$17,336.96         | \$10,298.74         |
| Advertising, . . . . .               | 1,039.00            | 918.00              | 1,050.00            | 1,050.00            |
| Annuities, . . . . .                 | 663.58              | 615.00              | 705.00              | 690.56              |
| Bells and Clocks, . . . . .          | 1,156.11            | 909.55              | 978.33              | 866.25              |
| Bridges, . . . . .                   | 1,722.05            | 9,302.44            | 2,077.94            | 4,768.45            |
| Burial Grounds, . . . . .            | 66.58               | 575.09              | 1,550.42            | 5,293.78            |
| City Debt, . . . . .                 | 20,608.07           | 155,309.00          | .....               | .....               |
| Common, . . . . .                    | 2,146.14            | 3,344.06            | 3,174.04            | 3,850.93            |
| Contingent, . . . . .                | 29,718.23           | 20,839.16           | 9,166.47            | 13,859.27           |
| County, . . . . .                    | 38,566.71           | 33,795.39           | 44,584.01           | 58,075.34           |
| Fire Department, . . . . .           | 74,272.13           | 76,807.81           | 81,935.17           | 77,364.56           |
| Fuel and Lights, . . . . .           | 1,200.81            | 1,227.48            | 900.23              | 1,370.72            |
| Furniture, . . . . .                 | 269.75              | 1,164.78            | 520.23              | 227.87              |
| Harbor Master, . . . . .             | .....               | 450.00              | 939.27              | 3,472.61            |
| Health, . . . . .                    | 29,719.81           | 44,851.51           | 69,113.76           | 65,013.99           |
| Independence, . . . . .              | 4,717.93            | 4,881.88            | 5,458.85            | 5,719.56            |
| Interest, . . . . .                  | 43,241.45           | 20,515.64           | 32,169.90           | 40,589.55           |
| Law Expenses, . . . . .              | 734.74              | 3,942.26            | 420.44              | 993.14              |
| Market House, . . . . .              | 3,368.39            | 3,986.83            | 4,682.08            | 4,658.50            |
| Militia, . . . . .                   | 306.66              | 1,235.76            | 794.09              | 499.00              |
| Old Claims, . . . . .                | 1,598.24            | 3,047.27            | 2,096.03            | 2,624.80            |
| Police, . . . . .                    | 14,460.66           | 18,979.51           | 29,292.68           | 37,015.68           |
| Printing, . . . . .                  | 3,549.96            | 4,796.64            | 4,189.05            | 4,933.45            |
| Public Buildings, . . . . .          | 21,069.41           | 14,462.39           | 4,499.15            | 142,149.92          |
| Public Charities, . . . . .          | 47,331.89           | 76,462.22           | 89,753.08           | 87,755.58           |
| Public Lands, . . . . .              | 17,640.35           | 95,027.54           | 162,044.25          | 67,407.70           |
| Salaries, . . . . .                  | 20,311.10           | 23,568.18           | 25,599.66           | 30,636.05           |
| Schools and Houses, . . . . .        | 226,019.09          | 298,619.49          | 348,887.40          | 303,581.67          |
| Sewers and Drains, . . . . .         | 5,729.88            | 5,055.92            | 10,726.81           | 15,057.43           |
| Streets, . . . . .                   | 207,539.46          | 318,345.81          | 400,728.16          | 404,613.84          |
| Watch, . . . . .                     | 53,474.78           | 59,040.24           | 60,076.65           | 67,100.28           |
| Water Works, . . . . .               | 11,635.89           | 400,104.91          | 1,657,868.89        | 1,734,306.10        |
| <b>Total Expenditures, . . . . .</b> | <b>883,878.35</b>   | <b>1,702,181.74</b> | <b>3,063,319.00</b> | <b>3,195,845.32</b> |
| Balance in Treasury, . . . . .       | 262,596.16          | 20,286.42           | 193,077.87          | 109,410.39          |
| <b>Total, . . . . .</b>              | <b>1,146,475.01</b> | <b>1,722,468.16</b> | <b>3,256,396.87</b> | <b>3,305,255.71</b> |

Aggregate Valuation of Real and Personal Estate in Boston.

| Year. | Real Estate. | Personal Est. | Total Valuation. | Polls. | Tax.         | Cts.on\$100. |
|-------|--------------|---------------|------------------|--------|--------------|--------------|
| 1815  | \$18,265,600 | \$14,647,400  | \$32,913,000     | 6,457  | \$157,793.00 | 45           |
| 1820  | 21,687,000   | 16,602,200    | 38,289,000       | 7,810  | 165,228.30   | 40           |
| 1825  | 30,992,000   | 23,450,600    | 54,442,600       | 11,660 | 201,039.10   | 40½          |
| 1830  | 36,960,000   | 22,626,000    | 59,586,000       | 13,096 | 260,967.30   | 40½          |
| 1835  | 47,552,860   | 31,749,800    | 79,302,660       | 16,188 | 408,899.61   | 48½          |
| 1840  | 60,424,200   | 34,157,400    | 94,581,600       | 17,696 | 546,742.80   | 55           |
| 1841  | 61,963,000   | 36,043,600    | 98,006,600       | 18,915 | 616,412.10   | 60           |
| 1842  | 65,499,900   | 41,223,800    | 106,723,700      | 19,636 | 637,779.09   | 57           |
| 1843  | 67,673,400   | 42,372,600    | 110,046,000      | 20,063 | 712,379.70   | 62           |
| 1844  | 72,048,000   | 46,402,300    | 118,450,300      | 22,339 | 744,210.30   | 60           |
| 1845  | 81,991,400   | 53,957,300    | 135,948,700      | 24,237 | 811,338.09   | 57           |
| 1846  | 90,119,600   | 58,720,000    | 148,839,600      | 25,974 | 931,998.60   | 60           |
| 1847  | 97,764,500   | 64,595,900    | 162,360,400      | 27,008 | 1,014,674.40 | 60           |
| 1848  | 100,403,200  | 67,324,800    | 167,728,000      | 27,726 | 1,131,821.00 | 65           |
| 1849  | 102,892,300  | 71,352,700    | 174,245,000      | 28,363 | 1,175,137.00 | 65           |

Public Lands of the City sold since January 1, 1837.

| Date.                                       | No. feet. | Amount rec'd. | Date.     | No. feet.      | Amount rec'd. |
|---------------------------------------------|-----------|---------------|-----------|----------------|---------------|
| 1837                                        | 26,855    | \$7,935.50    | 1843      | 86,568         | \$93,876.49   |
| 1838                                        | 55,367    | 14,472.37     | 1844      | 261,499        | 128,124.30    |
| 1839                                        | 17,823    | 8,768.50      | 1845      | 662,867        | 401,667.84    |
| 1840                                        | 2,430     | 841.50        | 1846      | 472,319        | 348,787.02    |
| 1841                                        | 5,374     | 7,760.15      | 1847      | 23,274         | 15,081.18     |
| 1842                                        | 10,876    | 6,606.75      | 1848      | 5,302          | 5,170.88      |
| Total, averaging 63 cents per foot, . . . . |           |               | 1,630,554 | \$1,039,091.48 |               |

In the *Contingent Expenditures*, in 1845-6, are included \$1,053.59 for the funeral obsequies of President Jackson, \$2,000 for detecting an incendiary, \$25,484.74 for the State tax, and \$1,175.89 for other purposes; in 1846-7, \$17,020 for a sea wall, \$2,338.51 for the census of the city in 1845, and \$1,480.65 for other purposes; in 1847-8, \$4,042.49 for the reception and entertainment of President Polk, \$784.17 for funeral solemnities of Pres. Adams, \$1,209.00 for the reception and entertainment of the Congressional Committee, \$1,000 for apprehending a murderer, and \$2,130.81 for other purposes; and in 1848-9, \$1,508.33, balance of the funeral expenses of President Adams, \$9,062.50 for the purchase of George's, Lovel's, and Great Brewster Islands, and \$3,288.44 for other purposes. The *Law Expenses* are exclusive of \$2,500 paid annually to the City Solicitor, included in salaries. Against *Public Buildings*, in 1846-7, is included \$7,660.82 for stables, and \$908.00 for the jail, and in 1848-9, \$134,658.83, on account of the new jail. The *Public Charities* includes the expenses of House of Correction, Lunatic Hospital, Houses of Industry and Reformation, Overseers of the Poor, &c. The *Public Lands* in 1846-7, includes \$23,936.75 for the purchase of flats, and \$40,000 for the purchase of Urann's wharf; in 1847-8, \$112,000 for the purchase of 280,000 feet of land at 40 cents per foot, on South Boston Heights, for a reservoir, and in 1848-9,

\$2,980 for Stone Wharf; in 1847-8, \$65,907.70 for Public Lands and South Bay, and \$1,500 for Stone Wharf. The *Streets* includes the expense of widening, paving, and repairing, and lighting, but does not include the cleaning, which is charged to Internal Health.

## CITY DEBT.

The City Debt, May 1, 1841, was \$1,663,800. During the four subsequent years it was reduced \$500,533.38, leaving it, May 1, 1845, at \$1,163,266.62. From May 1, 1845, to Jan. 1, 1846, it was further reduced \$105,249.96, leaving it, at the time, \$1,058,016.66. And there was then on hand, pledged to its reduction, cash, \$120,894.68, and bonds and mortgages, \$378,143.79, making the net debt then, \$558,978.19. The following statement will show the amount of the debt at the close of each financial year, April 30, since that time.

| Year. | Ordinary Debt. | Increase.    | Water Debt.  | Total Debt.    | Total Increase. |
|-------|----------------|--------------|--------------|----------------|-----------------|
| 1846  | \$1,153,713.16 | \$ . . . . . | \$ . . . . . | \$1,153,713.16 | \$ . . . . .    |
| 1847  | 1,296,626.98   | 142,913.82   | 398,893.55   | 1,695,520.53   | 541,807.37      |
| 1848  | 1,323,550.05   | 26,923.07    | 2,129,056.32 | 3,452,606.39   | 1,757,086.86    |
| 1849  | 1,547,515.56   | 233,965.51   | 3,787,328.98 | 5,334,844.54   | 1,882,238.15    |

By a standing city ordinance, the proceeds of bonds and mortgages held by the city, the sales of public lands, the balance in the treasury at the close of the year, and a special appropriation of 3 per cent. of the debt, the same not being less than \$50,000, are required to be applied annually for the payment of the principal of the debt. Notwithstanding this requirement, no part of the debt has been paid during the last two years, but it has greatly increased over the gross debt of May, 1845, \$393,802.40 for the ordinary purposes of the city, and \$3,787,328.98 for the water works, or \$4,181,131.38 in all, leaving it, on the 1st of May last, at \$5,334,844.54. The public works undertaken this year will probably increase this amount more than \$1,000,000, making the debt next year between six and a half and seven millions of dollars. An idea of the proportion of this debt to each individual may be formed from the following facts. The city tax this year is \$1,175,137; six times this is \$7,050,822, or a little over the probable debt. If each tax payer will multiply the amount of his tax by  $5\frac{1}{2}$ , he will ascertain nearly his own liability under the city debt, being about equal to  $5\frac{1}{2}$  years' taxes at the present rate.

THE NEW CUSTOM HOUSE, BOSTON, is situated at the head of the dock between Long and Central Wharves, fronts East on the dock, West on India street, and is in the form of a Greek Cross, the opposite sides and ends being alike. It is 140 feet long North and South, 75 feet wide at the ends, and 95 feet through the centre, (the porticos 67 feet long, projecting 10 feet on each side,) and is from the side walk to the top of the entrance story floor 10 feet, 4 inches, to the top of principal story floor 26 feet, 4 inches, to the eaves 52 feet, to the ridge 62 feet, 6 inches, and 95 feet to the top of the skylight of the dome.

It is built on about 3,000 piles, fully secured against decay; the construction throughout is fire proof and of the very best kind.

The roof of the building is covered with wrought granite tile, and the intersection of the cross is surmounted by a dome terminating in a skylight 25 feet in diameter. The dome is also covered with granite tile.

FINANCES OF THE CITY OF NEW YORK.

CITY EXPENSES.

The following shows the state of the city expenses, as exhibited by the Controller's Report, for the years 1846, 1847 and 1848, and shows an increase in two years of \$425,407.20. The increase of salaries is not all exhibited in the Report of 1848, as a part of them are transferred to the judicial account.

|                                                 | 1846.          | 1847.        | 1848.        |
|-------------------------------------------------|----------------|--------------|--------------|
| Aqueduct repairs, . . . . .                     | \$4,675.79     | \$4,212 87   | \$3,194.41   |
| Alms House expenses, . . . . .                  | 290,313.74     | 356,466.60   | 399,787.56   |
| Board of Health, . . . . .                      | 1,623.92       | 1,385.66     | 1,459.94     |
| Coroner's fees, . . . . .                       | 6,480.93       | 5,224.30     | 5,480.30     |
| Cleaning docks, . . . . .                       | 6,086.00       | 2,969.50     | 4,605.00     |
| County contingencies, . . . . .                 | 54,124.21      | 70,924.93    | 89,334.24    |
| Contingent expenses of Common Council, 8,870.18 |                | 16,591.88    | 20,773.01    |
| Cleaning streets, . . . . .                     | 158,430.79     | 180,059.58   | 145,844.95   |
| Commutation tax, . . . . .                      |                |              |              |
| Donations, . . . . .                            | 8,100.00       | 8,400.00     | 9,200.00     |
| Docks and slips repaired, . . . . .             | 47,983.80      | 22,000.00    | 35,000.00    |
| Docks and slips new, . . . . .                  |                | 67,950.02    | 96,922.15    |
| Elections, . . . . .                            | 10,884.70      | 8,661.55     | 6,286.88     |
| Errors and delinquencies, . . . . .             | 3,014.94       | 1,535.13     | 1,272.92     |
| Fire Department, . . . . .                      | 37,164.81      | 42,046.93    | 34,192.07    |
| Interest on revenue bonds, . . . . .            | 64,150.49      | 78,658.49    | 75,503.96    |
| Intestate Estate, . . . . .                     | 2,195.25       | 1,342.89     | 1,955.52     |
| Lamps and gas, . . . . .                        | 162,830.81     | 162,815.19   | 170,909.41   |
| Lands and places . . . . .                      | 3,500.00       | 4,575.00     | 9,962.30     |
| Mayoralty fees, . . . . .                       | 100.00         | 100.00       | 125.00       |
| Officers fees, . . . . .                        | 29,318.56      | 27,714.86    | 24,986.61    |
| Police, . . . . .                               | 445,143.99     | 469,752.68   | 480,008.02   |
| Park fountain, . . . . .                        |                | 3,617 50     | 3,798.30     |
| Printing and Stationery, . . . . .              | 26,615.72      | 22,996.91    | 29,983.49    |
| Repairs and supplies, . . . . .                 | 42,791.58      | 44,210.23    | 48,482.87    |
| Rents, . . . . .                                | 1,200.00       | 975.00       | 2,141.67     |
| Roads and avenues, . . . . .                    | 15,000.00      | 17,549.93    | 19,872.05    |
| Real estate expense, . . . . .                  | 5,770.86       | 6,261.05     | 6,069.48     |
| Street expenses, . . . . .                      | 46,000.00      | 60,318.50    | 89,950.00    |
| Salaries, . . . . .                             | 191,503.40     | 202,977.46   | 209,726.31   |
| Sewer repairing and cleaning, . . . . .         | 4,904.17       | 4,753.01     | 4,673.05     |
| Water pipes, . . . . .                          | 44,806.03      | 52,459.43    | 77,186.84    |
| Croton water, 121st street, . . . . .           |                |              | 10,067.31    |
| Lands for assessments, . . . . .                |                |              | 14,608.95    |
| Total expenses, . . . . .                       | \$1,723,593.67 | 1,949,507.08 | 2,133,394.57 |
| Total receipts, . . . . .                       | 79,518.04      | 74,704.90    | 63,911.74    |
| Net expense. . . . .                            | \$1,644,075.63 | 1,874,802.18 | 2,069,482.83 |

It appears that \$2,967,000 was borrowed in 1848 for city account.

RELATIVE VALUE OF THE REAL AND PERSONAL ESTATE IN THE CITY  
AND COUNTY OF NEW YORK, AS ASSESSED IN 1848 AND 1849.

| WARDS.                                              | ASSESSMENTS OF 1848.    |                        | ASSESSMENTS OF 1849.    |                         |
|-----------------------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|
|                                                     | Real Estate.            | Personal Estate.       | Real Estate.            | Personal Estate.        |
| First, . . . .                                      | \$27,732,350.00         | \$24,677,851.84        | \$28,011,100.00         | \$24,216,930.57         |
| Second, . . . .                                     | 14,547,350.00           | 1,754,447.46           | 14,831,250.00           | 1,808,696.68            |
| Third, . . . .                                      | 12,385,600.00           | 4,665,739.74           | 12,627,750.00           | 4,661,456.09            |
| Fourth, . . . .                                     | 7,953,220.00            | 1,188,937.00           | 8,080,170.00            | 983,750.00              |
| Fifth, . . . .                                      | 9,425,000.00            | 1,945,400.00           | 9,514,700.00            | 1,719,600.00            |
| Sixth, . . . .                                      | 7,510,960.00            | 587,300.00             | 7,488,850.00            | 1,030,050.00            |
| Seventh, . . . .                                    | 10,871,205.00           | 2,311,522.00           | 11,018,463.00           | 2,281,145.00            |
| Eighth, . . . .                                     | 11,435,100.00           | 1,687,699.00           | 11,518,850.00           | 1,074,550.00            |
| Ninth, . . . .                                      | 10,516,800.00           | 1,620,114.20           | 10,707,150.00           | 1,661,323.38            |
| Tenth, . . . .                                      | 6,375,400.00            | 844,337.00             | 6,415,600.00            | 813,450.00              |
| Eleventh, . . . .                                   | 5,249,400.00            | 153,450.00             | 5,467,950.00            | 138,839.28              |
| Twelfth, . . . .                                    | 6,721,311.00            | 674,850.00             | 6,917,021.00            | 673,900.00              |
| Thirteenth, . . . .                                 | 4,246,050.00            | 395,905.73             | 4,403,900.00            | 440,555.73              |
| Fourteenth, . . . .                                 | 7,000,200.00            | 1,793,127.40           | 7,149,600.00            | 1,675,359.16            |
| Fifteenth, . . . .                                  | 17,048,500.00           | 12,373,305.55          | 17,294,400.00           | 10,233,554.41           |
| Sixteenth, . . . .                                  | 9,559,150.00            | 473,014.20             | 10,062,115.00           | 756,614.20              |
| Seventeenth, . . . .                                | 11,100,150.00           | 2,316,870.00           | 11,496,900.00           | 2,261,600.00            |
| Eighteenth, . . . .                                 | 13,361,330.00           | 1,700,580.00           | 14,756,150.00           | 2,003,800.00            |
| <b>Total, . . . .</b>                               | <b>\$193,029,076.00</b> | <b>\$61,164,451.12</b> | <b>\$197,761,919.00</b> | <b>\$58,455,174.48</b>  |
| <b>Total valuation in county, . . . . .</b>         |                         |                        |                         | <b>\$256,217,093.48</b> |
| do do in water district, . . . . .                  |                         |                        |                         | 245,098,457.48          |
| do do in lamp district, . . . . .                   |                         |                        |                         | 248,849,227.48          |
| do do South of centre of 34th st., . . . . .        |                         |                        |                         | 246,671,067.48          |
| <b>Total increase of real estate, . . . . .</b>     |                         |                        |                         | <b>\$4,732,846.00</b>   |
| <b>Total decrease of personal estate, . . . . .</b> |                         |                        |                         | <b>2,709,276.64</b>     |
| <b>Total increase, . . . . .</b>                    |                         |                        |                         | <b>\$2,023,566.36</b>   |

## VALUATIONS SINCE 1845.

|                                          |                  |                |                        |
|------------------------------------------|------------------|----------------|------------------------|
| 1845 . . . . .                           | \$239,995,517.00 | 1848 . . . . . | 254,192,027.12         |
| 1846 . . . . .                           | 244,952,404.71   | 1849 . . . . . | 256,217,093.48         |
| 1847 . . . . .                           | 247,152,303.06   |                |                        |
| <b>Increase in five years, . . . . .</b> |                  |                | <b>\$16,221,476.48</b> |

NEW YORK AUCTION TAXES.—Abstract of Auctioneers' Returns for the half-year ending June 30th, 1849.

| AUCTIONEERS.      | American Goods. | Tax, $\frac{1}{2}$ % \$ 1 per ct. | Foreign. $\frac{1}{2}$ % pr. ct. | Bought in. 5 pr. ct. | Total.       | State Tax. |
|-------------------|-----------------|-----------------------------------|----------------------------------|----------------------|--------------|------------|
| L. M. Hoffman,    | 870,315.38      | $\frac{1}{2}$ 348,982.90          | 421,418.50                       | 407.98               | 1,938,525.88 | 10,732.81  |
| Jno. H. Austen,   | 808,233.23      | $\frac{1}{2}$ 80,685.12           | 434,071.56                       | 939.12               | 1,247,596.30 | 3,328.94   |
| G. G. Wilmerding, | 277,081.17      | $\frac{1}{2}$ 850,202.17          | 738,800.86                       | 1,069.83             | 1,867,154.03 | 9,845.51   |
| S. Draper,        | 431,232.43      | $\frac{1}{2}$ 408,802.75          | 285,118.43                       | 1,644.61             | 1,126,798.22 | 4,264.63   |
| E. J. Warren,     | 47,150.54       | 5,239.09                          | 698,948.53                       | 1,201.87             | 752,540.03   | 5,328.41   |
| C. W. Foster,     | 32,909.54       |                                   | 567,830.17                       | 367.59               | 601,107.30   | 4,277.12   |
| R. Haydock,       | 249,666.73      |                                   | 50,482.65                        |                      | 250,149.38   | 383.27     |
| J. Rudderow,      | 93,775.14       |                                   | 84,579.55                        |                      | 178,354.69   | 634.35     |
| W. Kobbe,         | 90,393.77       |                                   | 216,664.81                       | 5.20                 | 307,063.78   | 1,625.25   |

## OBSERVATIONS ON GOLD MINES.

PROCEEDINGS OF THE BRITISH ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE, LONDON, SEPTEMBER, 1849.

On the Distribution of Gold Ore over the Earth's Surface, and on the Structure of California, as compared with that of the Ural Mountains. By Sir Roderick I. Murchison.

The author exhibited an enlarged Mercator's projection of the World, taken in great part from a general sketch-map, by M. A. Erman of Berlin, on which all the leading ridges affording gold ore in times past or present were marked, also an enlargement of the map of California by M. Erman, and his own large map of Russia, and sections in the gold-district of the Ural. After referring to the works of Humboldt and others, Sir Roderick gave a condensed view of his own observations on the gold region of the Ural Mountains, which had led him to form the opinion, that gold veins had generally been produced where certain rocks of intrusive character, viz., greenstones, porphyries, sienite, granites and serpentines, had been intruded through palæozoic rocks, particularly as respects the Ural, among those of the Silurian epoch. It is, in short, where clay slates, limestones, and greywacke sandstones have been penetrated by such igneous rocks that quartz veins abound, and with them a diffusion of gold ore in grains, leaf and veins. All the phenomena of Siberia to the East of his own observations are lithologically and geologically similar to those of the Ural. To the general view of Baron von Humboldt, that the richest gold deposits are those which are derived from ridges having a meridian direction, M. A. Erman is decidedly opposed; but Sir Roderick is of opinion, that although we may be unable to explain the cause, it is a fact that the greatest quantity of gold ore has been obtained from chains having a nearer relation to north and south than to equatorial or east and west directions, due perhaps to the general form of the chief masses of land, and the prevailing strike of the palæozoic rocks. He next pointed out the error into which some persons had fallen, of supposing that the Uralian mines were worked underground; the only small subterraneous work being one near Ekaterinburg, which affords a very slight profit. All the other mines along that north and south chain, throughout 8° of north latitude, are simply diggings and washings which are made in the detritus or shingle accumulated on the slopes of the ridges and in the adjacent valleys, and with one exception are all upon the east side of the range. This phenomenon in the Ural Mountains is a necessary result of their structure; the older deposits through which the eruptive rocks have risen constituting chiefly the crest and eastern slopes of the chain, whilst the western slopes are occupied by deposits of younger or Permian age. As the conglomerates and detritus of the latter rock contain no traces of gold, though they abound in copper ores, it was pointed out in the work on Russia that the auriferous veins were produced after the accumulation of the Permian system. Comparing California with the Ural, Sir Roderick showed that there was a very great coincidence of mineralogical structure, and that with these *constants* the same results obtained; the chief distinction consisting in the apparently larger proportion of gold in the detritus of the newly-discovered deposits in California than in

those of the Ural. He contended, however, against the inference that any large tract of California would be found to be as uniformly auriferous as the banks and slopes of the upper tributaries of the Sacramento. That gold ore has been found from latitude  $36^{\circ}$  to latitude  $40^{\circ}$  along the western slope of the Sierra Nevada is admitted, but the longitudinal extension or breadth of the auriferous detritus of California has yet to be ascertained. As, however, the lower or coast ridge which passes by San Francisco seems to be in miniature what the higher parallel mountains are upon a larger scale, in being composed of greenstones, porphyries, greywacke sandstones and quartz rocks, it is probable that very much of the great intervening valley of the Sacramento may be strowed over *at intervals* with auriferous debris. And here the author took some pains to indicate the distinctions between all such surface mining operations as those of Siberia, California, and the Brazils, and those works in which, besides the ores of silver, copper, &c., gold also had been extracted from the veins in the solid or parent rock, as in Mexico and many other parts of the world, and in such cases the nobler metal is usually associated with amalgam of other ore, which renders its extraction very costly. In adverting to the remarkable fact, that when found in superficial detritus the associated ores of the parent veinstone have disappeared, he accounted for this phenomenon by the oxidation and wear of the other metals, and the resistance of gold and its frequent accompaniment, platinum, to such action, and to their superior weight, which had enabled them to withstand the strong action of former denudation like the quartz veins of the original matrix. Adverting to the facts that in the Ural Mountains, where little or no admixture with other ores existed, the veinstones "in situ," have proved very slightly remunerative when worked further downwards, he glanced at a view of Humboldt, who, looking to the great lumps or "pepites" occasionally found in the surface rubbish, supposed that there may have been some connection between the production of gold and the atmosphere; since judging from these specimens it was from the superficial extremity of these quartz veins that the richest branches of gold must have been derived; the veinstones when followed downwards having usually proved unproductive. As, however, there are cases (chiefly on a small scale, as in Hungary) where gold ore continues to ramify in veinstones of great depths beneath the surface, the author contents himself with dwelling upon the important statistical fact, that all the great masses of gold ore have been and are derived from superficial rubbish; the major part of this detritus he carefully distinguishes from modern alluvia, and shows that it has been the result of former and more powerful causes of degradation than those now in operation—causes which distributed coarse shingle and blocks and sand, with occasional large lumps of gold, and wearing away all the associated schists, and the most oxidizable ones, left only the harder rocks, particularly the quartz veins, together with the harder, purer and nobler metals, gold and platinum. The existing rivers have little more to do with this phenomenon than that in mountainous tracts, and where they have a rapid descent, they have laid bare the edge of the previously formed gold accumulations. By this observation it is not meant to deny, that where existing streams flow directly from rocks "in situ," which are now impregnated with gold, auriferous detritus must not naturally be the result, but simply to prevent the student who may refer to detailed

maps of gold tracts from imagining that the rivers are auriferous except when they derive that quality from the wearing away and breaking down of the mixed materials which constitute their banks. In a word, British geologists may be assured, that gold shingle and sand have been accumulated just in the same manner as the former local drifts of their own country, and that in both, bones of mammoths, rhinoceros and extinct quadrupeds occur. Having terminated his account of the geological constants which accompany gold mines in Europe, Asia and America, Sir Roderick then traced the history of gold and its development as known to the ancients and our ancestors of the middle ages. He showed that in all regions where rocks similar to those he had described occurred, there gold had been found in more or less quantities, and that just in proportion to the time that a country had been civilized had the extraction and produce of the precious metal diminished; so that in many tracts where it formerly prevailed to some extent, it had been either worked out or the mines have been almost forgotten. Briefly alluding to the examples at home of gold works in Wales under the Romans, where Silurian rocks are pierced by trap and contain veinstones as described by himself, and to the former gold of Scotland and Ireland, and its occasional discovery in the detritus of the county of Wicklow, and its diffusion in some of the oldest strata of Merionethshire. He particularly dwelt on the continental tracts formerly so rich, as cited by Strabo, all of which, with the exception of the north Ural or country of the Arimaspes, from whence the Scythian ores came, were no longer gold-bearing districts. The Scythian or Uralian tract had, in fact, remained unknown and unattended to from the classical age until this century, and so completely ignorant were the modern Russians of the existence of gold in the Ural Mountains, or that they had in their hands the country which supplied so much gold to Greece and Rome, that excellent German miners had long worked the iron and copper mines of that chain before any gold veins were discovered. These also were worked as solid veins in the rock for some time before the accidental discovery of a small per centage of gold ore in the ancient alluvium or drift led to the superficial diggings, which produced at an infinitely less expense ten times the amount of produce of the mines in the solid rock near Ekaterinburg. All the energy displayed by the Russian miners having failed to augment the amount of Uralian gold, and as it has never much exceeded half a million sterling, the period is gradually arriving when the local depressions or basins of auriferous detritus of that region will be successively dug and washed out, and the Ural will then resemble many other countries in possessing actual mines of iron and copper, but merely a history of its gold. Russia, however, has also the golden key of all Eastern Siberia, in which various offsets from the Altai chain, and chiefly those which, separating the rivers Lena, Jenisei, &c., stretch along the shores of the Baikal Lake, and have proved so very productive, that for some years they have afforded a greater supply of gold (three millions sterling average, exclusive of the Ural) than all the other gold-bearing countries of the world. As in the Ural Mountains, so in California, notwithstanding their keen scent for gold from the days of Columbus to the present time, the Spaniards never knew of its existence in the valley of the Sacramento, which tract they left in quiet possession of the native Indians; and it was only by the recent accident of the breaking away of a

bank of detritus by a mill-race, that this region was opened out for the first time to the new colonists of the Anglo-Saxon race. What, then, is to be the value and duration of these Californian mines? On the point of absolute value the author does not venture in the absence of sufficient facts and statistical data, but in regard to the duration of the mining ground of California, he speculates that if it be locally so much richer than the similarly constituted detritus in the Ural, still there is nothing to interfere with the belief founded on all past experience, that with the activity now employed in the works they may not be neglected or abandoned in a given time. The very great per-centage of gold ore in the valleys of the Sacramento seems to indicate that the most valuable portions of the original veins have been ground down by former powerful denuding agencies; and as the rule obtains very greatly in mining, that the richer the veins the less are they likely to be spread over a large mass of parent rock, so is he disposed to think, that it will only be in certain patches that very great wealth will be discovered, and hence that it would be hasty to conclude that because rich gold detritus has been discovered near the sources of the Sacramento in lat.  $40^{\circ}$ , and also on the river Colorado in lat.  $34^{\circ} 5'$ , that all the intermediate tract of country (of four degrees of lat. and one of long.) should prove equally productive. Considering the vast addition in the few last years of nearly four millions sterling per annum made to the European market by the researches in Siberia, and seeing how little effect such addition has produced in the value of gold, the author is of opinion that the Californian discovery is not likely to produce any material disturbance in the standard. At the same time he expresses his full agreement with M. Erman and others, that with the advancement of colonization in the central regions of North Asia and other parts of the world where civilization has not yet extended, other gold tracts may be discovered wherever the geological and lithological constants to which he has adverted, occur; but neither would this circumstance induce him to fear that such discoveries (which can only take place at long intervals of time) will more than compensate for the wear and tear of the precious metal, and supply the wants of the rapidly increasing population, and more highly advanced state of civilization. Sir Roderick then briefly alluded to the erroneous opinion of old authors, that the origin and production of gold had any reference whatever to hot or equatorial climates, as testified by the abundance of ore in Siberia, even up to  $67^{\circ}$  north lat., and cited a table by M. Erman which showed that by far the greatest quantity occurred in northern latitudes, there being every probability, according to that author, that much more of the ore may be discovered in the northern prolongation of the American chains, and in the frozen regions of Russian America, just as he had discovered in ridges of the far north-east of Siberia, and near to Kamtschatka. He reminded his geological auditors, that in considering the composition of the chief or eastern ridge of Australia and its direction from north to south, he had foretold (as well as Colonel Helmersen of the Russian Imperial Mines) that gold would be found in it, and he stated that in the last year one gentleman resident in Sydney who had read what he had written and spoken on this point, had sent him specimens of gold ore found in the Blue Mountains, whilst from another source he had learned that the parallel north and south ridge in the Adelaide region, which had yielded so

much copper, had also given undoubted signs of gold ore. The operation of the English laws by which noble metals lapse to the Crown, had induced Sir Roderick Murchison to represent to Her Majesty's Secretary of State that no colonists would bestir themselves in gold mining if some clear declaration on the subject were not made; but as no measures on this head seem to be in contemplation, he infers that the Government may be of opinion, that the discovery of any notable quantity of gold might derange the stability and regular industry of a great colony, which eventually must depend upon its agricultural products. A periodic discovery like that in California may indeed in the hands of adventurous and unbridled speculators, force a considerable quantity of surface gold so suddenly upon the market, that a momentary apprehension of a great change in its relative value may be entertained; but looking to the mineralogical and geological structure of America, and seeing how large a portion of that continent is made up of rocks precisely similar to those which have afforded the gold shingle and sand of the Sacramento, and knowing that all the other far-famed gold districts of the New World have had assignable limits in their productive capacities, and that many of their sources have disappeared or become valueless, he believes that the time will come when the rich soil of the valleys of California, like that of the banks of the Rhine, the Guadalquivir and the rivers of Bohemia, will alone be turned up by the plough, or serve as pasture lands, to the entire abandonment of gold hunting.

The PRESIDENT confirmed the statement of Sir R. Murchison, that little advantage had ever been gained by mining the solid rocks containing gold; the deposits from which it was obtained consisted of the detritus of these rocks produced by the action of the sea in former ages; they were not mere river beds now in process of formation, but portions of that wide-spread drift containing frequently the bones of the mammoth and other extinct animals, which is found also in this country. He did not consider the evidence conclusive, either that there was most gold near the surface of the auriferous rocks, or that the auriferous chains were mostly meridional. Prof. W. ROGERS stated that the position and relations of the gold ore in the United States, occurring principally in Virginia and Carolina, had been ascertained in the course of the Government surveys; the gold was uniformly associated with or imbedded in quartz rock, forming veins in the talcose and micaceous schists and altered sandstones. Gold was once procured there in such abundance and with such facility as to create an interest almost equal to that of California in the public mind; so long as the operations were restricted to washing the detritus of the valleys and principal streams, the produce was abundant and largely repaid the labor; but these comparatively superficial deposits were often very rapidly exhausted from the wasteful mode of conducting the works, and as soon as mining in the solid rock was attempted, an almost universal destruction of the mining societies took place, producing very extensive disasters, and finally amounting to a serious public calamity. It was probable that this difficulty in obtaining gold by mining was universal, and continued at all depths; it was partly owing to the association of the gold, in solid rocks, with iron pyrites and ores of copper and lead, so blended as to cause great difficulty and expense in separating them; near the surface of the rocks this process seemed to have been accomplished by atmospheric

agency, for it was impossible to suppose that the gold was originally most pure and abundant over what is now the surface. From the decomposition of these metallic ores the auriferous quartz of the United States is known as "honey comb" quartz, or by the miners as "bloom of gold," since it occurs scattered over the surface where the gold-producing veins exist. The general trend of the old metamorphic rocks in the United States is north-east by south-west, and the gold veins conform to this general direction, being frequently interposed between the strata instead of crossing them. Gold had been found at intervals all the way from Lower Canada to Central Georgia, a distance of 1,000 miles, and although insignificant in quantity, as compared with California, it occurred under the same conditions. Prof. Rogers was of opinion that after a few years the amount of gold obtained in California will greatly decline, without having inundated the world to such an extent as the hopes or apprehensions of some have led them to suppose. Prof. Sedgwick contended that the *age* of the rocks was not a *constant* phenomenon in connection with gold, but that the *condition* of the rocks did appear to be constant; in the Alps, lias and still more modern rocks were seen passing into the condition usually characteristic of the "primitive," but such instances were extremely rare: in this country gold was found in the Devonian rocks of St. Austell, as well as in the granite of Shap Fells. Prof. Sedgwick also disputed Humboldt's generalization upon the direction of auriferous chains, which were not generally north and south any more than mountain chains were mostly north and south. He then described the manner in which the tin ore is separated from the alluvial soil in Cornwall, by "jigging," or agitating it in a basket with water, by which the soil is washed away and the heavier ore remains; it was by a similar process, carried on upon a large scale, that nature formed the Californian gold-field; the Sierra Nevada had been agitated beneath the waves of the sea until thousands of feet of solid rock had been broken up, the lighter and more soluble materials carried far away, and the heavy particles of gold spread out with the detritus remaining in the valleys immediately below the hills. Such deposits could not be uniformly rich, and the most productive would probably be first discovered; there was no fear, however, of obtaining too great a quantity of gold,—the population of the world was increasing, and for whatever purposes gold was useful a larger quantity was required. The mode in which it was accumulated in particular countries ought to be considered as much a manifestation of the benevolence of Providence as the accumulation of coal in some countries to the exclusion of others, since, if the existing quantity were diffused over the whole globe, it would be lost beyond recovery, and cease to minister to the use of man. Sir H. DE LA BÈCHE also argued that the mineral and physical conditions, rather than the age of the rock, were connected with the accumulation of any particular ore. The tin ore, formerly supposed to be confined to the most ancient rocks, was now known to abound in the equivalents of the coal measures. Gold veins must have been liable to be broken up and re-distributed in ancient times as well as more recently, and indeed much of the auriferous pyrites occurred in rocks which had once been mud, the grains of gold forming the nucleus around which the sulphuret of iron had formed. Most of the metallic ores had been deposited in hollows from a state of solution, and in some instances they occurred in iso-

lated cavities, and must have passed through the pores of the rock, like the pseudomorphous crystal of tin in cavities originally occupied by feldspar in the granite of Cornwall. Changes by atmospheric action were known to occur in lodes containing copper ore, metallic copper being found at the back of the lodes, produced by the decomposition of the ore and precipitation of copper, as in the electrotype process;—from the same cause, carbonate of lead was common at the tops of lead lodes. The case with gold was different; gold could not decompose or drift far, and must sink down amongst the detritus of the original rocks and remain near the shore. He considered that the fact of gold being most abundant in the older rocks, was owing to the fact of those being the rocks most frequently in the requisite mineral and physical conditions. Mr. C. DARWIN stated that he had visited a gold mine on the east side of the Cordillera, in rocks much newer than the Neocombian series; the mines were poor, but the comparatively modern origin of the rocks was indubitable. Sir R. MURCHISON, in reply, observed that he believed that all *rich* gold veins were confined to the older Palæozoic rocks, but his observations did not relate to the occurrence of minute quantities.

~~~~~

BANK STATISTICS.

VERMONT.

Condition of the several Banks in Vermont, August, 1849. From the Annual Report to the Legislature, by Pierpont Isham, Esq., Bank Commissioner.

<i>Name of Bank.</i>	<i>Capital.</i>	<i>Bills in Circulation.</i>	<i>Other Debts due.</i>	<i>Total Liabilities.</i>
Bank of Battenkill, . . .	\$50,000	\$60,811	\$0,000.00	\$110,811.00
Stark Bank,	50,000	75,870	2,501.34	128,371.34
Bank of Rutland,	100,000	164,859	14,680.64	279,539.64
Brandon Bank,	30,000	38,650	4,411.24	73,061.24
Bank of Poultney,	50,000	85,238	8,459.76	143,697.76
Farmers' Bank,	100,000	103,428	11,105.58	214,533.58
Bank of Middlebury, . . .	75,000	94,833	17,676.44	187,509.44
Bank of Vergennes, . . .	100,000	95,981	34,206.91	230,187.91
Bank of Burlington, . . .	160,000	140,331	32,194.21	322,525.21
Commercial Bank,	150,000	90,000	5,926.04	245,926.04
Farmers & Mechanics' B'k,	134,395	162,350	44,492.76	341,237.76
Bank of St. Albans,	50,000	97,466	29,951.05	177,417.05
Vermont Bank,	50,000	99,768	24,247.42	174,015.42
Montpelier Bank,	100,000	169,948	28,492.27	298,440.27
Bank of Orleans,	30,000	30,896	10,994.29	71,890.29
Bank of Caledonia,	75,000	103,991	15,430.37	194,422.12
Orange Co. Bank,	50,000	94,097	5,185.28	149,282.28
Bank of Newbury,	75,000	114,984	5,531.73	195,515.73
Bank of Woodstock,	60,000	88,148	13,847.52	161,995.52
Bank of Black River, . . .	50,000	98,729	2,291.77	151,020.77
Bank of Brattleboro', . . .	150,000	124,012	16,828.65	290,840.65
Bank of Bellows Falls, . .	100,000	100,344	12,751.55	213,095.55
Assutney Bank,	50,000	87,074	10,451.74	147,525.74
	<u>\$1,829,395</u>	<u>\$2,321,808</u>	<u>\$351,658.66</u>	<u>\$4,502,862.31</u>

RESOURCES.				
<i>Name of Bank.</i>	<i>Notes and Bills discounted.</i>	<i>Deposits in City Banks.</i>	<i>Specie.</i>	<i>Other Resources.</i>
Bank of Battenkill, . . .	\$92,243.88	\$13,296.92	\$2,260.68	\$4,668.13
Stark Bank,	99,442.70	24,535.15	3,570.56	3,582.23
Bank of Rutland,	213,138.50	51,821.25	5,178.57	14,437.00
Brandon Bank,	40,080.96	18,479.28	5,143.46	9,883.95
Bank of Poultney,	93,222.30	50,648.23	2,463.88	4,169.00
Farmers' Bank,	117,294.38	60,733.70	3,453.88	36,599.51
Bank of Middlebury,	104,994.24	73,161.98	3,969.10	11,360.96
Bank of Vergennes,	199,210.39	18,048.98	9,235.37	14,712.00
Bank of Burlington,	269,561.91	15,876.65	7,656.10	39,130.56
Commercial Bank,	206,717.23	22,988.86	10,568.91	7,079.00
Farmers & Mechanics' Bk. . . .	289,055.08	00,000.00	6,160.59	59,297.40
Bank of St. Albans,	144,221.64	19,055.78	4,020.31	13,052.37
Vermont Bank,	127,901.20	40,099.65	3,917.02	3,672.47
Montpelier Bank,	227,419.28	36,745.86	4,194.89	47,712.51
Bank of Orleans,	67,022.13	1,003.22	1,884.89	3,420.00
Bank of Caledonia,	178,900.43	3,000.00	3,334.94	13,688.71
Orange Co. Bank,	124,012.32	12,624.78	5,135.09	19,971.04
Bank of Newbury,	170,171.85	22,208.41	5,943.04	3,344.00
Bank of Woodstock,	118,401.00	13,786.11	6,872.57	25,625.23
Bank of Black River,	135,654.26	12,435.63	2,830.92	1,000.00
Bank of Brattleboro',	217,794.03	48,424.05	12,596.54	12,666.03
Bank of Bellows Falls,	181,110.20	27,903.27	6,018.97	4,427.50
Ascutney Bank,	123,502.31	19,442.71	4,440.73	2,909.82
	<u>\$3,541,081.22</u>	<u>\$606,320.47</u>	<u>\$120,811.01</u>	<u>\$356,409.42</u>

In the above statement of the condition and resources of the several banks in this State, there has been no reference made to the amount paid into the safety fund—for the obvious reason, that it could not be well ascertained whether those funds were at present, or when, available, or whether they would not be required for the purposes for which the fund was created. So far, therefore, as any of the banks may have a claim on that fund, to that extent is increased the resources of the bank. All the banks in this State have uniformly, the past year, redeemed their bills at par in Boston, with the exception of the Bank of St. Albans.

The following named banks have given bonds under the 39th Section of the Act of A. D. 1840, and are consequently exempt from contributions to the Safety Fund, to wit: The Bank of Burlington, Commercial Bank, Bank of Middlebury, Brandon Bank, Bank of Montpelier, Vermont Bank, Bank of Caledonia, Stark Bank, Orange County Bank, Woodstock Bank, Bank of Black River, and the Ascutney Bank. There are twenty three banks in the State, which at the time of this examination had a circulation of \$2,321,808, being \$588,326 more than the circulation of last year.

The undersigned derives much satisfaction, from this examination, in expressing his belief and full conviction of the entire soundness of the several banks in this State, and their ability at all times to fully redeem their entire circulation; and that, in the general management of the banks, the directors and officers have manifested a disposition to adhere and conform

to the various provisions of the Act of 1840, and to such other laws as by their charter they were subject. Their discounts have not exceeded twice the amount of their capital paid in. They have not been engaged in trade or commerce, and have not paid or loaned their money on pledge of their stock. The discounts have been made under the approval of the directors, though sometimes that approval has been subsequently rendered. The indebtedness of the stockholders and directors has not, but in few instances, exceeded the limits prescribed by law, and in those instances to a small amount, and through inadvertence; and the indebtedness of individuals, companies or corporations, has not exceeded the 10 per cent. allowed by law, except that indebtedness has been increased beyond that amount *on the purchase of Bills of Exchange.*

This general good direction of the banks, and their ample ability for the payment of all their indebtedness, is a practical and valuable commentary on the many important and sanitary provisions of the Act of A. D. 1840, the several provisions of which, if faithfully and honestly administered, will afford a sure guarantee for the investment of the stockholders, as well as for the full and perfect redemption of the circulation given by those institutions.

PIERPONT ISHAM, *Bank Commissioner.*

Bank Capital of Towns in Vermont.

	No.	Capital.		No.	Capital.
Bellows Falls,	1	\$100,000	Montpelier,	2	\$150,000
Bennington,	1	50,000	Orwell,	1	100,000
Brandon,	1	30,000	Poultney,	1	50,000
Brattleboro',	1	150,000	Proctorsville,	1	50,000
Burlington,	3	434,395	Rutland,	1	100,000
Chelsea,	1	50,000	St. Albans,	1	50,000
Danville,	1	75,000	Vergennes,	1	100,000
Irasburgh,	1	30,000	Wells River,	1	75,000
Manchester,	1	50,000	Windsor,	1	50,000
Middlebury,	1	75,000	Woodstock,	1	60,000

I N D I A N A .

Comparative View of the Liabilities and Resources of the State Bank of Indiana and Branches, 1846, 1847, 1848, 1849.

<i>Liabilities.</i>	Nov. 1846.	Nov. 1847.	Nov. 1848.	17 Nov. 1849.
Capital owned by the State,	\$935,854	\$968,054	\$982,404	\$1,006,604
“ owned by individuals,	1,147,970	1,114,820	1,100,506	1,076,306
Circulation,	3,336,533	3,606,452	3,552,210	3,304,260
Due to the State,	89,535	134,200	81,646	153,300
Bank Balances,	47,886	34,545	82,293	107,243
Individual Deposits,	409,989	555,774	452,625	475,580
Dividends unpaid,	31,832	25,710	21,581	34,684
Fund to cover losses,	413,563	453,444	527,800	607,993
Profit and Loss,	23,819	77,176	125,454	113,680
Balances between Branches,	73,309	69,148	71,418	.....
Total,	\$6,510,290	\$7,039,324	\$6,997,937	\$6,879,650

Resources.	Nov. 1846.	Nov. 1847.	Nov. 1848.	17 Nov. 1849.
Bills discounted, . . .	\$1,659,358	\$1,574,722	\$1,647,622	\$1,677,090
Bills of Exchange, . . .	1,359,385	1,464,076	1,791,321	1,911,924
Suspended Debt, . . .	577,647	460,115	442,602	323,784
Bank Balances, . . .	803,065	1,081,195	227,040	274,501
Branch Balances, . . .	68,534	81,272	148,642	12,020
Real and Personal Estate,	349,790	373,461	382,076	374,790
Funds in Transitu, . . .	113,578	247,698	231,156	205,586
Sinking Fund and Tr. Notes,	419,310	337,555	241,106	166,215
Indiana and United States Bonds,	36,000	36,000	71,000	71,000
Notes of other Banks, . . .	119,976	299,250	147,451	101,970
Coin on hand, . . .	1,003,647	1,083,980	1,273,896	1,285,407
Eastern Funds, . . .	. . . . .	. . . . .	394,025	475,363
Total.	\$6,510,290	\$7,039,324	\$6,997,937	\$6,879,650

MISCELLANEOUS.

FRAUDS ON BANKS.—(From the London Times, 19th November.) It is necessary again to warn the mercantile community against some dexterous persons, who by means of forged letters and other documents are endeavoring to obtain advances from foreign bankers and their connections in London. A case has just occurred in which a forged letter, dated New York, purporting to be from Baron Roenne, the representative of the German Central Power to the United States, was addressed to a firm in London, and by means of which it was sought to obtain credit for \$140,000.

The letter stated that a Mr. V. Greisheim had been left sole executor to a brother in Ohio, who had died with large landed possessions, besides \$176,000, which sum was now lying at Mr. V. Greisheim's disposal at New York, and that this Mr. V. G. who was at present in Europe, would call upon the firm in question to make arrangements so as to draw for the amount. Of course upon presenting himself Mr. V. G. wished his draft on New York to be cashed, but upon this being refused he was willing to wait while it was sent over for collection.

The reply from Baron Roenne was that he knew nothing of the parties, and the bill was accordingly sent back protested. Meanwhile, however, the pretended Mr. V. Greisheim had started from London to Paris, whence he had written to the London firm, requesting them to hold the proceeds of his bill, as soon as they should be received, at the disposal of his brother-in-law, a Colonel V. Obenreiter, and having obtained their reply, stating that his request should be attended to, he appears to have gone to Munich, where by making use of his original story, coupled with the letter of the London firm, together with another and subsequent letter (to which their signature has been forged) announcing that they have placed the \$140,000 at his credit, he has endeavored to negotiate his draft at one of the leading banking houses for £3,000, adroitly professing not to desire cash, but simply Frankfort paper to that extent.

Here, however, he has also been foiled; the bankers having taken the precaution of writing to London; but the letters seem to have been so ingeniously fabricated, and the entire story so well got up, that without the publicity we have now given to the matter, it would be probable some houses might ultimately be taken off their guard. We have the means of knowing that the present parties are not acting singly, but that combined arrangements have been for some months past attempted on the continent to repeat the system of fraud which was broken up by *The Times* a few years back.

PEACE vs. WAR.—Lord Morpeth, in one of his addresses to the electors of Yorkshire, uttered the following beautiful sentiment:—

Reference has been frequently made to the reigns of our former female sovereigns, and indeed every Englishman must fondly look back to the wisdom of Elizabeth and the victories of Anne. But, in shaping the desired career of their fair and young successor, we do not wish that her name should rise above the wrecks of the Armada; we do not seek to emblazon her throne with the trophies of such fields as Blenheim, or the yet more transcendant Waterloo. Let her have glories, but such as are not drained from the treasury or dimmed with the blood of her people. Let hers be the glories of peace, of industry, of commerce, and of genius; of justice made more accessible; of education made more universal; of virtue more honored; of religion more beloved; of holding forth the earliest gospel light to the unawakened nations; the glories that arise from gratitude for benefits conferred; and the blessings of a loyal and chivalrous, because a contented and admiring people.

REDUCTION OF THE DEBT OF PENNSYLVANIA COMMENCED.—This is glorious news for the people of Pennsylvania. The reduction of the State debt has actually been commenced. Agreeably to the provisions of the law creating the sinking fund, the commissioners of the fund last week purchased \$113,500 of the State loans, thus reducing the State debt to that amount, as follows:—

Amount of State stock purchased, \$113,500 00
 Cost thereof, 100,001 12

Net gain to the State, \$13,498.88, and interest saved per year, \$5,675. This is not yet a very great saving, but it is a commencement of a good work, which, under the careful and judicious management of the public affairs which characterizes the present administration, will be steadily persevered in, and the credit of the State will never again be impaired. The amount realized from the sinking fund next year will probably amount to \$300,000, which will be applied in the same way; and, after the North Branch canal is finished, it is not unreasonable to estimate a reduction of the debt at the rate of a million a year. The prospects of our good old commonwealth are, indeed, bright and promising.—*Harrisburg Intelligencer.*

FOREIGN TRADE OF CUBA: Sugar.—It is estimated that the exports of sugar from Cuba, for 1850, if nothing occurs to injure the crop between this and the early part of December, will be equal to 1,500,000 boxes—worth at present rates (molasses included) about \$33,000,000. The largest crop ever exported hitherto was in 1847, amounting to near 1,300,000 boxes; since which date the cultivation has been increased, and the present season has been uncommonly favorable.

SHIP BUILDING IN THE WEST.—The Cincinnati *Atlas*, of the 21st Nov., has a summary of all the steamboats built in the United States, from 1824 to 1848, inclusive. The entire number is estimated at 2,310. The present rate of steamboat building is about 200 per annum, of which more than two-thirds are built upon the lakes and Western rivers, having no connection with the tide waters of the ocean. The official returns show for 1848, the amount of ship building and tonnage on the lakes and Western rivers:—

	No.	Tonnage.
Lake Ontario,	35	3,727
Lake Erie,	68	12,194
Lakes Huron and Michigan,	30	5,301
Mississippi river,	38	6,256
Ohio river,	150	25,253
Cumberland river,	1	57
Total	322	52,788

Of the above there were: ships, 2; brigs, 13; schooners, 62; and steamers, 130; making a total of 207. The total of the tonnage on the lakes and Western rivers is about one-sixth of the whole of the tonnage of the United States, with an annual increase in a much larger proportion than on the tide water.

PROPERTY IN BOSTON.—*From a Pamphlet by S. S. Lewis.*—By a reference to the statistics of the city it is found that the population of Boston in 1800 was 24,937, and its valuation at that period was \$15,095,700. In 1848 the population is set down at 130,000, and the valuation is stated at \$167,728,000. At the first mentioned period the aggregate wealth of the city was equal to an average of \$606, omitting fractions, to each inhabitant; and, at the present period, after a lapse of forty-eight years, the aggregate wealth of the city, divided among a population more than five times greater than at the former period, is more than double the former amount, or \$1,290. From 1840 to 1845, the increase in population was 34 and 1-2 per cent., while in the city of New York the increase was 18 and 6-10ths per cent. The property valuations of the cities of New York and Boston, at the two periods of 1840 and 1848, compare as follows:

New York.	1840.	1848.
Real Estate,	\$187,121,464	\$193,029,076
Personal Estate,	65,721,690	61,164,451
	<hr/>	<hr/>
	\$252,843,154	\$254,193,527
Boston.	1840.	1848.
Real Estate,	\$60,474,200	\$100,403,200
Personal Estate,	34,157,400	67,324,800
	<hr/>	<hr/>
	\$94,631,600	\$167,728,000
Increase in favor of Boston,		\$71,747,027

As the excess of New York is only about eighty-six millions of dollars, (\$6,465,527) a continuance of the same rapid increase in the wealth of Boston would soon place her on an equal footing with that city in this respect.

Merchandise designed for Canada and the lakes (that for Canada not being subject to pay duty in this port) may be landed in Boston, at our great tide-water depots, and placed directly upon the cars, which, without the payment of wharfage, truckage, or transshipment, will be conveyed in less time than by any other route to the most important points on the St. Lawrence River, viz.: Lachine (Montreal) and Ogdensburg. In this way, *and only in this way*, can merchandise of any description or any bulk, brought from Europe, be transported to Canada and the lakes, with greater facility and less expense of putting it on board the cars, than can now be done with goods designed for New York arriving at this port. This important arrangement is not only rendered perfectly feasible by our own company, but by avoiding certain expenses named above, results in an actual saving of 50 cents per ton.

DEATH OF A LIVERPOOL BANKER.—Christopher Bullen, Esq., of the extensive banking firm of Leyland, Bullen & Co., died recently at his residence near Liverpool. Mr. Bullen was probably one of the wealthiest men in Europe, for he has, it is confidently stated, left behind him cash to the amount of £5,000,000 or £7,000,000. Although so very rich, he was parsimonious to an extreme degree. He resided in the house of his uncle, Mr. Leyland, the founder of the bank; but, although a comparatively small mansion, he occupied only two or three apartments, and allowed the remainder to fall into decay—so much so, that the parlors and drawing rooms were tenanted by sparrows, swallows, and bats, the unglazed windows affording them free ingress and egress. He saw no company, courted no society, and indulged in only one taste—the purchase of pictures. His paintings are numerous, but he never hung them up, never exposed them, and they now remain, as they did during his lifetime, piled up, with their faces turned to the wall. For several years his health had been bad, and some time ago, he paid a visit to Malta, Smyrna, &c, and returned greatly improved in constitution—but the expense distressed him, and it was only by a threat of legal proceedings that he was induced to pay the physician who attended him £700. Some time ago, a merchant in difficulties was lamenting to him the state of his finances, when he observed, “You are happier, much happier, than I am. You have got no money, but you have got good health—I have plenty of money, but I have bad health. I wish I could exchange with you.”—*English paper.*

NEW FIRE INSURANCE Co.—The Broadway Insurance Company is the title of a new Company about commencing business in the upper part of N. York city. It will commence with a cash capital of \$200,000, and under the most favorable auspices.

Schureman Halstead, Esq., a gentleman well and favorably known in N. York, has been unanimously elected President.

THE BRITISH PROVINCES. The entire population of the British Provinces, according to the latest authorities, is little more than 2,000,000, distributed as follows:

PROVINCES AND ISLANDS.		CITIES.	
Canada West	750,000	Montreal	50,000
Canada East	790,000	Quebec	40,000
New Brunswick	180,000	St. John's	15,000
Nova Scotia	240,000	Halifax	20,000
Prince Edward's Is.	30,000	Toronto } C. W.	20,000
Cape Breton	30,000	Kingston }	15,000
Newfoundland	100,000	St. John's	12,000

2,120,000

The commerce of the Canadas and its progressive increase is somewhat shown by the following arrivals from the ocean in the river St. Lawrence:

Year.	Entered.	Cleared.
1825	796	883 vessels, averaging 350 tons.
1830	964	1,050 " "
1835	1,297	1,307 " "
1840	1,439	1,522 " "
1845	1,762	1,747 " "

In the last year 23,000 seamen were employed on these vessels. All the above are exclusive of those on the lakes and the Atlantic coast ports.—*New-ark Advertiser.*

STOCK EXCHANGE HOAXES.—When it was known in 1715 that the best families in the north of England had assembled in arms to change the dynasty, no pains were spared by the jobbers to procure correct and to disseminate false intelligence; and it was with mingled feelings of alarm and pity that the inhabitants of a small town between Perth and the seaport of Montrose—where James embarked after his unhappy expedition—saw a carriage and six travelling with all the rapidity which the road would allow. It was known that the rebel army was dispersed; that its chiefs were scattered; and that the unfortunate Stuart was wandering through the country, with life and liberty alike endangered. It excited, therefore, no surprise in the village when the carriage was surrounded, and the apparent prize conveyed with great ostentation towards London. Letters soon reached the city that the fugitive Stuart was taken; and the letters were confirmed by the story related which quickly reached London. The funds, of course, rose, and the inventors of the trick laughed in their sleeves as they divided the profit. The first political hoax on record occurred in the reign of Anne. Down the Queen's road, riding at a furious rate, ordering turnpikes to be thrown open, and loudly proclaiming the sudden death of the Queen, rode a well-dressed man, sparing neither spur nor steed. From west to east, and from north to south, the news spread. Like wildfire it passed through the desolate fields where palaces now abound, till it reached the city. The train bands desisted from exercise, furlled their colors, and returned home with their arms reversed. The funds fell with a suddenness which marked the importance of the intelligence, and it was remarked that while the Christian jobbers stood aloof, almost paralyzed with the information, Manasseh Lopez and the Jew interest bought eagerly at the reduced price. There is no positive information to fix the deception upon any one in particular, but suspicion was pointed at those who gained by the hoax thus publicly perpetrated.—*Chronicles of the Stock Exchange.*

GOLD COINAGE.—The Director of the U. S. Mint at Philadelphia has written the following letter, in reference to a statement made in one of the city papers, that the Bank of England would not loan money on American coin for want of uniformity in its denominational value:

MINT OF THE UNITED STATES,
PHILADELPHIA, 24th Nov. 1849. }

Sir:—Your communication of the 18th inst., enclosing a slip from one of the New York papers, was received two days since. It required some time, especially in a press of business, to consider what answer should or could be made to so grave and surprising an allegation, the force of which is condensed in the caption of "False Mintage." As to accuracy of assaying and melting, I confidently affirm that there is not a mint in the world which can show a stricter faithfulness to the legal standards, than has been maintained here for a long series of years.

I have taken steps to ascertain whether the statement is true, that the Bank of England does not receive our gold coin without previous melting and assay. Supposing it to be true, as I have little doubt it is, there are two ways of accounting for the fact, which should cause any writer, understanding his subject, to hesitate before publishing a wholesale discredit of the national currency, and wounding the reputation and the feelings of those who are entrusted with its manufacture.

The first is, that within the past sixteen years we have had three various standards established by law, for our gold coin: 1st, up to June, 1834, it was 22 carats, or 916.7 thousandths; at that time it was reduced to 899.225 thousandths; and in January, 1837, there was a farther change to the more simple proportion of 900 thousandths or nine-tenths. Of this fact I have been surprised to find that even our most intelligent dealers in foreign exchange have not a clear apprehension; and it is not, therefore, wonderful, if the Bank of England, unwilling to take the trouble of discriminating by dates and devices, should use the shorter course of melting down and assaying.

The other solution, and rather the more probable (though they may consist with each other,) is that it is contrary to usage, every where, for the mint of one country to take the coins of another by tale, or at the alleged fineness. It is not done here: we receive the gold sovereign, not at its alleged fineness, which it does not reach, but at its actual assay, after melting. In a matter of this kind, there is no courtesy to be wasted, on one side or the other. The Bank of England, you are aware, is the channel through which the mint of England is supplied with material, the two institutions being closely connected.

You will perceive, then, that we have been charged with false mintage, and the currency of the country has been disgraced because we have followed the various standards enacted by law, or else, because the mint of England, like all other mints, takes our coin upon their own assay, and not upon our testimony.

Allow me, in conclusion, to express my obligations to you for having made me acquainted with this charge, and thus enabled me to repel it.

Very respectfully, your faithful servant,
R. M. PATTERSON, Director.

Hon. J. PHILLIPS PHENIX, }
Member of Congress. }

THE DEBT OF ALABAMA.—The report of F. S. LYONS, Bank Commissioner, was laid before the Legislature of Alabama on the 19th ultimo. From this document it appears that the foreign debt created to establish the State Bank and branches amounted, two years ago, to \$9,170,555.55. Since that time the interest has been punctually paid, and the principal of the debt has been reduced to about \$5,600,000. Besides this there is now in the hands of the commissioner about \$500,000 more of specie funds, to be applied in reduction, and the prospect of a further reduction of \$1,000,000 out of the funds of the bank. The collections actually made from the bank assets since February, 1846, have amounted to over \$5,000,000 in cash. Mr. LYONS is highly complimented by the press of his State for the ability he has displayed as commissioner.

READING RAIL ROAD—RESOLUTIONS ADOPTED BY THE BOARD.—Resolved, That a mortgage be executed of all the property of the Company to secure the payment of bonds which shall be created, amounting to \$4,000,000, payable April 1st, 1870; and interest at six per cent., per annum, payable semi-annually, on the 1st days of April and October; and if at any time it shall be deemed expedient or necessary for the better effectuating the security of this mortgage, to deliver the actual possession of the premises hereby granted in mortgage, or any part or parts thereof, for a time or times certain or indefinite to the trustees, then it shall be lawful to deliver such actual possession accordingly.

Resolved, That a Sinking Fund is hereby created of \$75,000 per annum, commencing in 1849, provided that the profits of the current year are sufficient after paying the expenses, the interest on the debt, and 7 per cent. per annum on the Preferred Stock of the Company, which fund is to be annually invested in the purchase of those bonds due in 1870, for four years, and until the market price of them is at par, which with the Sinking Fund provided in the mortgage of 1836, will make an annual Sinking Fund of \$100,000.

Resolved, That the President and Treasurer are hereby authorized to issue the said bonds payable in 1870, at par, in payment of the bonds due in 1850, and also in exchange for Preferred Stock, which has been issued for bonds due in 1850, and upon the surrender of the said stock, to pay one-half per cent. on the same, which with the dividend of 2 1-2 per cent. declared in July last, will be equal to the interest paid on the bonds.

OFFICE OF THE PHILADELPHIA AND READING RAIL ROAD COMPANY, }
 PHILADELPHIA, Nov 15th, 1849. }

To the Holders of the Bonds, }
 due January 1, 1850. }

In accordance with the foregoing Resolutions, a mortgage has been executed and bonds prepared, payable in 1870, which the Company are now ready to issue in settlement of the bonds due in 1850.

You are respectfully invited to make such exchange, either at the office of the Company in Philadelphia, or at the office of The Eastern Rail Road Company, No. 85 State, or at that of Messrs. J. E. Thayer & Brother, Boston.

By order of the Board of Managers, JOHN TUCKER, President.

OFFICE OF THE PHILADELPHIA AND READING RAIL ROAD COMPANY. }
 PHILADELPHIA, Nov. 15th, 1849. }

To the Holders of the }
 Preferred Stock. }

In accordance with the foregoing Resolutions, the Company are now prepared to issue to you, bonds payable in 1870, at par, for your Preferred Stock, and to pay you one half of one per cent. on the amount of it.

It is proper to inform you that the profits of the Company since June 30 last, are sufficient to pay the interest on the debt, and the dividend of 4 1-2 per cent., on the Preferred Stock of the Company, which will be paid in January next.

Your early decision is requested.

By order of the Board of Managers, JOHN TUCKER, President.

GOLD AND SILVER.—It appears that the DUTCH are not now for the first time preparing for the consequences of a depreciation in the price of gold. The Dutch mint law of 1847 expressly adopted the principle "that for the future *silver* shall be the only *legal tender* in Holland; that the gold coins which were then *legal tender* should retain that character, but that within three years the law should provide the means for *demonetizing* them." Thus it appears that, had the gold region of California remained a *terra incognita*, the proceedings in Holland relative to gold coin as a *legal tender* would have been exactly such as they have been. The circulation of gold coin, either foreign or domestic, in Holland, is not prohibited; it only ceases to be a *legal tender*. The law appears to have been passed in order to remove the disadvantages arising from a *double legal tender*, which, a writer in the *Economist* says, have often been experienced.

NEW YORK, 31 DECEMBER.			BOSTON, 31 DECEMBER.		
New York, 6 per cent.,.1860	108	@ 111	Albany, W. R. R. 6's,	105	@ 105½
Do. 6 per cent.,.1865	112	@ 113	Do. do. .1865	104	@ 104½
Do. 5 per cent.,.1862	102¾	@ 105	Boston 6's,.....1853	101½	@ 102
Do. do. 1858	102½	@ 103	Boston 5's,.....1860	96	@ 97
N. Y. City, 7 per cent., 1857	110	@ 111	East Boston Co.,.....	14½	@ 14½
Do. 5 per cent., 1856	100	@ 100½	Massachusetts 5's,.....1859	95½	@ 96
Do. Do. W. Ln. 1858	100½	@ 101	Massachusetts Sterlings,...	100½	@ 100¾
N. Y. and Erie R.R., new, 6	59	@ 59½	Atlantic Bank,.....	102	@ 102½
Syracuse and Utica,8	125	@ 131	Atlas Bank,	97	@ 98
Auburn and Rochester, . . .8	84	@ 81½	Boston Bank,....(par 50)..	54½	@ 55
Long Island,.....	16¾	@ 17	Boylston Bank,	102	@ 102½
Providence and Stoning, . . .5	45	@ 45½	City Bank,.....	99½	@ 100
Tonawanda,....Ex. div...10	105	@ 115	Cochituate Bank,.....	85	@ 90
Harlaem,	52¾	@ 52½	Columbian Bank,.....	98	@ 99
Mohawk,	88	@ 91	Eagle Bank,	101½	@ 102
Utica and Schenectady,....	126	@ ...	Exchange Bank,	101½	@ 101½
Hudson River,6	66¾	@ 67½	Freeman's Bank,.....	107½	@ 108
Bank of New York,139	@ ...		Globe Bank,	106½	@ 107
Manhattan Bank,7	105½	@ 106	Granite Bank,.....	97½	@ 98
Merchants' Bank,8	108	@ 109	Grocers' Bank,.....	94½	@ 95
Mechanics' Bank,5	114	@ ...	Hamilton Bank,.....	99	@ 100
Union Bank,.....	127	@ 127	Market Bank, ... (par 70)..	79½	@ 80
Bank of America,7	102	@ 102	Massachusetts, . (par 250)..	235	@ 237½
City Bank,.....	114	@ 116	Mechanics' Bank, (S. B.)..	100	@ 101
Phenix Bank,.....	103	@ 103½	Merchants' Bank,	106	@ 106½
Tradesmen's Bank,.....	129	@ 134	New England Bank,.....	106	@ 106½
Fulton Bank,10	120	@ ...	North Bank,	96	@ 97
Del. and Hudson C. Co.,...24	155	@ 156	Shawmut Bank,.....	98	@ 98½
Butchers and Drovers',...10	119	@ 125	Shoe and Leather Dealers',.	111	@ 112
National Bank,.....	8	@ 110½	State Bank, (par 60)..	60¾	@ 61
Merchants' Exchange,....8	109	@ 109	Suffolk Bank,	130½	@ 131
Leather Manufacturers',...7	106	@ 107	Traders' Bank,.....	99	@ 100
Bank of the State,7	96½	@ ...	Tremont Bank,	102½	@ 103
Bank of Commerce,6½	101	@ 102½	Union Bank,.....	102½	@ 103
Mech. Banking Asso'n,....7	94	@ 96	Washington Bank,	94½	@ 95
Amer. Exch. Bank,8	114	@ 114	American Insurance Co.,... 116	@ 120	
N. Y. L. I. and T. Co.,...8	115	@ 120	Boston Ins. Co.,	105	@ 106
Farmers' L. and T. Co.,... 35½	@ 35¾		Boylston Fire and Marine,...	106	@ 108
Ohio Life and T. Co.,.... 100½	@ 101½		Fireman's Ins. Co., (par 25)	25	@ 30
Canton Co.,.....	40½	@ 40¾	Franklin Ins. Co.,.....	96½	@ 97½
Bank of Louisiana,.....8	110	@ 125	Hope Ins. Co.,	98	@ 100
Louisiana State Bank,....6	90	@ 95	Manufacturers' Ins. Co.,... 118	@ 120	
N. O. Canal and B. Co.,...6	77	@ ...	Mercantile Marine,	90	@ 95
Mech. and Traders' Bank, 6	81	@ 86	Merchants' Ins. Co.,.....	125	@ 130
Ohio, 6 per cent.,.....1870	109	@ 110	National Ins. Co.,... (par 50)	26½	@ 65
Do. 7 per cent.,.....	102¾	@ 103½	Neptune Ins. Co.,	158	@ 160
Ill. Int. Imp. Stock,....1847	44½	@ 46	Suffolk Ins. Co.,.....	85	@ 90
Indiana Bonds,	41	@ 45	Tremont Ins. Co.,	95	@ 98
Do. State Fives,.....	69	@ 70	United States,....(par 50)	53	@ 54
Arkansas, 6 per cent.,	25	@ 36	Warren,	70	@ 75
Alabama, 5 per cent.,.....	75	@ 77	Washington,.....	90	@ 95

BANK ITEMS.

MASSACHUSETTS.—The Cochituate Bank commenced business at Boston early in November last. Its location is under the U. States Hotel, near the Western Railroad depot. The Board consists of Symmes Gardner, Esq., President, C. L. Bartlett, S. W. Fowle, J. W. Clark and S. S. Perkins, Directors. Calvin S. Lane, Esq., Cashier.

ATLAS BANK.—Charles H. Brown, Esq. was on the 21st December elected President of the Atlas Bank, Boston, in place of the late Samuel C. Gray, Esq.

MAINE.—John C. Bradbury, Esq. has been elected Cashier of the York Bank, at Saco, Maine.

NEW HAMPSHIRE.—Daniel M. Gale, Esq., has been elected Cashier of the Belknap County Bank, Merideth, N. H., in place of J. I. Coffin, Esq., resigned.

RHODE ISLAND.—The Phenix Bank, at Westerly, was entered by means of false keys on Sunday, December 16th, and robbed of bills to the amount of \$16,500, principally their own circulation. A reward of \$1000 has been offered for the detection of the robbers.

NEW YORK.—The Ocean Bank commenced business in the city of New York, on the 22d December. Its present location is No. 162 Greenwich Street. President, Nathaniel Weed, Esq., Cashier, S. B. Gibbons, Esq., and capital, \$500,000, Public notice is given that the subscription books will be kept open till 10th January for an increase of capital stock to the amount of \$250,000. Directors, Nathaniel Weed, Valentine Kirby, D. Randolph Martin, Robert Haydock, Henry B. Starr, Benjamin A. Mumford, William L. King, Dennis Harris, Samuel S. Bowman, Gordon W. Burnham, John Boyce, Lucien D. Coman, George Elder.

NEW JERSEY.—Mr. Gaskill, Cashier of the Mechanics' Bank at Burlington, New Jersey, was robbed of his portmanteau, on the 19th December, while on board the steamboat John Stevens, on his way home from Philadelphia. The robbery is supposed to have been perpetrated either at Burlington or Tacony. The stolen portmanteau contained upwards of \$5,000, consisting of exchange bank bills. The robbers, it is believed, got off the Stevens at Tacony, and there took the cars for New York. The telegraph and every other means, likely to lead to their detection, have been already resorted to. There were three suspicious men, wearing cloaks, on board, one of whom, a large, stout individual, was seen with a box, enveloped by his cloak, previous to the time at which the robbery is supposed to have taken place; and one of these same men was observed going ashore at Tacony, carrying a box under his cloak.

THE CAMDEN BANK ROBBERY.—The Camden Bank, since the late robbery, has been enabled to withdraw from circulation all its notes of \$500 except six, which are numbered as follows:—155, 178, 198, 203, 214 and 219; four of which, it is believed, were stolen. And it is also ascertained that about \$3000 of the amount stolen was in notes of the denominations of \$50 and \$100, dated January 1st, 1846, and much defaced by use.

After to-day, the bank will be prepared to issue notes of the last named denominations, so altered from the former as to enable the public to be on its guard against the thieves. It is believed that the latter cannot, at the worst, succeed in passing more of the stolen money than about \$1,200 in \$5 and \$10 notes.—*Phila. North American, 27th Dec.*

PENNSYLVANIA.—The circulation of the Susquehanna County Bank, Pa., at the time of its failure, has been already stated at over \$200,000. Mr. Benjamin T. Case, writing from Pennsylvania, says that from an examination of the books and papers of the bank, it appears that large amounts of its bills were loaned to parties in Ohio, and other places, under a stipulation that the borrowers should obtain for them such circulation as would prevent their return to the bank for

redemption. Another stipulation in the contract so made between the President of the bank and these parties, was that the latter should provide for the redemption of the notes so loaned in the city of New York. Under this arrangement, the bank appears to have loaned \$70,000 of its notes to Seth C. Mann, Cashier of the Canal Bank of Cleveland, Ohio; \$65,000 to Egbert A. Thompson, of Cincinnati, Ohio, and \$20,000 to Thomas P. St. John and Ancel St. John; of the residence of these latter individuals we know nothing. By the terms of the contract entered into between the President of the Susquehanna County Bank and the parties above named, it appears they are responsible for the redemption of the amounts respectively loaned to them. The aggregate sum thus loaned is \$155,000, the larger portion of which, it is believed, was put in circulation in the Western States.

The notes loaned to Mr. Mann were made payable to Henry Clay or William Wirt, and were filled up with red ink. The notes loaned to Thompson may be identified by the letter "C" inserted on the face of each over the letter "Q" in the word "Susquehanna." The notes loaned to the Messrs. St. John are all dated September 5, 1849, and made payable to David Bates.

The President of the State Bank at Morris, New Jersey, is still in prison, no sufficient bail having been offered for his release. This person was indicted for perjury, on the ground that the assets of the bank sworn to by him as cash were not in reality cash or equivalent to cash. The assets were, for the most part, made up of bills of the Susquehanna County Bank, Pennsylvania, and the checks of Thompson, which were put in as cash. It is also broadly stated that several of the Directors of the Live Stock Insurance Company, of Connecticut, which has an agency in Wall street, were connected with this "State Bank at Morris."—*N. Y. Express.*

THE COMMERCIAL BANK OF PERTH AMBOY.—Some unfavorable opinions have been insinuated or hinted at, with respect to this bank, which have occasioned the presentation of its bills for redemption, in considerable sums, but we learn from personal inquiry, that not the least foundation exists for the suspicions which have been shadowed forth, rather than expressed.

For the last thirty years the bills of this bank have been regularly, without any interval of suspense, redeemed by the Mechanics' Bank, of this city, for all sums of \$10 and upwards, and continue so at the present time. For less sums, the bills are bought by the brokers at $\frac{1}{4}$ per cent. discount, as usual.

The bank has a substantial capital, the subscription being fully paid up, of \$60,000; and the stockholders are, by the charter of the bank, individually liable for every cent of issue.

The principal stockholders, the Messrs. Bruen, of New Jersey, are men of very large means, owning, each, over \$100,000; and are perfectly capable of meeting, readily, every just demand against them.

We cannot account for the existence of any fear of the solidity of this bank, as its issues are moderate; its business is conducted on sound principles, the capital invested is large, and its owners fully responsible.

That it would be well if our neighboring State of New Jersey were to adopt a banking law similar to that of this State—we think; but to spread suspicion and distrust upon sound and well conducted banks in other States, is more to the injury of the poorer and more ignorant class of bill holders, who get alarmed easily, and make needless sacrifices, often to the profit of those who make the reports.—*N. Y. Evening Post.*

ILLINOIS.—The Chicago Democrat says that several private banks are about to go into operation in that vicinity. Among those who intend to issue bills are R. K. Swift, Esq., and T. H. Birch, under the name of the Chicago Bank, and J. Y. Scammon, with the name of the Chicago Marine and Fire Insurance Company. It adds: These gentlemen are, no doubt, wealthy, but so far as our knowledge goes, we doubt whether the public will be willing to give them currency, unless State stocks are deposited with trustees to the amount issued, and the notes endorsed by those in whose hands the stocks are deposited.

SOUTH CAROLINA.—We understand arrangements have been made by the Bank of Charleston, S. C., with their correspondents in Liverpool, to discount bills there, drawn from the manufacturing districts in England, upon merchants in Charleston, ordering goods from that side—satisfactory guarantees being personally lodged with the bank here for the purpose.

The arrangement, it is presumed, will do much to facilitate the importation of foreign goods direct to this port.—*Charleston Courier*, 11th Dec.

TENNESSEE.—The Joint Committee on Banks in the Tennessee Legislature has reported in favor of a general free banking law, with a bill carrying out that system. The minimum capital is \$100,000.

The outline of the system is stated as follows:

An association of persons, or a single one, purchases \$100,000 or more of State stock. This is deposited with a Commissioner or Comptroller, appointed for the purpose, who shall cause to be engraved and printed, at the expense of the party applying, notes of the nature of bank notes to the amount of said stock, (in some projects only 90 per cent. of such stock,) countersigned by himself, and to be signed by the officers of the bank where the same are payable. Then follow various provisions of security. The advantage to the banker is as follows: He draws the interest on his State stock deposited, say 5 per cent., and loans out the notes based on this stock at 6 or 7 per cent.,—sufficient to bear expenses of banking house, officers, &c. The security to the note holder is, that the Comptroller will be always able to pay the whole issue in State or U. S. stock, the law so guarding it as to prevent a greater issue than is provided for by it. This system, while it is the most safe of any yet devised for the note holder, is more profitable to the banker, and more beneficial to the country, by making the State stock a safe circulating currency capital for the business of the people. The Tennessee bill provides a payment of 25 cts. on every \$100, for school purposes in lieu of every other State tax.

Editorial Correspondence.

Cincinnati, Oct. 13, 1849.

J. Smith Homans, Esq. — Will you oblige a subscriber? Is it not contrary to law, at least in some of the States, for a notary's name to be *printed* on his notice of protest? Must he not *write* his name when making out a notice.

I think I have seen it stated somewhere in the B. M. that when the name is printed it leaves room for the plea that the note or bill was protested and the notice filled up and issued by a clerk, and not by the notary himself. Is not the printing of the name in the blank notice contrary at this time to general custom?

W. A. C.

REMARKS.—We consider a printed signature as sufficient at the foot of a *notice of protest*. A *notice* of protest is not a formal instrument, but is merely intended to convey information to the several parties to a bill of its dishonor. It may be entirely or partially written or printed. The correct description of the bill or note dishonored and the due delivery of the notice are the material points to be closely attended to. It is of no importance to the recipient of the notice whether the signature be printed or written.

ED. B. M.

Notes on the Money Market.

BOSTON, 31 DECEMBER, 1849.

The year 1849 has come to a close, and finds our country prosperous and at peace. Financially and commercially the United States are in a prosperous condition. The trifling drawbacks of a public debt and deficient public revenue in the general government can be speedily remedied by the adoption of wise and liberal measures for the Treasury. The few drawbacks upon the general government are more than counterbalanced by a most flattering condition of the individual States. Without any single exception, we may say they are eminently prosperous.

Money is generally abundant, and sufficient for the ordinary wants of commerce. Wherever the money market is straitened, the stricture arises from undue speculation and ill-timed investments. In New York the money market is easy, and loans readily obtained at 5 per cent. on call, 6 per cent. on prime paper, and 7 to 10 per cent. on second class bills. Money is said to be scarce in Boston, but there is as much now as twelve months since. The banks of Boston show at this time a discount line of \$31,000,000, against \$30,000,000 in 1848.

The circulation, capital, deposits and specie, of the Boston banks, in 1848 and 1849, were as follows :

	<i>Circulation.</i>	<i>Capital.</i>	<i>Deposits.</i>	<i>Specie.</i>
Sept. 1848, .	\$5,000,000	\$18,980,000	\$6,430,000	\$1,880,000
Oct. 1849, .	5,971,000	19,577,000	6,809,000	2,104,000

A few thousand dollars more are wanted to make some persons easy. Their business is too extended, and they grasp at too much. They complain of the banks for not granting all that is asked, when we all know that the latter are bound by self-interest to do all that prudence permits. It is only in self-defence when a bank turns down the offerings for discount, and thus throws its customers upon private capitalists. Every bank knows that all paper rejected by it is thrown into the private channels of State Street, and when discounted by the broker or the capitalist, the amount is speedily drawn from the bank itself (i.e.—its line of individual deposits suffers).

The banks feel bound to extend all possible facilities to their customers. In extending prudent loans they do not reduce their own cash. If fifty thousand dollars is discounted to-day, in good commercial bills, it returns to-morrow. It merely changes hands: A pays B, B pays C, and C pays D, and the final recipient places it for safe-keeping in the bank again. Thus every hundred dollars serves to discharge a thousand or more in obligations.

The exceeding activity of the money channels of Boston is demonstrated by the meagre deposits in the banks. With a bank capital of twenty millions of dollars, the individual deposits are only six millions—whereas New York city, with a bank capital of only four millions more, exhibits a line of deposits of \$27,000,000 with an indebtedness to foreign banks of 16,000,000

Good paper commands, in Boston, at this time, $\frac{3}{4}$ to 1 per cent. per month. That money is sufficiently plenty for legitimate wants is seen in the prices of stocks. The stock table exhibits high figures for all sound securities, when compared with Dec. '48.

Dividends to the amount of more than two millions of dollars have been declared in Boston this month, viz.:

On railroad stocks,	\$1,027,000
On railroad bonds,	162,000
On manufacturing stocks,	305,000
On State and city stocks,	283,000
On miscellaneous stocks,	380,000

a total of \$2,157,000.

	January, 1849.	December, 1849.
U. S. Treasury Notes,	108½	111
U. S. Loan, 1868,	109½	111½
Pennsylvania Five per cents,	79½	90
Kentucky Six "	101½	105½
Reading R. R. Bonds,	46½	58½
Manhattan Bank, New York,	98	105½
Mechanics' Bank, New York,	106½	114
Bank of Commerce, New York,	98	105½
Bank of America, New York,	97	102
Bank of State of New York,	90	97
Phenix Bank, New York,	86	103½
Massachusetts Five per cents, coupons,	92	95
" " Sterling,	94	100½
Boston Five per cents, 1860,	93	95

The latest advices from London are to the 14th instant, which represent money as exceedingly abundant. The Bank of England, holding £16,500,000 in coin, had reduced its rate of interest to 2½ per cent., and prime commercial bills had been negotiated among private bankers at 2 per cent., and consols had attained the remarkable price of 96 @ 96½. The house of Cotesworth & Co., which suspended in 1847, in the Brazilian and Spanish American trade, with liabilities to the amount of £350,000, had paid a final dividend, making 20s. in the pound, and had resumed business.

Sterling bills for the steamer of 26th inst. were sold at 107½ @ 108½. The high rates of interest maintained in this country continue to attract foreign capital towards us. The abundant channels for safe investments at 6 @ 7 per cent. in the U. S., must have a tendency to add largely to our available capital.

New York has wisely adopted a high rate of interest—viz., seven per cent. This alone has contributed largely to the prosperity of that State. Money will seek employment where it can find the most liberal return for its use. The legal restrictions upon it in this country do not affect the price. If capital can be profitably used at ten per cent., or fifteen per cent., those rates will be acceded to, let the law say what it may. Our readers are referred to the able, and (we think) unanswerable arguments of Mr. J. R. McCulloch upon this topic in our present No. This article was written some ten or fifteen years since, and before the liberal modifications, which now exist in England upon the usury laws, were adopted. The law-makers of Great Britain have, substantially, abolished the usury laws, and those laws no longer repress commerce or oppress the poor man. If such repeal was wise and salutary in Great Britain, how much more so would such repeal be in the United States, where profits are larger than in Europe. "It is obviously not by the circumstance of the rate of interest payable on loans being absolutely high or low, but by the proportion between that rate and the average rate of profit, that we must determine whether they have been obtained on favorable or unfavorable terms."

In our next Number we propose to furnish copious extracts from the message of the new Governor of Alabama, upon the subject of banking and finance. He recommends a careful consideration of the New York system as combining "simplicity, safety, and reasonable prospect of gain to the banker: and if it will succeed and secure all these advantages, I am free to declare that it commends itself very favorably to our consideration. * * * Alabama has paid the interest upon her debt, according to the letter of her contract, and never has, and we hope never will, manifest a disposition to repudiate; yet her bonds do not retain their value in market, doubtless because, when her available means are exhausted, she will have a large sum to raise by taxation."

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

~~~~~  
VOL. IV.

FEBRUARY, 1850.

NO. VIII.  
~~~~~

THE USURY LAWS.

Our January number contained an elaborate article upon the operation of the Usury Laws, from the pen of J. R. McCulloch, Esq., one of the most able writers of the day, upon Political Economy. His aim has been to show,

1st, That the rate of interest is regulated by the relation between the supply of capital and the power of employing it advantageously.

2. That the rate of interest varies according to the security for the repayment of the principal and the duration of the loan.

3. That the interference of government in adjusting the rate of interest is prejudicial to society.

4. The laws against usury drive men in distress, or in want of money, to much more disastrous modes of raising it than they would adopt if no usury laws existed. [*Opinion of a member of the House of Baring, Brothers & Co.*]

5. The usury laws do not protect the prodigal and unwary.

6. There were no usury laws in Holland, whose interest has been for a long period lower than in any other country in Europe.

7. The usury laws do not reach the government.

He also comments upon the following topics :

1. The legal rate of interest in Rome, France, Hamburg, Russia, Austria, Leghorn, Spain, United States.

2. Interest in the East ; in the middle ages ; in France ; in Livonia.

3. History of the laws regulating the rate of interest in England, Scotland and Ireland.

4. Comparison between the market rate and the statutory rate of interest, from 1714 to 1793.
5. The House of Commons Report against the Usury Laws.
6. Errors of some writers on the subject of a low rate of interest.

The Committee of the House of Commons came to the following conclusions :

1st. "That it is the opinion of this committee that the laws regulating or restraining the rate of interest have been extensively evaded, and have failed of the effect of imposing a maximum on such rate ; and that of late years, from the constant excess of the market rate of interest above the rate limited by law, they have added to the expense incurred by borrowers on real security, and that such borrowers have been compelled to resort to the mode of granting annuities on lives ; a mode which has been made a cover for obtaining a higher rate of interest than the rate limited by law, and has farther subjected the borrowers to enormous charges, or forced them to make very disadvantageous sales of their estates.

"2d. That it is the opinion of this committee, that the construction of such laws, as applicable to the transactions of commerce as at present carried on, has been attended with much uncertainty as to the legality of many transactions of frequent occurrence, and consequently been productive of much embarrassment and litigation.

"3d. That it is the opinion of this committee, that the present period, when the market rate of interest is below the legal rate, affords an opportunity peculiarly favorable for the repeal of the said laws."

Since Mr. McCulloch's article was written for the *Encyclopædia Britannica*, extensive modifications of the English laws have been adopted. The system of restriction has been materially changed, so that, as regards time, the rate of interest may be said to depend upon what may be considered *the market value of money*, which is thus allowed to bear its due proportion to the ordinary line of profits.

By the act of 1833, all bills of exchange and promissory notes, not having more than three months to run, were excepted from the operation of the usury laws ; and such paper might be discounted *at any rate of interest agreed upon with the holder*.

By the act of 1837 (July) this relaxation was extended to all such mercantile instruments not having more than twelve months to mature.

All judgment debts to carry interest at the rate of four per cent. per annum from the time of entering up the judgment.

These modifications yet exist. They have not been found to operate prejudicially upon commerce and manufactures ; but on the contrary it is believed that they have essentially promoted the public good.

It has been remarked by a cotemporary writer :

"If a man is *compos mentis*, why should he not be allowed to give and receive any price he thinks fit for money, as well as for any other article ? And why should the Legislature scrutinize the terms of a private contract for trade between individuals, if they are competent to manage their own affairs ? It will scarcely be said that the same necessity for such enactments exists at this day, that called them forth in earlier times. In other words, that we have made no advance in the science of trade ; that the infant state of commerce requires the fostering care of legislation ; that the lawyers, doctors and farmers, who principally make the sum of our legislators,

know better what is for the advantage of the mercantile interests, than do the merchants themselves; and lastly, that our merchants must be restrained and prevented from cheating and robbing each other.

“What then, after all, is the effect of our usury law? It embarrasses business; keeps up the rates of interest; induces a laxity of principle among the people, in respect to the obedience of our laws; and, in fact, offers a premium for unfair dealing. It checks the exercise of enterprise, and throws a stumbling block in the way of commercial advancement.” (*History of the Usury Laws; By John B. Coppinger, A. M., New York, 1849—8vo, pp. 16.*)

In Pennsylvania the subject of the Usury Laws is before the Legislature. The following bill has been introduced into the House of Representatives of that State, by Mr. Matthias.

An Act relating to the Usury Laws.

SEC. 1. Be it enacted, &c.:—That from and after the passage of this act, it shall be lawful for all persons to pay and receive such rate of interest, for the loan of money on any promissory note, draft, acceptance, bills payable or bills of exchange, drawn for any time not exceeding twelve months, growing out of commercial or business transactions, or contracts therefor, as the parties may agree upon in writing.

SEC. 2. That no greater rate of interest than six per centum shall be charged on any judgment after the date of the rendition thereof, entered in any Courts of this Commonwealth, although such judgment may be founded upon a writing stipulating a higher rate of interest.

SEC. 3. That nothing in this act shall be construed to apply to any loan, where the sum or thing lent shall be assured by any grant, charge, or incumbrance of real estate, nor on any loan or discount by any bank or banking association.

SEC. 4. That so much of any existing law or laws as conflicts with the provisions of this act, be and the same is hereby repealed.

In New York a public meeting of merchants was held on Thursday, 17th January, for the purpose of presenting a memorial to the legislature now in session at Albany. This proceeding was in consequence of the recent decision in the Court of Appeals (the highest judicial court of New York,) in the case of *The N. A. Trust and Banking Co. v. Blatchford et al*, as contained in our present number, pages 596–602.

From the New York Journal of Commerce.

THE USURY LAWS.—The stupendous robbery committed by the Dry Dock Bank of New York under shelter of the Usury Law, upon the property of James Morrison of London, who was as innocent of any suspicion of illegality as the babe unborn, has created a profound sensation in this community; which is increased by the apprehension, that other robberies of a similar nature are about to be perpetrated by other parties in the midst of us. It is quite necessary that this indignant sentiment should find vent somewhere; and the meeting at the Merchants' Exchange seems likely to answer the purpose. We hope it will be a meeting worthy of the high honor, the sterling integrity, the uncorrupted honesty of the merchants of New York. It is not, however, to be confined to merchants; but ALL who desire to procure such a modification in the Usury Law, as will remove the temptation which it offers to fraud, repudiation, treachery, ingratitude, and many other crimes. * * *

The meeting to take into consideration the propriety of a modification of the Usury Laws of the State of New York, convened at 2, P. M., on Thursday, 17th January, at the Merchants' Exchange. It was organized as follows:

President—LORA NASH, Esq.*Vice Presidents.*

C. H. Marshall,
D. S. Miller,
R. H. McCurdy,
Jonathan Sturges,
R. L. Stuart,

David Cotheal,
Augustus Whitlock,
John J. Boyd,
S. T. Jones,
Ralph Clark,

Thomas B. Stillman,
E. P. Heyer,
James Lee,
Joseph Tucker.

Secretaries.

Andrew Mount,
E. C. Hamilton,

Theodore Crane,
Edmund Coffin.

J. Depeyster Ogden, Esq., addressed the meeting, maintaining that from a spirit of conservatism, legislatures were unwilling to disturb the policy of past ages, though no reason could be shown why money should not bring its price as well as any other commodity. One of the reasons of this objection was, that there was an apprehension lest any interference with this subject would interfere with the security of the vast sums invested on bond and mortgage.

Mr. Ogden proceeded to read a memorial to be presented to the Legislature of New York, in connection with this subject. The memorial advocated the repeal of the law because it could not be enforced, and was constantly violated, because it was unjust both to the borrower and the lender, because the value of money was fluctuating, because it kept lenders from the markets, and for other causes which may be considered corollaries of the above. The memorial urged especially the repeal of the clause of the law which requires the forfeiture of capital and securities, and the adoption of the principle that only the excess of the interest should be forfeited.

Mr. A. G. Thompson submitted to the consideration of the company a lengthy document setting forth his own views and reasons why the law in question should be repealed. On motion of Mr. James Lee, it was laid on the table, with instructions that if any new ideas were advanced they should be incorporated with the memorial.

The memorial was then adopted and referred to the following committee, viz. :

Drake Mills,	John Sturges,	Don Alonzo Cushman,
P. H. Holt,	J. B. Graves,	H. Bogert,
R. H. McCurdy,	A. T. Stewart,	James N. Cobb.
E. C. Hamilton,	James Lee,	

On motion of the latter, the memorial was ordered to be printed.

MEMORIAL TO THE LEGISLATURE OF NEW YORK.

The undersigned citizens of New York respectfully solicit the attention of your Honorable bodies to the reasons herewith submitted for altering or repealing the law, now existing, on the subject of Usury.

It is believed that no decisive step has been taken, hitherto, by the Legislature, from a disinclination to interfere with a subject, the very name of which has been unavoidably connected with the idea of unjust, as well as unlawful exaction : and although well aware that numerous petitions have been presented for years past, for its repeal, without effect, the undersigned are induced to think that public opinion has undergone a change upon the subject, and that legislation accordingly will be disposed to review its former opinion in regard to the necessity or advantage of a law against usury. Under a strong conviction of the injurious tendency and effect of the law as now existing, and entertaining a firm belief that no class of borrowers of money can be affected unfavorably, but that all interests will be benefited by a removal of the barriers that the law has interposed to prevent the

free and secure employment of capital, the undersigned would fain entertain the hope that their endeavors to bring the subject again to the consideration of the Legislature, may be attended, on this occasion, with a favorable result.

As this question has often engaged the attention and occupied the time of your Honorable bodies, the undersigned have endeavored to compress, within as brief a space as possible, the arguments they now beg leave to adduce in favor of their Petition.

They respectfully ask for the repeal of the Usury Law.

1st. Because experience has proved that it is entirely useless for the accomplishment of the end proposed.

The legal rate of interest in this State is fixed at seven per cent., which, it is respectfully urged, is more beneficial for all interests, and on every account, than the lower rate sometimes proposed of six per cent. Yet a higher rate than seven per cent. is continually, nay, almost daily taken, and amid the changes of the money market will continue to be required and paid, notwithstanding the restrictions and the penalties of the law.

2d. Because no person has ever been indicted under its provisions by a Grand Jury, while the law itself has been presented as "a powerful temptation to fraud on the part of debtors, highly injurious to public morals as well as the lawful business of the people."

3d. Because the law has operated, under legal construction, in favor of borrowers, enabling them to deceive the lenders of money, and deprive them of their property, by pleading usurious consideration as a bar to payment.

4th. Because it is unjust to the borrower as well as to the loaner of money. The injustice and unequal bearing of the law may be seen in the fact, that twelve per cent. is lawfully permitted to be collected on unpaid taxes before the sale of property; ten per cent. interest is to be paid on redeeming property sold under mortgage; and twenty per cent. is allowed to a pawnbroker on good security; whereas, in negotiating business paper, or promissory notes, or securities of that description, parties receiving more than seven per cent. interest are liable to lose their money, and are also guilty of misdemeanor, and subject to fine and imprisonment.

5th. Because money is a commodity subject to fluctuations in value according to its abundance or scarcity; and consequently should not be subjected, under all circumstances, to a fixed rate or value, any more than articles of merchandise.

6th. Because it prevents many capitalists from entering the market, as lenders, when money is scarce, inasmuch as, under the fear of the law, they are obliged to leave the field of gain to those who necessarily increase their price in proportion not only to the real scarcity of money, but to the extent of the risk incurred: thereby unnecessarily enhancing the value of money to the borrower, who is compelled to make the sacrifice, by preventing competition among lenders.

7th. Because the effect of the operation of the law, during a scarcity of money, is to lock up capital, and thereby depreciate the value of real estate, as well as that of all commodities, and but too frequently to reduce the wages of labor, paralyze the arm of industry, and indirectly affect the morals of the community.

8th. Because the repeal of the present and the enactment of a new law, retain-

ing the existing legal rate of seven per cent., when no contract exists, and leaving the rate above or below the legal standard to be agreed on between the parties to the contract, would be the means of bringing capital from other quarters to our State in search of investment; of relieving the money market during a pressure, and preventing many of the various sacrifices which are the usual consequence; and, above all, by restoring confidence to capitalists in the use and employment of money, under the protection of our laws, it would reduce the price by creating competition among lenders, and tend more effectually to equalize and establish the rate of interest on a sure foundation than any legal enactment whatever could possibly accomplish.

The undersigned at the same time would beg leave to add, that if the principle of gradual reform shall alone find favor with the Legislature, they would then earnestly entreat that the penalty exacting the forfeiture of the money lent, may no longer find a place on our statute book, but that whenever usury is pleaded in fear of payment, the excess only above the legal rate shall be returned to the borrower.

Your memorialists would respectfully suggest that if the present usury laws be repealed entirely, that the new law should not extend its operations to the loan or forbearance of money, upon the security of lands or tenements, for the collecting of interest over the present legal rate, nor authorize any Bank or Banking Association to discount any bills, notes or other securities at any rate of interest above that now authorized by law.

With such provisions, it is believed that the principal objection to the repeal or alteration of the usury laws will be removed, and your memorialists will venture to predict, with confidence, that the change they ask for, would tend to secure the reward of labor, stimulate the efforts of industry, and assist the trade and commerce of our State; while in its effects, without injuring any interest or class of interests, it would restore confidence, already too rudely shaken, and thus directly promote the general prosperity.

New York, January 17th, 1850.

~~~~~

THE USURY LAW OF CONNECTICUT, ADOPTED JUNE 22, 1849.

Sec. 1. Be it enacted by the Senate and House of Representatives in General Assembly convened, Every person who shall take, accept or receive, by means of any bargain, loan, exchange, conveyance or otherwise, more than the sum of six dollars for the forbearance of one hundred dollars in money, or other property of that value, for a year, and after that rate for a greater or less sum, or for a longer or shorter time, shall forfeit the value of the money, or other property so taken, accepted or received for forbearance, one half to him who shall prosecute to effect, and the other half to the treasury of the State.

Sec. 2. The second section of the act to which this is an addition, is hereby repealed, but this repeal shall not affect suits now pendng, nor forfeitures already incurred under said section.

Sec. 3. Contracts hereafter made, by which there shall be reserved or taken more than at the rate of six dollars for the hundred, in violation of the first section of the act to which this is an addition, shall not be utterly void; but such contracts shall be void as to the whole sum and amount reserved or taken for forbearance; and whenever a contract shall be made in violation of said first section, and an action shall be brought on such contract, or any renewal thereof, if money or other property for forbearance has been actually paid on the contract, the value thereof shall be deducted from the debt, and judgment rendered for such a sum as that the plaintiff shall have, in the whole, the amount originally lent only, without interest; and the provisions of this section shall apply not only to cases where usurious interest is reserved or taken at the inception of the contract, but also to cases where interest, beyond the rate allowed by law, is reserved or taken for further forbearance of loans previously made.

## BANK STATISTICS.

*Banks of Massachusetts, October 6, 1849.*

| <i>Boston Banks.</i>                         | <i>Capital.</i> | <i>Circula'n.</i> | <i>Circul'n<br/>under \$5.</i> | <i>Profits.</i> | <i>Dus Banks.</i> | <i>Deposits.</i> |
|----------------------------------------------|-----------------|-------------------|--------------------------------|-----------------|-------------------|------------------|
| Atlantic, . . . . .                          | \$500,000       | \$264,550         | \$67,690                       | \$74,090        | \$67,301          | \$255,312        |
| Atlas, . . . . .                             | 500,000         | 143,335           | 14,428                         | 28,589          | 113,656           | 195,881          |
| Boston, . . . . .                            | 900,000         | 237,283           | 57,484                         | 80,063          | 49,936            | 489,893          |
| Boylston, . . . . .                          | 200,000         | 135,790           | 49,294                         | 14,020          | . . .             | 113,976          |
| City, . . . . .                              | 1,000,000       | 155,160           | 26,660                         | 88,462          | 87,088            | 440,644          |
| Columbian, . . . . .                         | 500,000         | 90,000            | 35,870                         | 26,616          | . . .             | 147,991          |
| Eagle, . . . . .                             | 500,000         | 140,015           | 22,169                         | 30,949          | 67,248            | 368,361          |
| Exchange, . . . . .                          | 500,000         | 287,520           | 54,610                         | 31,923          | 111,839           | 219,921          |
| Freeman's, . . . . .                         | 250,000         | 153,640           | 28,658                         | 29,594          | 571               | 96,398           |
| Globe, . . . . .                             | 1,000,000       | 146,980           | 27,163                         | 118,194         | 270,165           | 414,788          |
| Granite, . . . . .                           | 500,000         | 178,265           | 20,882                         | 36,861          | 96,300            | 200,609          |
| Grocers, . . . . .                           | 250,000         | 178,910           | 47,312                         | 5,159           | 71,170            | 100,175          |
| Hamilton, . . . . .                          | 500,000         | 181,440           | 24,867                         | 65,678          | 28,099            | 194,213          |
| Market, . . . . .                            | 560,000         | 149,375           | 14,976                         | 96,311          | 54,562            | 250,201          |
| Massachusetts, . . . . .                     | 800,000         | 124,404           | 27,983                         | 39,991          | 26,889            | 277,094          |
| Mechanics, . . . . .                         | 120,000         | 111,095           | 29,697                         | 18,695          | . . .             | 47,559           |
| Merchants, . . . . .                         | 3,000,000       | 687,805           | 462                            | 310,263         | 673,114           | 718,097          |
| New England, . . . . .                       | 1,000,000       | 172,684           | 35,000                         | 83,237          | 214,202           | 380,094          |
| North, . . . . .                             | 750,000         | 186,909           | 32,566                         | 40,437          | 45,798            | 261,358          |
| Shawmut, . . . . .                           | 500,000         | 143,235           | 13,761                         | 43,349          | 128,721           | 177,143          |
| Shoe & Leather Dealer's,<br>State, . . . . . | 747,495         | 213,837           | 42,231                         | 69,994          | 183,095           | 166,013          |
| Suffolk, . . . . .                           | 1,800,000       | 280,442           | 38,931                         | 156,702         | 84,000            | 540,537          |
| Traders, . . . . .                           | 1,000,000       | 119,110           | 13,035                         | 290,805         | 1,787,379         | 191,451          |
| Tremont, . . . . .                           | 400,000         | 173,395           | 33,477                         | 38,881          | 74,125            | 204,361          |
| Union, . . . . .                             | 500,000         | 165,430           | 35,409                         | 56,528          | 190,714           | 300,800          |
| Washington, . . . . .                        | 800,000         | 206,430           | 18,009                         | 63,571          | 57,836            | 362,907          |
|                                              | 500,000         | 110,410           | 17,298                         | 14,009          | 11,000            | 173,516          |

## COUNTRY BANKS—LIABILITIES.

|                                                     |           |          |          |          |        |         |
|-----------------------------------------------------|-----------|----------|----------|----------|--------|---------|
| Andover, . . . . .                                  | \$250,000 | \$80,260 | \$11,641 | \$17,207 | \$359  | \$4,572 |
| Beverly, . . . . .                                  | 125,000   | 78,465   | . . .    | 5,849    | 825    | 32,565  |
| Danvers, . . . . .                                  | 150,000   | 54,120   | 9,824    | 3,139    | 1,614  | 22,310  |
| Village, Danvers, . . . . .                         | 120,000   | 74,505   | 26,136   | 5,108    | 11,080 | 9,682   |
| Warren, Danvers, . . . . .                          | 120,000   | 60,840   | 13,041   | 4,820    | 2,555  | 33,078  |
| Manufacturers, Georgetown,<br>Gloucester, . . . . . | 100,000   | 21,495   | 14,179   | 1,973    | 278    | 26,104  |
| Haverhill, . . . . .                                | 200,000   | 142,315  | 16,834   | 17,941   | 953    | 53,811  |
| Merrimack, Haverhill, . . . . .                     | 149,700   | 51,510   | 19,161   | 13,279   | 251    | 14,778  |
| Bay State, Lawrence, . . . . .                      | 180,000   | 42,295   | 26,814   | 10,625   | 4,125  | 19,858  |
| Lighton, Lynn, . . . . .                            | 241,900   | 133,930  | 31,803   | 5,031    | 193    | 21,061  |
| Lynn Mechanics, . . . . .                           | 90,750    | 47,970   | 24,228   | 1,275    | 23     | 23,886  |
| Grand, Marblehead, . . . . .                        | 150,000   | 88,575   | 22,143   | 10,988   | 15,576 | 24,047  |
| Marblehead, . . . . .                               | 100,000   | 56,220   | 20,852   | 533      | . . .  | 14,516  |
| Mechanics, Newburyport, . . . . .                   | 120,000   | 55,720   | 14,697   | 245      | . . .  | 10,084  |
| Merchants, Newburyport, . . . . .                   | 200,000   | 50,000   | 18,852   | 3,270    | 7,207  | 36,144  |
|                                                     | 210,000   | 65,645   | 14,870   | 12,689   | 2,322  | 62,825  |

| <i>Liabilities.</i>                  | <i>Capital.</i> | <i>Circul'n.</i> | <i>Circul'n<br/>under \$5.</i> | <i>Profits.</i> | <i>Due Banks.</i> | <i>Deposits.</i> |
|--------------------------------------|-----------------|------------------|--------------------------------|-----------------|-------------------|------------------|
| Ocean, Newburyport, . . .            | \$100,000       | \$83,440         | \$19,773                       | \$21,187        | \$ . .            | \$47,781         |
| Asiatic, Salem, . . .                | 200,000         | 94,453           | 16,951                         | 19,454          | 9,767             | 79,170           |
| Commercial, Salem, . . .             | 200,000         | 33,145           | 31,694                         | 17,545          | 707               | 45,443           |
| Exchange, Salem, . . .               | 200,000         | 76,420           | 22,256                         | 10,744          | . . .             | 44,613           |
| Mercantile, Salem, . . .             | 200,000         | 53,023           | 14,345                         | 1,448           | . . .             | 38,874           |
| Merchants, Salem, . . .              | 200,000         | 39,355           | 9,277                          | 3,183           | 2,825             | 88,030           |
| Naumkeag, Salem, . . .               | 500,000         | 111,283          | 38,621                         | 19,077          | 6,006             | 67,323           |
| Salem, . . .                         | 250,000         | 16,960           | 12,590                         | 4,147           | 5,521             | 39,036           |
| Powow River, Salisbury, . . .        | 100,000         | 64,245           | 12,977                         | 9,570           | 215               | 4,700            |
| Brighton, . . .                      | 250,000         | 249,345          | 18,115                         | 17,038          | 91                | 45,771           |
| Cambridge, . . .                     | 100,000         | 56,860           | 10,619                         | 10,757          | . . .             | 23,886           |
| Charles River, Cambridge, . . .      | 100,000         | 62,255           | 21,189                         | 12,274          | . . .             | 34,419           |
| Bunker Hill, Charlestown, . . .      | 200,000         | 141,420          | 32,234                         | 13,973          | . . .             | 145,569          |
| Concord, . . .                       | 100,000         | 61,690           | 12,269                         | 7,781           | . . .             | 14,038           |
| Framingham, . . .                    | 200,000         | 114,565          | 49,478                         | 6,243           | . . .             | 17,210           |
| Appleton, Lowell, . . .              | 150,000         | 125,385          | 26,516                         | 7,941           | . . .             | 75,262           |
| Lowell, . . .                        | 200,000         | 123,986          | 34,262                         | 25,904          | 703               | 88,227           |
| Railroad, Lowell, . . .              | 600,000         | 291,160          | 66,232                         | 80,439          | 21,031            | 36,766           |
| Lawton, . . .                        | 100,000         | 89,445           | 24,161                         | 3,602           | 125               | 21,140           |
| Waltham, . . .                       | 100,000         | 80,625           | 12,544                         | 5,738           | . . .             | 7,999            |
| Fitchburg, . . .                     | 200,000         | 157,675          | 17,180                         | 5,820           | . . .             | 31,232           |
| Lancaster, . . .                     | 125,000         | 113,445          | 19,388                         | 11,736          | . . .             | 2,743            |
| Leicester, . . .                     | 100,000         | 98,155           | 23,626                         | 9,370           | . . .             | 12,304           |
| Millbury, . . .                      | 50,000          | 24,438           | 7,413                          | 4,000           | 722               | 7,316            |
| Oxford, . . .                        | 100,000         | 70,945           | 16,527                         | 1,505           | 154               | 6,986            |
| Southbridge, . . .                   | 100,000         | 69,510           | 15,695                         | 2,414           | 2,818             | 6,250            |
| Blackstone, Uxbridge, . . .          | 100,000         | 41,435           | 16,500                         | 11,837          | . . .             | 12,887           |
| Central, Worcester, . . .            | 150,000         | 119,306          | 17,275                         | 13,587          | . . .             | 27,920           |
| Citizens, Worcester, . . .           | 150,000         | 91,020           | 16,085                         | 25,771          | 3,609             | 41,195           |
| Mechanics, Worcester, . . .          | 100,000         | 104,305          | 19,256                         | 3,690           | . . .             | 38,328           |
| Quinsigamond, Worcester, . . .       | 100,000         | 66,150           | 14,119                         | 5,887           | 1,078             | 41,294           |
| Worcester, . . .                     | 200,000         | 115,940          | 33,852                         | 18,327          | 3,608             | 84,798           |
| Holyoke, Northampton, . . .          | 150,000         | 169,760          | 17,608                         | 3,152           | 200               | 21,688           |
| Northampton, . . .                   | 200,000         | 138,000          | 24,562                         | 32,468          | 9,215             | 22,178           |
| Hampshire Manufacturers, Ware, . . . | 200,000         | 142,615          | 31,785                         | 5,859           | 2,226             | 11,880           |
| Franklin County, Greenfield, . . .   | 59,116          | 57,395           | 9,903                          | 1,245           | . . .             | 2,668            |
| Greenfield, . . .                    | 150,000         | 98,875           | 28,731                         | 14,017          | 124               | 18,809           |
| Cabot, Chicopee, . . .               | 150,000         | 95,935           | 23,215                         | 16,886          | 200               | 19,628           |
| Agawam, Springfield, . . .           | 200,000         | 111,255          | 23,256                         | 6,833           | 611               | 34,026           |
| Chicopee, Springfield, . . .         | 300,000         | 163,407          | 36,489                         | 11,732          | 2,335             | 92,700           |
| Springfield, . . .                   | 250,000         | 115,860          | 23,966                         | 27,713          | 7,947             | 59,851           |
| Western, Springfield, . . .          | 56,050          | 56,275           | 13,632                         | 1,324           | 3,261             | 3,373            |
| Hampden, Westfield, . . .            | 100,000         | 79,178           | 22,488                         | 10,344          | . . .             | 12,279           |
| Adams, . . .                         | 100,000         | 83,510           | 9,065                          | 18,158          | 1,483             | 10,599           |
| Mahaiwe, G. Barrington, . . .        | 100,000         | 90,415           | 22,602                         | 3,934           | 108               | 17,336           |
| Lee, . . .                           | 100,000         | 96,820           | 26,976                         | 11,115          | 8,783             | 7,031            |
| Agricultural, Pittsfield, . . .      | 150,000         | 130,335          | 15,472                         | 32,097          | 647               | 47,752           |
| Housatonic, Stockbridge, . . .       | 100,000         | 70,210           | 17,615                         | 23,774          | 569               | 15,132           |
| Neponset, Canton, . . .              | 100,000         | 35,365           | 19,543                         | 2,043           | . . .             | 17,153           |
| Dedham, . . .                        | 200,000         | 90,883           | 22,021                         | 34,745          | 593               | 47,696           |
| Dorchester and Milton, . . .         | 100,000         | 45,860           | 15,483                         | 602             | 204               | 36,356           |

*Bank Statistics.*

589

| <i>Country Banks.</i>           | <i>Capital.</i> | <i>Circul'n.</i> | <i>Circul'n<br/>under \$5.</i> | <i>Profits.</i> | <i>Due Banks.</i> | <i>Deposits.</i> |
|---------------------------------|-----------------|------------------|--------------------------------|-----------------|-------------------|------------------|
| Mattapan, Dorchester, . . .     | \$100,000       | \$73,205         | \$23,214                       | \$3,345         | \$ . . .          | \$13,506         |
| Quincy Stone, Quincy, . . .     | 100,000         | 75,220           | 18,514                         | 8,028           | . . . .           | 25,774           |
| Randolph, . . . . .             | 150,000         | 70,910           | 26,545                         | 25,305          | . . . .           | 30,980           |
| People's, Roxbury, . . . .      | 150,000         | 70,650           | 19,316                         | 6,052           | . . . .           | 76,491           |
| Union B'k of Weym'th & Braint', | 100,000         | 71,500           | 16,149                         | 8,830           | 805,              | 17,608           |
| Wrentham, . . . . .             | 150,000         | 52,949           | 21,710                         | 7,089           | . . . .           | 6,100            |
| Attleborough, . . . . .         | 100,000         | 21,555           | 15,547                         | 12,065          | 2,267             | 6,073            |
| Fairhaven, . . . . .            | 200,000         | 57,485           | 7,514                          | 3,711           | 622               | 36,533           |
| Fall River, . . . . .           | 300,000         | 70,010           | 29,260                         | 7,156           | 10,809            | 100,026          |
| Massasoit, Fall River, . . .    | 100,000         | 49,000           | 8,318                          | 8,793           | 356               | 27,618           |
| Bedford Comm'l, New Bedford,    | 400,000         | 108,310          | 12,118                         | 19,244          | 612               | 87,366           |
| Marine, New Bedford, . . .      | 300,000         | 130,600          | 23,817                         | 12,698          | 9,826             | 122,038          |
| Mechanics, New Bedford, . .     | 200,000         | 37,185           | 25,452                         | 3,900           | 2,387             | 33,280           |
| Merchants, New Bedford, . .     | 400,000         | 122,610          | 25,496                         | 35,465          | 22,965            | 137,628          |
| Pawtucket, . . . . .            | 100,000         | 32,165           | 9,434                          | 3,906           | 1,042             | 48,554           |
| Bristol County, Taunton, . .    | 200,000         | 90,126           | 22,491                         | 16,556          | 3,075             | 35,211           |
| Machinists, Taunton, . . . .    | 100,000         | 39,450           | 10,175                         | 746             | . . . .           | 16,859           |
| Taunton, . . . . .              | 200,000         | 92,820           | 27,894                         | 13,355          | 20,666            | 67,256           |
| Hingham, . . . . .              | 105,000         | 78,003           | 21,673                         | 9,917           | . . . .           | 46,197           |
| Old Colony, Plymouth, . . .     | 100,000         | 72,100           | 19,032                         | 15,943          | . . . .           | 32,543           |
| Plymouth, . . . . .             | 100,000         | 90,420           | 23,812                         | 13,661          | . . . .           | 9,607            |
| Wareham, . . . . .              | 100,000         | 63,405           | 13,831                         | 3,350           | 887               | 34,926           |
| Falmouth, . . . . .             | 100,000         | 62,100           | 11,432                         | 3,881           | . . . .           | 4,949            |
| Barnstable, Yarmouth, . . .     | 200,000         | 122,815          | 11,762                         | 21,553          | . . . .           | 9,373            |
| Pacific, Nantucket, . . . . .   | 200,000         | 103,950          | 16,805                         | 11,413          | 4,806             | 109,909          |

| <i>Boston Banks.</i>     | <i>Coin.</i> | <i>Real<br/>Estate.</i> | <i>Bank<br/>Notes.</i> | <i>Notes of<br/>other B'ks.</i> | <i>Bank<br/>Balances.</i> | <i>Loans.</i> |
|--------------------------|--------------|-------------------------|------------------------|---------------------------------|---------------------------|---------------|
| Atlantic, . . . . .      | \$23,958     | \$30,000                | \$45,825               | \$ . . .                        | \$155,489                 | \$973,672     |
| Atlas, . . . . .         | 30,536       | . . . .                 | 59,205                 | . . . .                         | 24,373                    | 881,775       |
| Boston, . . . . .        | 127,373      | 50,000                  | 152                    | . . . .                         | 65,999                    | 1,418,766     |
| Boylston, . . . . .      | 15,010       | . . . .                 | 31,997                 | . . . .                         | 69,615                    | 396,457       |
| City, . . . . .          | 50,020       | 30,000                  | 52,820                 | . . . .                         | 64,402                    | 1,600,774     |
| Columbian, . . . . .     | 55,134       | . . . .                 | 44,842                 | . . . .                         | 50,441                    | 650,059       |
| Eagle, . . . . .         | 83,471       | . . . .                 | 109,514                | . . . .                         | 21,815                    | 913,942       |
| Exchange, . . . . .      | 19,689       | . . . .                 | 182,605                | . . . .                         | 43,325                    | 960,194       |
| Freeman's, . . . . .     | 23,235       | 11,767                  | 6,362                  | 2,320                           | 77,244                    | 437,934       |
| Globe, . . . . .         | 160,836      | 55,682                  | 186,175                | . . . .                         | 123,957                   | 1,450,638     |
| Granite, . . . . .       | 55,474       | . . . .                 | 93,601                 | . . . .                         | 39,190                    | 845,652       |
| Grocers, . . . . .       | 34,704       | . . . .                 | 121,283                | . . . .                         | 9,812                     | 486,928       |
| Hamilton, . . . . .      | 51,159       | . . . .                 | 82,094                 | . . . .                         | 44,114                    | 816,929       |
| Market, . . . . .        | 40,605       | . . . .                 | 112,928                | . . . .                         | 17,890                    | 954,002       |
| Massachusetts, . . . . . | 51,170       | 75,812                  | 66,085                 | . . . .                         | 44,909                    | 1,058,386     |
| Mechanics, . . . . .     | 18,741       | 16,350                  | 1,714                  | 25                              | 50,443                    | 239,773       |
| Merchants, . . . . .     | 245,196      | 145,000                 | 419,285                | . . . .                         | 86,111                    | 4,494,149     |
| New England, . . . . .   | 103,928      | 30,000                  | 101,859                | . . . .                         | 101,451                   | 1,547,979     |
| North, . . . . .         | 63,018       | . . . .                 | 83,997                 | 19,000                          | 26,058                    | 1,124,994     |
| Shawmut, . . . . .       | 58,791       | . . . .                 | 96,717                 | . . . .                         | 22,979                    | 827,722       |
| Shoe & Leather Dealers,  | 60,206       | . . . .                 | 93,835                 | . . . .                         | 71,032                    | 1,197,592     |
| State, . . . . .         | 113,470      | . . . .                 | 139,847                | . . . .                         | 20,000                    | 2,627,294     |

| <i>Boston Banks, Resources.</i> | <i>Coin.</i> | <i>Real Estate.</i> | <i>Bank Notes.</i> | <i>Notes of other B'ks.</i> | <i>Bank Balances.</i> | <i>Loans.</i> |
|---------------------------------|--------------|---------------------|--------------------|-----------------------------|-----------------------|---------------|
| Suffolk, . . . . .              | \$369,610    | \$100,000           | \$532,178          | \$247,200                   | \$725,193             | \$4,427,598   |
| Traders, . . . . .              | 53,597       | 1,160               | 33,810             | . . . . .                   | 63,283                | 772,389       |
| Tremont, . . . . .              | 70,229       | 40,000              | 115,631            | . . . . .                   | 27,932                | 998,088       |
| Union, . . . . .                | 102,175      | 130,000             | 54,198             | . . . . .                   | 39,748                | 1,182,631     |
| Washington, . . . . .           | 23,394       | . . . . .           | 57,345             | . . . . .                   | 16,889                | 728,604       |

## COUNTRY BANKS—RESOURCES.

|                                      |         |           |         |           |         |           |
|--------------------------------------|---------|-----------|---------|-----------|---------|-----------|
| Andover, . . . . .                   | \$6,574 | \$5,000   | \$1,277 | \$176     | \$4,933 | \$356,079 |
| Beverly, . . . . .                   | 4,778   | 1,072     | 3,789   | . . . . . | 15,645  | 217,418   |
| Danvers, . . . . .                   | 2,214   | 4,700     | 1,580   | . . . . . | 1,058   | 231,455   |
| Village, Danvers, . . . . .          | 2,521   | 1,800     | 6,472   | 90        | 21,011  | 214,617   |
| Warren, Danvers, . . . . .           | 3,383   | . . . . . | 4,225   | . . . . . | 20,614  | 206,114   |
| Manufacturers, Georgetown, . . . . . | 3,431   | 1,200     | 306     | . . . . . | 14,788  | 144,304   |
| Gloucester, . . . . .                | 8,787   | 6,956     | 7,700   | . . . . . | 35,531  | 372,879   |
| Haverhill, . . . . .                 | 3,872   | 5,000     | 894     | . . . . . | 8,947   | 229,967   |
| Merrimack, Haverhill, . . . . .      | 3,925   | 2,000     | 2,665   | 452       | 18,481  | 256,193   |
| Bay State, Lawrence, . . . . .       | 6,921   | 19,400    | 1,692   | 507       | 49,513  | 355,976   |
| Lighton, Lynn, . . . . .             | 6,238   | . . . . . | 7,216   | . . . . . | 16,342  | 153,366   |
| Lynn Mechanics, . . . . .            | 5,310   | 10,000    | 3,705   | 1,222     | 7,042   | 284,050   |
| Grand, Marblehead, . . . . .         | 2,877   | 8,700     | 108     | . . . . . | 31,627  | 148,877   |
| Marblehead, . . . . .                | 6,693   | 6,000     | 288     | . . . . . | 23,002  | 164,763   |
| Mechanics, Newburyport, . . . . .    | 9,790   | 9,000     | 2,000   | 163       | 27,950  | 266,570   |
| Merchants, Newburyport, . . . . .    | 9,693   | 6,000     | 2,705   | 304       | 45,042  | 304,698   |
| Ocean, . . . . .                     | 10,058  | 2,500     | 4,935   | 2,274     | 53,276  | 199,137   |
| Asiatic, Salem, . . . . .            | 9,563   | . . . . . | 16,000  | 576       | 49,798  | 343,859   |
| Commercial, Salem, . . . . .         | 2,075   | 4,500     | 6,028   | 1,557     | 5,823   | 308,552   |
| Exchange, Salem, . . . . .           | 6,660   | 4,000     | 1,011   | 3         | 9,046   | 333,313   |
| Mercantile, Salem, . . . . .         | 4,693   | 7,500     | 9,251   | . . . . . | 15,376  | 270,960   |
| Merchants, Salem, . . . . .          | 5,437   | . . . . . | 2,941   | . . . . . | 17,147  | 317,147   |
| Naumkeag, Salem, . . . . .           | 13,698  | . . . . . | 13,183  | . . . . . | 22,868  | 692,563   |
| Salem, . . . . .                     | 2,971   | 3,377     | 1,398   | . . . . . | 21,704  | 298,892   |
| Powow River, Salisbury, . . . . .    | 4,623   | . . . . . | 87      | . . . . . | 10,363  | 176,630   |
| Brighton, . . . . .                  | 11,694  | 2,474     | 18,349  | 631       | 51,735  | 495,566   |
| Cambridge, . . . . .                 | 3,710   | 6,000     | 1,686   | 120       | 20,962  | 169,643   |
| Charles River, Cambridge, . . . . .  | 7,027   | . . . . . | 792     | 52        | 23,091  | 199,175   |
| Bunker Hill, Charlestown, . . . . .  | 52,339  | 20,000    | 13,738  | 3,981     | 49,696  | 393,411   |
| Concord, . . . . .                   | 6,686   | 2,400     | 1,742   | 211       | 18,676  | 166,061   |
| Framingham, . . . . .                | 8,129   | 14,035    | 3,249   | 39        | 27,354  | 334,689   |
| Appleton, Lowell, . . . . .          | 5,144   | 14,000    | 8,847   | 469       | 60,328  | 296,315   |
| Lowell, . . . . .                    | 4,954   | . . . . . | 10,065  | 300       | 61,199  | 396,563   |
| Railroad, Lowell, . . . . .          | 18,535  | . . . . . | 1,199   | 282       | 5,000   | 1,070,612 |
| Newton, . . . . .                    | 4,363   | 5,898     | 3,450   | 178       | 21,491  | 293,092   |
| Waltham, . . . . .                   | 6,465   | 5,500     | 3,227   | 420       | 12,860  | 178,434   |
| Fitchburg, . . . . .                 | 19,151  | 1,400     | 547     | 202       | 61,714  | 328,892   |
| Lancaster, . . . . .                 | 3,622   | 1,000     | 581     | 77        | 25,256  | 241,775   |
| Leicester, . . . . .                 | 3,532   | 1,000     | 2,390   | 38        | 37,947  | 198,548   |
| Millbury, . . . . .                  | 2,792   | . . . . . | 303     | 12        | 7,555   | 83,226    |
| Oxford, . . . . .                    | 4,158   | 1,888     | 1,772   | 336       | 31,893  | 156,160   |
| Southbridge, . . . . .               | 3,868   | 10,715    | 901     | 946       | 330     | 179,926   |
| Blackstone, Uxbridge, . . . . .      | 4,876   | 584       | 185     | 903       | 10,947  | 165,163   |

| <i>Resources.</i>                        | <i>Coin.</i> | <i>Real Estate.</i> | <i>Bank Notes.</i> | <i>Notes of other B'ks.</i> | <i>Bank Balances.</i> | <i>Loans.</i> |
|------------------------------------------|--------------|---------------------|--------------------|-----------------------------|-----------------------|---------------|
| Central, Worcester, . . .                | \$7,778      | \$ . . .            | \$4,602            | \$1,460                     | \$42,832              | \$271,416     |
| Citizens, Worcester, . . .               | 11,549       | . . . .             | 550                | 63                          | 44,379                | 271,139       |
| Mechanics, Worcester, . . .              | 6,646        | . . . .             | 9,969              | 7,362                       | 41,895                | 199,707       |
| Quinsigamond, Worcester, . . .           | 8,648        | . . . .             | 4,130              | 355                         | 46,195                | 169,290       |
| Worcester, . . . .                       | 12,081       | . . . .             | 4,258              | 624                         | 48,895                | 390,666       |
| Holyoke, Northampton, . . .              | 5,130        | . . . .             | 3,273              | 295                         | 69,653                | 293,057       |
| Northampton, . . . .                     | 8,439        | . . . .             | 6,649              | 1,321                       | 43,433                | 366,582       |
| Hampshire Manufacturers, Ware, . . .     | 7,715        | 3,785               | 530                | 66                          | 10,232                | 372,037       |
| Franklin County, Greenfield, . . .       | 6,154        | 3,135               | 3,939              | . . .                       | 39,259                | 77,839        |
| Greenfield, . . . .                      | 7,763        | 2,747               | . . .              | 224                         | 29,478                | 270,345       |
| Cabot, Chicopee, . . . .                 | 5,750        | . . . .             | 2,832              | 372                         | 15,415                | 231,494       |
| Agawam, Springfield, . . . .             | 6,975        | 6,973               | 12,351             | 1,341                       | 28,622                | 319,717       |
| Chicopee, Springfield, . . . .           | 14,139       | 7,000               | 8,886              | 361                         | 9,959                 | 566,318       |
| Springfield, . . . .                     | 20,914       | 7,290               | 8,361              | 3,403                       | 50,682                | 394,776       |
| Western, Springfield, . . . .            | 3,060        | 7,117               | 1,766              | 165                         | 19,570                | 102,236       |
| Hampden, Westfield, . . . .              | 7,258        | 3,500               | 605                | 1,770                       | 17,210                | 193,945       |
| Adams, . . . .                           | 4,085        | 2,000               | 480                | 782                         | 17,479                | 197,989       |
| Mahaiwe, G. Barrington, . . . .          | 4,290        | 2,733               | 2,541              | 3,429                       | 27,316                | 194,085       |
| Lee, . . . .                             | 6,715        | 2,330               | 578                | 243                         | 36,794                | 204,066       |
| Agricultural, Pittsfield, . . . .        | 10,811       | 1,459               | 3,843              | 2,378                       | 75,467                | 282,346       |
| Housatonic, Stockbridge, . . . .         | 4,848        | 2,000               | 467                | . . .                       | 29,969                | 190,015       |
| Neponset, Canton, . . . .                | 2,474        | . . . .             | . . .              | . . .                       | 8,332                 | 163,297       |
| Dedham, . . . .                          | 12,542       | . . . .             | 224                | 64                          | 25,393                | 357,806       |
| Dorchester and Milton, . . . .           | 6,810        | . . . .             | 2,360              | 31                          | 10,159                | 179,144       |
| Mattapan, Dorchester, . . . .            | 6,291        | . . . .             | 3,875              | . . .                       | 4,132                 | 190,063       |
| Quincy Stone, Quincy, . . . .            | 6,117        | 4,850               | 2,876              | 46                          | 24,962                | 188,684       |
| Randolph, . . . .                        | 5,557        | . . . .             | 2,829              | . . .                       | 11,029                | 284,324       |
| People's, Roxbury, . . . .               | 10,049       | . . . .             | 1,677              | 155                         | 27,301                | 282,327       |
| Union B'k of Weymouth & Braint', . . . . | 3,547        | 6,000               | 1,255              | . . .                       | 4,891                 | 199,289       |
| Wrentham, . . . .                        | 5,357        | 1,019               | 1,345              | 184                         | 17,038                | 212,993       |
| Attleborough, . . . .                    | 4,274        | 3,900               | 246                | 557                         | 4,859                 | 143,670       |
| Fairhaven, . . . .                       | 5,869        | 3,500               | 120                | 197                         | 41,719                | 254,461       |
| Fall River, . . . .                      | 6,300        | 7,718               | 4,269              | . . .                       | 29,419                | 463,555       |
| Massasoit, Fall River, . . . .           | 5,274        | . . . .             | 1,742              | 824                         | 17,043                | 169,291       |
| Bedford Comm'l, New Bedford, . . . .     | 7,157        | 18,000              | 7,341              | 3,271                       | 29,170                | 571,710       |
| Marine, New Bedford, . . . .             | 7,108        | 10,000              | 1,539              | 51                          | 74,813                | 505,476       |
| Mechanics, New Bedford, . . . .          | 5,020        | 9,000               | 593                | 228                         | 590                   | 286,864       |
| Merchants, New Bedford, . . . .          | 5,137        | 16,000              | 73                 | 70                          | 4,334                 | 718,550       |
| Pawtucket, . . . .                       | 2,430        | 15,095              | 213                | 1,839                       | 6,437                 | 169,087       |
| Bristol County, Taunton, . . . .         | 8,580        | 8,000               | 408                | 59                          | 18,957                | 331,455       |
| Machinists, Taunton, . . . .             | 2,039        | . . . .             | 1,827              | 231                         | 10,530                | 152,693       |
| Taunton, . . . .                         | 7,226        | 5,000               | 986                | 281                         | 27,504                | 380,993       |
| Hingham, . . . .                         | 3,218        | 25,607              | 13,769             | 36                          | 8,521                 | 299,637       |
| Old Colony, Plymouth, . . . .            | 5,159        | 2,000               | 17,864             | . . .                       | 40,234                | 174,400       |
| Plymouth, . . . .                        | 3,892        | 2,700               | 8,473              | 420                         | 22,530                | 199,484       |
| Wareham, . . . .                         | 1,517        | 6,085               | 1,869              | 12                          | 11,410                | 195,505       |
| Falmouth, . . . .                        | 2,487        | 4,326               | 3,010              | 1,290                       | 12,234                | 159,104       |
| Barnstable, Yarmouth, . . . .            | 4,542        | 2,000               | 53                 | 35                          | 14,174                | 344,698       |
| Pacific, Nantucket, . . . .              | 11,038       | 12,000              | 1,969              | 295                         | 69,176                | 361,496       |

## RECAPITULATION OF THE MASSACHUSETTS BANKS.

| LIABILITIES.                               | 27 Banks in<br>Boston. | 92 Banks out<br>of Boston. | Total—<br>119 Banks.   |
|--------------------------------------------|------------------------|----------------------------|------------------------|
| Capital Stock paid in, . . . . .           | \$19,577,495.00        | \$15,052,516.00            | \$34,630,011.00        |
| Circulation of \$5 and upwards, . . . . .  | 5,138,449.00           | 7,875,745.00               | 13,014,194.00          |
| Circulation less than \$5, . . . . .       | 832,922.00             | 1,853,819.25               | 2,686,741.25           |
| Net Profits on hand, . . . . .             | 1,952,982.59           | 1,059,013.62               | 3,011,996.21           |
| Balances due to other Banks, . . . . .     | 4,494,818.44           | 225,996.87                 | 4,720,815.31           |
| Cash deposited, . . . . .                  | 6,809,041.71           | 3,066,275.26               | 9,875,316.97           |
| Cash deposited bearing interest, . . . . . | 480,266.70             | 266,148.96                 | 746,415.66             |
| <b>Total Liabilities,</b>                  | <b>\$39,285,975.44</b> | <b>\$29,399,514.96</b>     | <b>\$68,685,490.40</b> |
| <b>RESOURCES.</b>                          |                        |                            |                        |
| Gold and Silver, . . . . .                 | \$2,104,741.43         | \$645,175.89               | \$2,749,917.32         |
| Real Estate, . . . . .                     | 715,773.12             | 410,388.55                 | 1,126,161.67           |
| Bills of Banks in this State, . . . . .    | 3,078,274.37           | 337,800.07                 | 3,416,074.44           |
| Bills of other Banks, . . . . .            | 268,545.06             | 52,531.50                  | 321,076.56             |
| Due from other Banks, . . . . .            | 2,103,708.42           | 2,369,242.30               | 4,472,950.72           |
| Loans, . . . . .                           | 31,014,933.04          | 25,584,376.65              | 56,599,309.69          |
| <b>Total Resources,</b>                    | <b>\$39,285,975.44</b> | <b>\$29,399,514.96</b>     | <b>\$68,685,490.40</b> |

## BALTIMORE.

## Comparative Condition of the Baltimore Banks, 1847, 1849, 1850.

| LIABILITIES.                         | 1 Jan. 1847.        | 1 Jan. 1849.        | 7 Jan. 1850.        |
|--------------------------------------|---------------------|---------------------|---------------------|
| Capital, . . . . .                   | \$6,969,329         | \$6,974,646         | \$6,975,794         |
| Circulation, . . . . .               | 1,990,639           | 1,848,167           | 2,073,587           |
| Deposits, . . . . .                  | 3,367,732           | 2,974,732           | 3,840,409           |
| Bank Balances, . . . . .             | 959,014             | 1,455,663           | 1,622,589           |
| Undivided Profits, . . . . .         | 701,291             | 631,591             | 712,333             |
| <b>Total Liabilities,</b>            | <b>\$13,988,005</b> | <b>\$13,884,799</b> | <b>\$15,224,712</b> |
| <b>RESOURCES.</b>                    |                     |                     |                     |
| Loans and Stocks, . . . . .          | \$10,746,533        | \$10,440,539        | \$11,656,128        |
| Specie on hand, . . . . .            | 1,814,312           | 1,895,909           | 2,127,983           |
| Real Estate, . . . . .               | 379,467             | 310,671             | 271,384             |
| Bank Balances, . . . . .             | 413,860             | 724,802             | 542,789             |
| Bank Notes, . . . . .                | 592,936             | 565,981             | 591,531             |
| Bonus, (Union Bank,) . . . . .       | 24,000              | 20,000              | 18,000              |
| Bonus, (Bank of Baltimore, . . . . . | 16,897              | 16,897              | 16,897              |
| <b>Total Resources,</b>              | <b>\$13,988,005</b> | <b>\$13,884,799</b> | <b>\$15,224,712</b> |

## Dividends of the Baltimore Banks.

| NAME OF BANK.                         | Capital.    | 1847.           | 1848.           | 1849.           | 1850.                 |
|---------------------------------------|-------------|-----------------|-----------------|-----------------|-----------------------|
| Merchants Bank, . . . . .             | \$1,500,000 | 6               | 6               | 6               | Jan...3               |
| Union Bank, . . . . .                 | 916,350     | 6               | 7               | 6               | Jan...3 $\frac{1}{2}$ |
| Farmers and Planters Bank, . . . . .  | 600,625     | 7               | 7               | 7 $\frac{1}{2}$ | Jan...4               |
| Chesapeake Bank, . . . . .            | 341,293     | 6               | 6               | 6 $\frac{1}{2}$ | Jan...3 $\frac{1}{2}$ |
| Western Bank, . . . . .               | 308,280     | 6               | 6               | 6               | Jan...3               |
| Franklin Bank, . . . . .              | 301,850     | 6               | 6               | 6               | Jan...3               |
| Farmers and Merchants Bank, . . . . . | 393,560     | 6 $\frac{1}{2}$ | 6 $\frac{1}{2}$ | 6               | April —               |
| Marine Bank, . . . . .                | 310,000     | 7               | 7               | 6               | April —               |
| Commercial and Farmers, . . . . .     | 512,560     | 8               | 8               | 7               | May —                 |
| Bank of Baltimore, . . . . .          | 1,200,000   | 7 $\frac{1}{2}$ | 7               | 7               | June —                |
| Mechanics Bank, . . . . .             | 591,276     | 6               | 7               | 7 $\frac{1}{2}$ | June —                |

BANKS OF BALTIMORE.

Resources and Liabilities of the Banks of Baltimore, 7 January, 1850, Compiled for the Bankers' Magazine.

| LIABILITIES.                 |           | Capital.     | Circulation. | Deposits.    | Divid's Unpaid. | Bank Balances. | Profit & Loss. | Presidents.         |
|------------------------------|-----------|--------------|--------------|--------------|-----------------|----------------|----------------|---------------------|
| Merchants Bank,              | . . . . . | \$1,500,000  | \$171,320    | \$369,478    | \$51,186        | \$602,664      | \$157,000      | James Swan.         |
| Bank of Baltimore,           | . . . . . | 1,200,000    | 230,631      | 549,215      | . . . . .       | 187,862        | *88,503        | James H. McCulloch. |
| Union Bank,                  | . . . . . | 916,350      | 169,710      | 310,170      | 38,002          | 202,930        | *36,040        | John M. Gordon.     |
| Farmers and Planters Bank,   | . . . . . | 600,625      | 337,653      | 315,184      | 26,428          | 117,090        | 55,474         | William E. Mayhew.  |
| Mechanics Bank,              | . . . . . | 591,276      | 265,706      | 545,766      | 2,478           | 48,474         | 64,705         | John B. Morris.     |
| Commercial and Farmers Bank, | . . . . . | 512,560      | 196,130      | 410,936      | 4,087           | 129,914        | 112,020        | Thomas Meredith.    |
| Farmers and Merchants Bank,  | . . . . . | 393,560      | 110,143      | 129,138      | 3,544           | 7,738          | 49,903         | J. Hanson Thomas.   |
| Chesapeake Bank,             | . . . . . | 341,293      | 114,940      | 331,364      | 26,983          | 53,823         | 43,258         | John S. Gittings.   |
| Marine Bank,                 | . . . . . | 310,000      | 112,170      | 229,495      | . . . . .       | 17,464         | 22,253         | Jacob Bier.         |
| Western Bank,                | . . . . . | 308,280      | 290,025      | 363,501      | 13,766          | 253,394        | 22,877         | Chauncey Brooks.    |
| Franklin Bank,               | . . . . . | 301,850      | 84,159       | 110,568      | 9,170           | 1,236          | 25,403         | John J. Donaldson.  |
| Total Liabilities,           | . . . . . | \$6,975,794  | \$2,073,587  | \$3,664,815  | \$175,594       | \$1,622,589    | \$677,436      |                     |
| RESOURCES.                   |           | Loans.       | Stock.       | Real Estate. | Specie.         | Bank Balances. | Bank Notes.    | Cashier.            |
| Merchants Bank,              | . . . . . | \$2,119,050  | \$203,750    | \$25,000     | \$347,554       | \$39,394       | \$116,850      | Daniel Sprigg.      |
| Bank of Baltimore,           | . . . . . | 1,736,298    | 22,126       | 15,840       | 326,779         | 101,144        | 54,614         | C. C. Jamison.      |
| Union Bank,                  | . . . . . | 1,277,475    | 19,258       | 65,446       | 161,520         | 30,643         | 109,860        | Robert Mickle.      |
| Farmers and Planters Bank,   | . . . . . | 1,162,103    | . . . . .    | . . . . .    | 190,988         | 16,496         | 82,886         | Thomas B. Rutter.   |
| Mechanics Bank,              | . . . . . | 1,182,727    | 6,142        | 8,200        | 192,234         | 65,318         | 73,784         | James W. Allnut.    |
| Commercial and Farmers Bank, | . . . . . | 951,646      | 52,591       | 25,000       | 224,286         | *100,123       | . . . . .      | Truman Cross.       |
| Farmers and Merchants Bank,  | . . . . . | 446,810      | 132,896      | 13,840       | 70,916          | 6,645          | 22,920         | John Loney.         |
| Chesapeake,                  | . . . . . | 583,497      | 154,466      | 20,376       | 80,610          | 21,689         | 51,031         | James Lowndes.      |
| Marine Bank,                 | . . . . . | 461,516      | 72,010       | 23,208       | 98,359          | 13,748         | 22,550         | Philip Littig, Jr.  |
| Western Bank,                | . . . . . | 694,554      | 4,290        | 17,000       | 401,575         | 147,034        | 17,480         | James H. Carter.    |
| Franklin Bank,               | . . . . . | 389,766      | 30,337       | 57,974       | 33,190          | 1,664          | 39,556         | Aquila P. Giles.    |
| Total Resources,             | . . . . . | \$10,958,352 | \$697,776    | 271,384      | \$2,127,983     | \$542,789      | \$591,531      |                     |

\* After deducting Bank bonus for charter. † Including Bank Notes.

## OHIO.

## Quarterly Report of the Banks of Ohio, November, 1849.

| LIABILITIES.                          | Eleven Inde-<br>pendent Banks. | Forty State<br>Branches. | Five Old<br>Banks. |
|---------------------------------------|--------------------------------|--------------------------|--------------------|
| Capital paid in, . . . . .            | \$690,410                      | \$4,427,591              | \$2,011,226        |
| Circulation, . . . . .                | 1,106,701                      | 7,988,913                | 1,348,941          |
| Safety Fund Stock, . . . . .          | 1,097,178                      | 76,866                   | . . . . .          |
| Individual Deposits, . . . . .        | 1,001,788                      | 2,386,990                | 1,045,566          |
| Undivided Profits, . . . . .          | 86,815                         | 239,023                  | 243,803            |
| Bills Payable, . . . . .              | 129,704                        | 71,321                   | 44,961             |
| Discount, Interest, &c., . . . . .    | 5,682                          | 725                      | 42,286             |
| Dividends unpaid, . . . . .           | 35,120                         | 166,728                  | 20,923             |
| Miscellaneous, . . . . .              | 24,873                         | 14,504                   | 24,257             |
| Bank Balances, . . . . .              | 158,384                        | 289,659                  | 845,475            |
| State Tax, . . . . .                  | 3,282                          | 21,688                   | 1,400              |
| <b>Total Liabilities,</b>             | <b>\$4,330,935</b>             | <b>\$15,684,000</b>      | <b>\$5,628,837</b> |
| <b>Loans, . . . . .</b>               | <b>\$1,931,635</b>             | <b>\$10,163,878</b>      | <b>\$3,498,626</b> |
| Specie, . . . . .                     | 330,812                        | 2,516,386                | 395,632            |
| Notes of other Banks, . . . . .       | 231,858                        | 570,258                  | 779,213            |
| Bank Balances, . . . . .              | 199,685                        | 461,376                  | 181,846            |
| Eastern Deposits, . . . . .           | 291,478                        | 793,664                  | 387,914            |
| Checks and Cash Items, . . . . .      | 2,029                          | 47,355                   | 8,186              |
| Bonds with State Treasurer, . . . . . | 1,176,007                      | 824,157                  | . . . . .          |
| Real and Personal Property, . . . . . | 56,724                         | 169,458                  | 134,778            |
| Miscellaneous, . . . . .              | 110,716                        | 137,467                  | 242,642            |
| <b>Total Resources,</b>               | <b>\$4,330,935</b>             | <b>\$15,684,000</b>      | <b>\$5,628,837</b> |

For a comparative view of the condition of the same banks in 1847, 1848 and 1849, see page 354, current volume.

LEGAL MISCELLANY.

DECISIONS OF THE COURT OF APPEALS OF KENTUCKY.

*Bills of Exchange.*

The place where a bill of exchange is dated is, prima facie, the residence of the drawer, and, in the absence of proof to the contrary, notice sent to that place will be good. *Page & Stivers v. Prentice & Weisinger*, Monroe's Reports of Kentucky Court of Appeals, vol. V.

A letter written by the drawee of a bill of exchange, before or after the drawing of the bill, promising to accept or protect the bill, may operate as an acceptance, although the holder may not be apprised of such letter, or thereby induced to receive the bill. *Reed & Son v. Marsh. Ibid.* 9.

Bills of exchange payable in Massachusetts, where an annual fast day is observed by statutory regulation and the proclamation of the Governor, are properly protested on the day preceding the fast day when they fall due.

And the fact that a particular day was set apart by proclamation, may be proved by parcel, as other facts of general notoriety, and a sworn copy from the statute is proof of the existence of the law. *Chamberlain v. Maitland & Co. Ibid*, 448.

The assignor of a note in which there was usury embraced, advanced money to the obligor to pay off the judgment on the note embracing usury, and which the obligor had filed his bill to avoid, and which he did pay off—*Held*, on bill filed by the obligor, to avoid the usury in the second note given, that usury in both notes might be avoided and relief granted. *Isuacke v. Ficklin. Ibid*, 19.

Usury which has been paid more than five years, cannot be reclaimed, but though it has been exacted and paid more than five years before suit to reclaim it, if a balance be paid within five years upon the note on which it was exacted, the usury paid to the extent of such balance paid upon the note within five years, may be reclaimed. *Wood v. Gray. Ibid*, 93.

An administrator, who knowingly receives usurious interest of debts due to his intestate, is personally liable to refund, in an action of assumpsit, though he may have settled his accounts and paid out the funds to those entitled. *Heasley v. Dunn. Ibid*, 145.

A charge for endorsing or accepting and advancing money, is not usurious, unless made to cover a usurious exaction; but a charge for accepting and then for advancing money to pay the acceptance, is usurious and unwarranted; especially when the commission merchant, (the acceptor,) has the funds in hand to pay. *Rowland, Smith & Co. v. Bull. Ibid*, 150.

Usury is recovered back upon the principle that it is extorted from the debtor under circumstances of necessity and oppression. *Smith v. Berry. Ibid*, 318.

All bonds, conveyances, and so forth, intended to secure a greater rate of interest than six per cent, are void for the excess, but binding to that extent. *Wells v. Porter & Co. Ibid*, 424.

#### *Banking, Bank Notes, &c.*

Orders for money in Kentucky should be payable at all events, not out of a particular fund or on a contingency to constitute them domestic bills of exchange, they are then negotiable. *Strader, &c. v. Batcheler.*

These inland or domestic bills must be duly presented and diligence used by the holder, to make the endorser and drawer responsible. *Ibid*, 169.

Days of grace are allowed upon them, and although never presented for acceptance, the demand must be upon the last day of grace. *Ibid*, 170. (1 *Peters*, 25; 12 *Johnson*.)

Bank notes issued by a State Bank are not bills of credit within the meaning of the Constitution of the United States: *Briscoe v. Bank of Commonwealth.* (7 *J. J. Marshall*, 349; 11 *Peters*, 257.)

The execution of a note payable to a corporation, is an admission of the existence of such a corporation at the date of the note: (1 *J. J. Mar.* 380; 6 *B. Mon.* 601.)

A plea in such case averring the non-existence of the corporation, should set forth the facts by which it ceased to exist, or it will be bad.

A plea denying the existence of a corporation which is plaintiff, is a plea in abatement, and should be so pleaded—not in bar. (4 B. Mon. 203.)

Pleas should aver facts not conclusions of law only.

In a plea averaging the illegal reservation of usury, where the note is payable in another State, it is necessary to aver what is the legal rate of interest in that State.

A protest regularly made, in due form, is necessary to a recovery against drawer or endorser, of a foreign bill of exchange, in the Courts of Kentucky, and presentation and noting for non-payment, must be by a notary in person, and such presentation and noting by the clerk of the notary, is not sufficient, unless there be proof that presentment and demand of payment by the clerk of the notary is sanctioned by the custom of the city or place where the bill is payable. *Chenoweth & Co. v. Chamberlain*, 61.

COURT OF APPEALS OF THE STATE OF NEW YORK, DECEMBER, 1849.

*Opinion of Judge Bronson.*

*David Leavitt, Receiver of the North American Trust and Banking Company, v. Blatchford and others.*

I shall assume, *but without intending to express any opinion on the subject*, that the purchase of the five thousand shares of the capital stock of the bank, and all the acts of the bank, its officers and agents, relating to that transaction, down to the time of executing the trust deed and the accompanying securities, were legal in their nature, and within the legitimate powers of the corporation. The case, then, so far as it will come under consideration, and speaking of it from the face of the papers, is shortly this: The bank, on the 2d of March, 1840, gave Thomas E. Davis a letter of credit on Messrs. Palmers, Mackillop, Dent & Co., of London—of whom, for the sake of brevity, I shall hereafter speak as the Palmers, or Palmers & Co.,—for forty-six thousand eight hundred and seventy-five pounds sterling, for which sum Davis was to draw bills on the Palmers at ninety days sight, which were to be covered by him at maturity, with the right of renewal in a certain event. Davis drew the bills, and they were accepted by the Palmers. They were twice renewed, and the third set was running at the time the trust deed was executed. The bank was not then a debtor to Palmers & Co., on account of this transaction, but was under a contingent liability which would make it a debtor, in case the bills should not be provided for by Davis at maturity. In this state of things, the bank, on the thirtieth day of November, 1840, made forty-eight negotiable promissory notes amounting in the aggregate to forty-nine thousand five hundred and seventy-five pounds sterling, payable twelve months after date with interest, to the order of William R. Cook, a teller in the bank, who endorsed the notes, and they were then delivered to the Palmers on account of the liability which has been mentioned. The bank at the same time, and as part of the same transaction, executed the trust deed, and assigned the stocks, bonds and mortgages mentioned in the schedule to the deed, for the purpose of securing

the payment of the forty-eight promissory notes. These undertakings and securities the complainant seeks to set aside as illegal and void.

The first question which I shall consider is upon the validity of the notes, and I feel no difficulty in agreeing with the Supreme Court that the notes are illegal and void. They were issued in direct violation of a statute, which provides that "no banking association" "shall issue or put in circulation any bill or note of said association," "unless the same shall be made payable on demand, and without interest;" and every violation of the section by any officer or member of a banking association is made a misdemeanor, punishable by fine or imprisonment, or both, in the discretion of the Court. (*Statutes of 1840*, p. 306, § 4.) The notes were not made payable "on demand," nor "without interest;" but had a year to run, and were then payable with interest. It is said on the part of the defendants, that the prohibition only applies to bills and notes which are capable of circulating as money. *But the Statute contains no such qualification.* In terms, it extends alike to all bills and notes issued by a banking association; and there is no reason to suppose that the legislature intended it should have a more restricted application. And besides, negotiable promissory notes and bills of exchange, payable at a future day, when issued by a bank in good credit, may perform, to a great extent, the office of a circulating medium. This has never been doubted by those who have considered the subject. (*Safford v. Wyckoff*, 1 Hill, 11; *Smith v. Strong*, 2 id. 241; *Bank of Orleans v. Merrill*, id. 295; *Attorney General v. Life and Fire Insurance Co.*, 9 Paige, 470; *Ontario Bank v. Schermerhorn*, 10 id. 109; *Bank of England v. Anderson*, 3 Bing, N. C., 589; *Booth v. Bank of England*, 6 id. 415.) Indeed, the fact that such paper may enter into the currency of the country is matter of history. Witness the post notes of the late Bank of the United States, and the negotiable notes and bills of some of our own banks, which followed, though on a more humble scale, both the frauds and the bankruptcy of the national institution. The issuing of such paper belongs to mercantile and commercial transactions, and not to the business of banking. Experience has shown that the banks which engage in such enterprises are rotten, and sooner or later will end in defrauding the community. In addition to the North American Trust and Banking Company, several others of the general law banks had been engaged in issuing such paper before the act of 1840 was passed; and such of those institutions as had not already failed, were soon afterwards in a state of bankruptcy. Great frauds upon the public had been committed. The legislature saw the evil, and evidently intended to cover the whole ground, by using the most general and comprehensive terms: "no banking association shall issue or put in circulation any bill or note, unless," &c. There had long been a similar statute in relation to the safety fund banks; (*Statute 1820*, p. 178, § 35.) and the act of 1840 was passed to extend the express prohibition to the general law banks, which had come into existence at a later period. That these statutes extend to negotiable promissory notes and bills of exchange payable at a future day, has been decided both here and elsewhere. (*Swift v. Beers*, 3 Denio, 70; *Tylee v. Yates*, 3 Barb, 222; *Root v. Goddard*, 3, McLean 102; *Hayden v. Davis*, id. 276; and see *Ontario Bank v. Schermerhorn*, 10 Paige, 113.) No judge has, I think, ever expressed a

different opinion. Although the judgment of the Supreme Court in the case of *Safford v. Wyckoff*, (1 Hill, 11,) which was upon a bill of exchange drawn in 1839, was reversed by the Court of Errors, no one seems to have doubted that the future issue of such paper was prohibited by the Act of 1840. (4 Hill, 442, 454, 460, 461.) And it probably never would have been doubted had it not been for the bold and reckless manner in which the officers of the North American Trust and Banking Company continued to issue such paper after the statute was passed, and the impunity which they have since enjoyed.

As the issuing of the notes was expressly prohibited by law, it is impossible to maintain that they are valid securities. *To hold that they can be enforced against the bank, would be going very far towards defeating the end which the legislature had in view.* That they are void, has been adjudged in several of the cases already cited; and I am not aware of any authority to the contrary. The legal liability, on account of which the notes were issued, still remains, but the notes themselves are void.

The trust deed does not speak of promissory notes *eo nomine*, but recites that the company had on that day executed and delivered to Palmers & Co. their certificates of deposit, payable in twelve months from date, with interest. Such instruments whatever names the parties may give them, are promissory notes. They are engagements to pay certain sums of money to the persons therein named, at a specified time, at all events. A promissory note imports a consideration, and none need be mentioned. But though a consideration be mentioned in a written promise to pay money, whether it be done in general terms, as by the words, "for value received," or by specifying the kind of value, as a deposit of money, it is still a promissory note. And if certificates of deposit, payable to the Palmers at a future day, had been issued in lieu of the notes which were actually delivered, they would have been promissory notes, coming equally within the prohibition of the statute, and being equally void. (*Bank of Orleans v. Mervill*, 2 Hill, 295; *Southern Loan Co. v. Morris*, 2 Bar. 175; and see *Craig v. State of Missouri*, 4 Peters, 433.) Indeed, I did not understand the defendants' counsel to deny that certificates of deposit, payable at a future day, are promissory notes; but it was said not to appear that the certificates were to be made negotiable. I will not stop to inquire whether the statute extends to notes which are not negotiable: (see *Ontario Bank v. Schermerhorn*, 10 Paige, 113, 114;) for I think it quite evident that the certificates were to be negotiable. The notes actually issued with the trust deed were negotiable, and the statement at the foot of the notes, that they were issued in pursuance of a trust deed, and that the payment of them was guaranteed by the assigned securities, shows that it was intended that they should pass beyond the hands of the Palmers; and although the fact does not expressly appear, it is plainly inferrible that all the various written engagements to pay money which the bank had before made and sent abroad for sale in foreign markets, were in a form to pass from hand to hand, by mere delivery. In a letter of the president of the bank to the Palmers, dated the 22d of October, 1838, he speaks of the certificates of deposit, issued by the company, as a part of its "course of banking" — as "representatives of money," issued "upon the credit of the company;" and

several of those instruments, amounting in the aggregate to £22,500 sterling, were sent to the Palmers, with the letter, "to be sold" to other persons than the payees named in them, with an assurance that the capital of the bank would "afford an abundant indemnity to the holders." There are many other things in the case, going to show that all of the engagements of the bank to pay money, which were sent abroad, were in a negotiable form. But without looking into other transactions, it sufficiently appears from the trust deed, that the obligations which were to accompany it, by whatever name they might be called, were to be made negotiable. The trust was not created for the security of the Palmers alone, to whom these certificates were to be executed and delivered, but after a default in payment, the trustees were to stand possessed of the assigned securities in trust for the "holders" of the certificates, and were to proceed to the realization of the securities, by sale or otherwise, and pay over the moneys "unto the said Palmers, Mackillop, Dent & Co., or any other parties who may then be the holders of said certificates, until the amount owing to the holders of the said certificates of deposit, shall be fully paid." A subsequent clause in the deed is in nearly the same words, and other parts of the instrument show that the certificates were to pass beyond the hands of the payees. It is impossible not to see that the parties intended the certificates should be negotiable instruments. If, therefore, certificates of deposit, instead of post notes, had been issued, they would, as negotiable promissory notes, have been open to the same objection, which overturns the instruments which were actually issued.

The next question is upon the validity of the trust deed; and I am unable to separate that instrument from the fate of the notes or certificates of deposit. Both were executed at the same time, and as parts of one and the same transaction. The deed was made to give the greater credit and circulation, and secure the ultimate payment of the illegal notes or certificates of deposit, and I do not see how the deed can stand, when the other instruments must fall. It is true that both had a good consideration in the existing liability of the bank to indemnify the Palmers against the bills which had been drawn and accepted under the letter of credit. But neither a prior debt nor any other good consideration will support a new contract which is in itself contrary to the provisions of law. And although it is true in this case that the payment of the notes would have the effect of discharging the prior liability of the bank to the Palmers, yet the deed was made to secure the performance of the new contract. The recitals in the deed show an intention to indemnify the Palmers, as acceptors, against the bills which Davis had drawn under the credit; but the parties intended to effect the object in an illegal manner, to wit, by issuing prohibited certificates of deposit, and assigning certain property to secure the payment of the certificates. A legal purpose must be carried into effect by legal means. When we get beyond the recitals, and come to the covenants and stipulations in the deed, there is not a single word about the prior liability of the bank, but the whole is about the certificates of deposit. The trustees are to hold the assigned securities until the certificates of deposit shall be paid; to hold the securities in trust for the bank until default shall be made in the payment of the certificates of deposit; and after default, in trust for the holders of the certificates of deposit. And the trustees

are thereon to proceed to the realization of the assigned securities, and pay over the moneys to Palmers & Co., or to the other holders of the certificates of deposit. And so the parties proceed to the end of the instrument, at every step making stipulations concerning the certificates of deposit, without any covenant, grant, or even allusion to or concerning any other liability on the part of the bank. The transaction amounted to this, neither more nor less—there was a promise, which, though founded on a good consideration, was forbidden by law, and therefore void; and an assignment of property in trust to secure the performance of the illegal promise. Such a trust cannot be supported.

It is undoubtedly true, that where a deed or other contract contains distinct undertakings, some of which are legal, and some illegal, the former will in certain cases be upheld, though the latter are void; and if there had been an additional provision in this deed, that the assigned property shall be held as a security for the original liability of the bank, that part of the deed might be allowed to stand, though the trust for the payment of the certificates should fail. But there is no agreement or stipulation in the deed for securing the original liability of the bank, nothing of the kind.

Again, although it appears from the recitals in the deed, that one object of the arrangement of the 30th of November, 1840, was to secure the performance of the original undertaking of the bank, it was, as I have already remarked, to be done in an illegal manner; to wit, by issuing prohibited notes or certificates, and assigning property to secure the performance of the new and vicious contract. A legal end cannot be attained by illegal means.

The ground on which the counsel for the defendant seemed mainly to rely, was, that the deed should be reformed, so as to make it a security for the original liability of the bank. His printed point touching the question is as follows:—"The company having agreed with Palmers, Mackillop, Dent & Co., for a new and valuable consideration, to pledge to them the securities in question, and having actually assigned and delivered the securities, equity will reform any defects, arising from mistake or accident, in the written instruments." There are several difficulties standing in the way of this argument. So far as relates to the notes or certificates of deposit, it was of no practical importance, as we have already seen, which should be issued: for both would be alike void. As to reforming the deed, there is no bill or application for that purpose: not even an allegation in the answers, that there was any mistake or accident in preparing the instrument, or that it does not express the real intention of the parties. If we could see that there had been a mistake in drawing up the deed, it could not be reformed without filing a bill for that purpose; nor could we read and enforce the instrument as though it had been properly drawn. We should be obliged to follow the deed as it is. But what is, if possible, still more conclusive, there is not a particle of evidence to show that there was any mistake or accident in preparing the deed, or that it is not just what the parties intended it should be; and it could not be reformed in equity, if a bill had been filed for that purpose.

It is true that the parties intended to secure the original liability of the bank, but so far as appears, they intended to do it in the very way it has

been done ; and that way is illegal. If they mistook the law, we cannot grant relief by making a new contract for them. This question was fully considered in the case *Hunt v. Rousmeniere*, (2 *Mason*, 342 ; 8 *Wheaton*, 174 ; 3 *Mason*, 294 ; 1 *Peters*, 1 ; and see 1 *Story Eq.* § 114, 115,) which underwent a great deal of discussion, and is directly in point.

There were separate assignments of the several securities mentioned in the schedule to the trust deed ; but they were all made to Blatchford and Murray as trustees ; were executed and delivered simultaneously with the execution and delivery of the deed ; and were made for the purposes expressed in that instrument. Those purposes were to secure the payment of the certificates of deposit. The reason for making separate assignments probably was, greater convenience in recording in the proper counties, and in making subsequent transfers and discharges. But however that may be, the assignments are but a part of one entire act ; and cannot be separated from the fate of the deed and promissory notes which were executed at the same time, and as parts of the same transaction.

I have purposely avoided the expression of *any opinion* on the several important questions which were so ably discussed at the bar, touching the purchase of the five thousand shares of the capital stock of the bank, and the means which were used to raise the necessary funds for that purpose. I have done so, because in the view which has been taken of the case, it was not necessary to consider those questions ; and for the further reason, that after this bill was filed, an order of the Court of Chancery was made, by the consent of these parties, in the suit of Tracy against the bank, referring it to a master to take proofs, and report upon the claim of the Palmers to be creditors of the bank. The master was also to ascertain what part of their claims, if any, was secured by trusts, and what preferences they claimed under the trusts, but he was not to report on the validity of the trusts, or the right to a preference under them. Those questions were to be settled in other suits then pending. This is one of those suits ; and the view which has been taken of the case disposes of this trust, and the preference claimed by Palmers & Co. under it. If it has not already been done, it will be settled in the Tracy suit, whether the Palmers are creditors of the bank : and if they are, they will come in with other creditors, and share in a rateable distribution of the assets of the bank, or will receive the whole of their debt, if the assets are sufficient to satisfy all of the creditors. The opinion which I have expressed does not, in its consequences, go beyond denying to Palmers & Co., the preference which they claim over other creditors.

I am of opinion that so much of the decree of the Supreme Court as declares the forty-eight notes illegal and void, and directs them to be delivered up to be cancelled, should be affirmed ; and that the residue of the decree [—unless the clauses which relate to the special receivers, John J. Palmer and Fisher Howe, should be excepted—] should be reversed ; and that a decree should be made declaring the trust deed, the further agreement following the deed, and the several separate assignments of the securities mentioned in the schedule to the deed, illegal and void, and requiring them to be delivered up to be cancelled. The trustees must assign and deliver to the receiver all the securities which yet remain in their hands ; and render an account and pay over to the receiver all the moneys and other things which

have come to their hands under the trust, except what they may have paid over to the Palmers. If anything has been received by the Palmers under the trust, they must account, and pay over the same to the receiver.

The decree must be so drawn up as not in any manner to affect the question whether Palmers & Co. are creditors of the bank.

Such are my views of the case, and such is the judgment of the court.

Neither party is to recover costs as against the other.

A copy.

GEORGE F. COMSTOCK, *State Reporter.*

---

## ESSAY ON EXCHANGE,

BY J. R. McCULLOCH, Esq., AUTHOR OF THE "COMMERCIAL DICTIONARY,"  
"UNIVERSAL GAZETTEER," &c.

In Political Economy the term exchange is commonly employed to designate that species of mercantile transactions by which the debts of individuals residing at a distance from each other are either partially or wholly liquidated, without the intervention of money. The object of this article is to explain the nature of these transactions, and the principles on which they are founded.

This will be best effected by treating, *first*, of the exchange between different parts of the same country; and, *secondly*, of that between different and independent countries.

### CHAPTER I.

#### *Inland Exchange.*

Suppose a merchant of London orders his agent in Glasgow to purchase and send to him a thousand pounds worth of cottons; then, although it should not suit the Glasgow merchant to commission goods of equal value from his London correspondent, the latter may nevertheless be under no necessity of remitting cash to Glasgow to discharge his debt. Among cities, or countries, having a considerable intercourse together, the debts mutually due by each other are found, in ordinary cases, to be nearly equal. And, therefore, the Glasgow merchant, who has shipped the cottons for London, does not transmit the bill drawn by him on his correspondent for their price directly to London to be cashed, for that would subject him to the expense of conveying the money home from London to Glasgow, but he gets value from *some other merchant in Glasgow*, who has payments to make in London, on account of teas, wines, &c. imported from that city, and who, unless he could procure such a bill, would be obliged to remit their price in money. The bill on account of the cottons is, therefore, either drawn in favor of the person to whom the money for the tea and wine is owing in

London, or it is drawn in favor of the tea merchant in Glasgow, and endorsed to him; and this last person, by presenting the bill to the purchaser of the cottons, receives its value, and consequently the price of the cottons, and the price, or part of the price, of his tea and wine, at the same moment. By this simple contrivance the expense and risk attending the double transmission, first, of money from London to Glasgow to pay the cottons, and, second, of money from Glasgow to London to pay the teas and wines, is entirely avoided. The debtor in one place is changed for the debtor in the other; and both accounts are settled without the intervention of a single farthing.

The bill drawn and negotiated in such a transaction is termed an *inland* bill of exchange. If the transaction had taken place between London or Glasgow and a foreign city, it would have been termed a *foreign* bill of exchange.

A bill of exchange may, therefore, be defined to be, "an order addressed to some person residing at a distance, directing him to pay a certain specified sum to the person in whose favor the bill is drawn, or his order."

In mercantile phraseology, the person who draws a bill is termed the *drawer*; the person in whose favor it is drawn, the *remitter*; the person on whom it is drawn, the *drawee*; and after he has accepted, the *acceptor*. Those persons into whose hands the bill may pass previously to its being paid, are, from their writing their names on the back, termed *endorsers*; and the person in whose possession the bill is at any given period, is termed the *holder* or *possessor*.

#### Circumstances which determine the Price of Inland Bills of Exchange.

The price of bills of exchange fluctuates according to the abundance or scarcity of them in the market, compared with the demand. Thus, to revert to our former example, if we suppose the debts reciprocally due by London and Glasgow to be equal, whether they amount to £10,000, £100,000, or any other sum, they may all be discharged without the agency of money, and the price of bills of exchange will be at *PAR*; that is, a sum of £100 or £1000 in Glasgow will purchase a bill for £100 or £1000 payable in London, and *vice versa*. But if these two cities are not mutually indebted in equal sums, then the price of bills exchange will be increased in the city which has the greatest number of payments to make, and will be proportionally reduced in that which has the fewest. If Glasgow owe London £100,000, whilst the debts due by London to Glasgow only amount to £90,000, it is clear, inasmuch as the merchants of Glasgow have a larger sum to remit to London than the merchants of London have to remit to Glasgow, that the price of bills on London would rise in Glasgow, because of the increased competition; and that the price of bills on Glasgow would fall in London, because of the proportionally diminished competition. And hence a larger sum would be required to discharge any given amount of debt due by Glasgow, and a less sum would be required to discharge a corresponding amount of debt due by London; or, which is the same thing, the exchange would be in *favor* of London, and *against* Glasgow. Bills on London would sell in Glasgow for a *premium*, and bills on Glasgow would sell in

London at a *discount*, the amount of the premium in the one case, and of the discount in the other, being obviously equal.

On the supposition that the balance of £10,000, due by Glasgow, depressed the exchange of that city on London *one per cent.*, it would at first sight appear as if it would cost Glasgow £101,000 to discharge its debt of £100,000 due to London; and that, on the other hand £89,108 would be sufficient to discharge the debt of London to Glasgow. But a very little consideration will serve to show that this could not really be the case. No exchange transactions can take place between different cities, until there be both debtors and creditors of the one residing in the other. And hence, when the exchange became unfavorable to Glasgow, the premium paid by the Glasgow merchants for bills drawn on London would not go into the pockets of their creditors in that city, but into the pockets of *their neighbors in Glasgow, to whom London was indebted*, and from whom the bills had been purchased. The loss to Glasgow would, therefore, be limited to the *premium* paid on the balance of £10,000. Thus, supposing that A of Glasgow owes D of London £100,000, and that C of London owes B of Glasgow £90,000; A will pay to B £91,000 for a bill, or order, on C to pay D £90,000. In this way, the £90,000 London debt at Glasgow would be quite cleared off; the premium, which is lost by the debtor to London in Glasgow, being gained by its creditor in the same place. If the business had been transacted in London, C with £89,108, would have purchased of D a bill for £90,000 payable by A, so that, in this case, the gain would have fallen to the debtor C, and the loss to that of the creditor D, both of London. The complexity of real transactions does not affect the principles on which they are founded; and to whatever extent Glasgow might be indebted to London, or London to Glasgow, the only disadvantage under which either of them would in consequence be placed, would be the unavoidable one of paying the expense of remitting the *balance* of debt.

#### Natural Limit to Fluctuations in the Exchange.

The expense of transmitting money from one place to another forms the natural limit to fluctuations in the exchange. If 20s. sufficed to cover the expense and risk attending the transmission of £100 from Glasgow to London, it would be indifferent to a Glasgow merchant, whether he paid one per cent. *premium* for a bill of exchange on London, or remitted money direct to that city. If the premium were less than one per cent. it would be clearly his interest rather to make his payments by means of bills of exchange than by remittances; and that it could not exceed one per cent. is obvious, for every individual would rather directly remit money, than incur an unnecessary expense, by purchasing a bill on London at a greater *premium* than would suffice to cover the expense of a money remittance. If, owing to the badness of the roads, to disturbances in the country, or to any other cause, the expense of remitting money from Glasgow to London should be increased, the difference in the rate of exchange between them *might* also be proportionally increased. But in every case, the extent to which this difference could attain would necessarily be limited by, and could

not, for any considerable period, exceed, the cost of making remittances in cash.

Exchange transactions become more complex, when one place, as is very often the case, discharges its debts to another by means of bills drawn on a third place. Thus, although London should owe nothing to Glasgow, if Glasgow be indebted to London, London to Manchester, and Manchester to Glasgow; Glasgow would either wholly or partially discharge its debt to London by a bill drawn on Manchester. It would wholly discharge it, provided the debt due to Glasgow in Manchester was equivalent to the debt due by Glasgow to London. But if this be not the case, Glasgow must either remit money to London to discharge the *balance* of debt, or bills drawn on some other place indebted to her.

Transactions in inland bills of exchange are almost entirely conducted by bankers, who charge a certain rate per cent. for their trouble, and who, by having a credit in those places to which they are in the habit of remitting bills, are enabled, on all occasions, to supply the demands of their customers. In Great Britain, London, because of its intimate connection with other parts of the country, occasioned partly by its immense commerce, partly by its being the seat of government, and the place to which the revenue is remitted, and partly by its currency consisting of Bank of England paper, for which the paper currency of the country banks is rendered exchangeable, has become the great focus in which all the money transactions of the whole empire centre, and in which they are ultimately adjusted. In consequence of these various circumstances, but chiefly of the demand for bills on London to remit revenue, and of the superior value of Bank of England currency, the exchange between London and the other parts of the country is invariably in its favor. Bills on London, drawn in Edinburgh and Glasgow, were formerly made payable at forty days' date, which is equivalent to a *premium* of about one half per cent.; but owing to the greater facility of communication, this *premium* is now reduced to twenty days' interest, or to about one fourth of one per cent. Bills for remitting the revenue from Scotland are now drawn at thirty days; previously to 1819 they were drawn at sixty days.

What has been already stated is sufficient to show, that, however well fitted bills of exchange may be for facilitating the operations of commerce, and saving the trouble and expense attending the transportation of money, it is impossible to adjust mercantile transactions by their means, except in so far as the accounts mutually balance each other. A *real* bill of exchange is merely an order entitling the holder to receive payment of a debt *previously contracted* by the person on whom it is drawn. It is essential to the existence of such a bill that an equivalent amount of debt should first be due. And hence, as the amount of the real bills of exchange drawn on any number of merchants cannot exceed the amount of their debts, if a greater sum be owing them than they owe to others, the *balance*, it is obvious, must either be paid in money, or by the delivery of some sort of commodities. If, as in the example just given, Glasgow owe London £100,000, while London only owes Glasgow £90,000, a reciprocal transfer of debts may be made to the extent of £90,000. But the Glasgow merchants cannot discharge the additional £10,000 by means of bills drawn on London; for, by the suppo-

sition, London only owed them £90,000, and they have already drawn for its amount. The balance, therefore, must be discharged by an actual money payment, or by the delivery of some species of commodity, or by bills drawn on some third party who may be indebted to Glasgow.

#### Fictitious Bills of Exchange:

We do not mean by this to insinuate that there are no *fictitious* bills of exchange, or bills drawn on persons who are not really indebted to the drawer, in the market. In every commercial country, bills of every description are always to be met with; but they are only a device for obtaining loans, and do not and cannot transfer real debts. A merchant in London may form a connection with a merchant in Glasgow, and draw bills of exchange upon him payable a certain number of days after date, which the latter may retire by selling in Glasgow an equal amount of bills drawn upon his correspondent in London. The merchants who purchase, or the bankers who discount these bills, really advance their value to the drawers, who, as long as they continue, by means of this system of *drawing* and *redrawing*, to provide funds for their payment, continue in fact to command a borrowed capital equal to the amount of the fictitious paper in circulation. It is clear, however, that the negotiation of such bills has no effect in the way of transferring and settling the real *bona fide* debts reciprocally due between any two or more places. Fictitious bills mutually balance each other. Those drawn by London on Glasgow are exactly equal to those drawn by Glasgow on London, for the one set is drawn to pay the other—the second destroys the first, and the result is nothing.

The method of raising money by the discount or sale of fictitious bills, has been severely censured by Dr. Smith, as entailing a ruinous expense on those engaged in it, and as being resorted to only by projectors, or persons of suspicious credit. When fictitious bills are drawn at two months' date, it is common, in addition to the ordinary interest of five per cent., to charge a commission of one half per cent., which must be paid every time the bill is discounted, or, at least, *six* times in the year. The total expense of money raised in this way could not, therefore, supposing the transaction to be always on account of the same individual, be estimated at less than eight per cent. per annum; and the payment of so high a rate of interest on borrowed capital, in a country where the ordinary rate of mercantile profit is only supposed to average from *six* to *ten* per cent., could not fail to be generally productive of ruin to the borrower. It seldom happens, however, that in transactions carried on by means of fictitious bills, the whole charge for commission falls on one individual. Loans obtained in this way are almost always on account of two or more persons. Thus, at one time a fictitious bill may be drawn by A of London on B of Glasgow; and, in this case, the Glasgow merchant will, before the bill becomes due, draw upon his London correspondent for the proceeds of the bill, including interest and commission. At another time, however, the transaction will be on account of B of Glasgow, who will then have to pay commission to his friend in London; so that each party may, on the whole, as Mr. Thornton has observed, gain about as much as he pays in the shape of commission.

It is often extremely difficult to distinguish between a fictitious bill and one which has arisen out of a real mercantile transaction. Neither does it seem to be of any very material importance. The credit of the persons whose names are attached to the bills offered for discount, is the only real criterion by which either a private merchant or a banker can judge whether he ought to negotiate them. The circumstance of a merchant offering considerable quantities of accommodation paper for discount, ought, unquestionably, if discovered, to excite suspicions as to his credit. But unless in so far as the drawing of fictitious bills may be held to be indicative of overtrading, or of a deficiency of capital to carry on the business in which the party is engaged, there does not appear to be any good reason for refusing to discount them.

These few observations will, perhaps, suffice to explain the manner in which transactions between different parts of the same country are settled by means of bills of exchange. They are, in general, extremely simple. The uniform value of the currency of a particular country renders all comparison between the value of money at the place where the bill is drawn and negotiated with its value where it is to be paid, unnecessary; while the constant intercourse maintained amongst the different commercial cities of the same kingdom, by preventing those derangements to which the intercourse between distant and independent countries is always subject, prevents those sudden fluctuations which so frequently occur in the market price of foreign bills of exchange. We shall, therefore, leave this part of our subject, and proceed to investigate the circumstances which influence the course of exchange between different and independent countries.

## CHAPTER II.

### *Foreign Exchange.*

The price of foreign bills of exchange depends entirely on two circumstances: *first*, on the value of the currency at the place where they are made payable, compared with the value of the currency at the place where they are drawn; and, *secondly*, on the relation which the supply of bills in the market bears to the demand.

If the real and nominal value of the currencies of the different nations having an intercourse together remained invariable, such fluctuations in the price of bills of exchange as arise from the first of these circumstances would be altogether unknown. But as the comparative value of the pound sterling, dollar, franc, guilder, florin, &c. is subject to perpetual variation, the price of bills of exchange must vary accordingly. Such variations, however, as proceed from this cause, affect merely their *nominal*, or rather numerical value. It is those only which arise from variations in the supply and demand for bills, or, which is the same thing, in the payments a country has to make compared with those it has to receive, that can be considered as *real*; and hence the distinctions of *nominal*, *real*, and *computed* exchange.

The *first* depends on alterations in the value of the currencies compared together; the *second* depends on the supply of bills in the market compared with the demand; and the *third* or *computed* exchange depends on the combined effects of the other two. For the sake of perspicuity we shall treat of these separately. Supposing every country to be in possession of its proper supply of bullion, the exchange may be said to be *nominally* affected by the amount of the difference between the market and mint price of bullion, and to be *really* affected by any deviation from par exceeding or falling short of that difference.

#### SEC. I.—NOMINAL EXCHANGE.

Bullion being everywhere recognized as the standard currency of the commercial world, the comparative value of the currencies of particular countries must depend, *1st*, on the value of bullion in those countries; and, *2dly*, on the *quantity* of bullion contained in their coins, or on the quantity of bullion for which their paper money, or other circulating media, will exchange.

#### Circumstances which regulate the Value of Bullion in Different Countries.

I. The real price of commodities being always proportioned, not merely to the cost of their production, but also to the cost of their conveyance from where they have been produced to where they are to be made use of, it follows, that if the trade in the precious metals were perfectly free, and if the commodities produced in different countries were nearly all equally well fitted for exportation, the value of bullion in different countries would be chiefly regulated by their respective distances from the mines. Thus, on the supposition that neither England nor Poland had any other commodities except corn to exchange with the South Americans for bullion, it is evident that the precious metals would possess a greater value in Poland than in England, because of the greater expense of sending so bulky a commodity as corn the more distant voyage, and because of the greater expense of conveying the gold to Poland. If Poland, however, had succeeded in carrying her manufactures to a higher pitch of improvement than England, her merchants might be able, notwithstanding the disadvantage of distance, by exporting commodities possessed of great value in small bulk, and on which the expense of freight would be comparatively trifling, to sell bullion on cheaper terms than those of England. But if, as is actually the case, the advantages of skill and machinery were possessed by England, another reason would be added to that derived from her less distance from the mines, why gold and silver should be less valuable in England than in Poland, and why the money price of commodities should be higher in the former. (Ricardo, *Principles of Political Economy*, &c. 1st ed. p. 175.)

Hence, after nations have attained to different degrees of excellence in manufacturing industry, the value of bullion in different countries no longer depends entirely on their distance from the mines. But, whatever variations a different progress in the arts may occasion in the value of bullion in different countries, it is certain that it must always be less valuable in those into which it is imported, than in those where it is produced. Bullion, like

every other commodity, *is exported to find, not to destroy, its level.* And unless its value in Europe exceeded its value in America by a sum sufficient to cover the expenses attending its importation, and to yield the ordinary rate of profit to the importer, we should not, although the mines of Mexico and Peru were infinitely more productive, import from them a single ounce of bullion. It is obviously incorrect, therefore, to lay down as a general proposition, "that the par of exchange between two countries is that sum of the currency of either of the two, which, in point of intrinsic worth, is precisely equal to a given sum of the other, *that is, contains precisely an equal weight of gold and silver of the same fineness.*" (*Bullion Report*, p. 22, 8vo. ed.) For a given quantity of gold and silver is not always, as is here assumed, of the same intrinsic value in different countries. It may not, indeed, differ very materially among nations in the immediate vicinity of each other, and which are all destitute of mines. But although, to use a familiar illustration, the value of sugar approaches nearly to a level in the great trading cities of Europe, it cannot surely be maintained that its value in the West Indies is the same with its value in Bordeaux or Liverpool, or that the exchange would be really at par, if a bill, which cost a hundred hogsheads of sugar in London, only brought a hundred in Jamaica. Now, this is precisely the case with bullion. Though the value of gold and silver, as compared with corn, labor, &c. may, and indeed must, vary very considerably among the different European nations, these variations are only the necessary result of their different progress in industry, and of the different quality of their cultivated lands, &c. Such differences of price are in the natural order of things; and bullion has only found its proper level when a quantity has been introduced into those countries which excel in manufactures, sufficient to raise the price of their corn and labor. These variations have, therefore, no effect on the exchange. An ounce of bullion in one country, notwithstanding this difference of price, will, because of the facility of intercourse, be very near equivalent to an ounce of bullion in another; and, supposing the trade in the precious metals to be perfectly free, the exchange will be at true par when bills are negotiated on this footing. But when we compare the values of the precious metals in distant countries, and especially in those where they are produced, with those into which they are imported, it is obvious they must differ considerably. Gold and silver, like iron, coal, &c., are necessarily cheaper in countries possessed of extraordinarily productive mines, than in those possessed only of mines of a secondary degree of fertility, or when they have to be entirely imported from abroad. And the exchange between such places is not at true par, unless adequate allowance be made for this difference of value. Thus, if, because of the expense of carriage, the value of bullion in Great Britain is five per cent. greater than in Rio Janeiro, a hundred ounces of pure gold in Rio Janeiro would not be worth a hundred ounces of pure gold in London, but five per cent. less; and the exchange would be at true par when bills for a hundred and five ounces of standard bullion payable in Rio Janeiro, sold in London for a hundred ounces.

The differences in the value of the precious metals in different countries have not been confined to those depending on their respective distances from the mines, or on their different progress in the arts. The opinion formerly

so very prevalent, that gold and silver were the only articles that constituted real wealth, induced almost every commercial nation to fetter and restrict their exportation, and to adopt a variety of measures intended to facilitate their importation. But these regulations, even when most rigorously enforced, have been singularly ineffectual; the great value and small bulk of the precious metals rendering it not only extremely advantageous, but also comparatively easy, clandestinely to export them, whenever their relative value declined.

“When,” says Dr. Smith, “the quantity of gold and silver imported into any country exceeds the effectual demand, no vigilance of government can prevent their exportation. All the sanguinary laws of Spain and Portugal are not able to keep their gold and silver at home. The continual importations from Peru and Brazil exceed the effectual demand of those countries, and sink the price of these metals *below* their price in the neighboring countries. If, on the contrary, in any particular country their quantity fell short of the effectual demand, so as to raise their price *above* that of the neighboring countries, the government would have no occasion to take any pains to import them. If it were even to take the pains to prevent their importation, it would not be able to effect it. Those metals, when the Spartans had got wherewithal to purchase them, broke through all the barriers which the laws of Lycurgus opposed to their entrance into Lacedæmon. All the sanguinary laws of the customs are not able to prevent the importation of teas of the Dutch and Gottenburg East India Companies, because somewhat cheaper than those of the British Company. A pound of tea, however, is about a hundred times the bulk of one of the highest prices, 16s., that is commonly paid for it in silver, and more than two thousand times the bulk of the same price in gold, and is consequently just so many times more difficult to smuggle.” (*Wealth of Nations*, vol. ii. p. 149.)

But, however ineffectual as a means of entirely preventing the egress of the precious metals, the restrictions on their exportation have nevertheless contributed to occasion some slight variations in their value in different countries. The risk incurred by the clandestine exporters of bullion from Spain is supposed to be equivalent to about two per cent.; or, which is the same thing, it is supposed that the restrictions maintain such an excess of gold and silver in that country as to sink their value two per cent. below their value in countries having a free trade in bullion. In calculating the true par of exchange between Spain and other countries, this circumstance must be taken into account. For, to whatever extent the value of bullion in one country may be reduced below its value in those with which it maintains an intercourse, the nominal exchange must necessarily be unfavorable to that extent.

All restraints on the exportation of the precious metals were abolished in Great Britain in 1819. Their effect for many years previous could not be estimated at above one fourth per cent.

It consequently results, that whatever occasions a rise or fall in the value of the precious metals in a particular country, must proportionally affect its nominal exchange with other countries. If more coin, or convertible paper, circulated in Great Britain, compared with the business it has to perform,

than what circulates in other countries, its relative value would, in consequence, be diminished. Foreign bills would sell for a premium, the amount of which would be precisely equal to the excess of the value of the precious metals in the foreign market, caused by their redundancy in the home market; and, on the other hand, in the event of the currency becoming relatively deficient, its value would be proportionally increased; bills drawn on foreign countries would sell at a discount, the amount of which would measure the excess of the value of the currency of this over that of other countries.

#### Manner of Estimating the Quantity of Bullion contained in the Coins of Different Countries.

II. In estimating the quantity of bullion contained in the currencies of different countries, a particular coin of one country, such as the British pound sterling, is selected as an *integer* or standard of comparison, and the proportion between it and the coins of other countries, supposing them to be of their *mint standard weight and fineness*, is ascertained by experiment. A par of exchange is thus established, or rather it is ascertained that a certain amount of the standard currency of a particular country contains precisely as much gold or silver of the same fineness, as is contained in the coin or integer with which it has been compared. This relation, or par as it is technically termed, is considered invariable; and allowance is made for subsequent variations in the quantities and purity of the bullion contained in the currencies of countries trading together, by rating the exchange at so much above or below par. In mercantile language, that country, by a comparison with one or other of whose coins the par of exchange has been established, is said to give the *certain* for the *uncertain*, and conversely. Thus, in the exchange between London and Paris, London and Hamburg, &c., London gives the *certain*, or the pound sterling, for an *uncertain* or variable number of francs, florins, &c. Hence, the higher the exchange between any two countries, the more is it in favor of that which gives the *certain*, and the lower, the more is it in favor of that which gives the *uncertain*.

#### Effects of Variations in the Value of Metallic Currency on the Exchange.

On the supposition, which is very near the truth, that twenty-five francs contain the same quantity of standard bullion as a pound sterling (twenty-five francs, twenty centimes, is the exact par,) and supposing also that the value of bullion is the same in both countries, the exchange between London and Paris will be at par, when a bill drawn by a merchant in the one on his correspondent in the other sells at that rate; that is, when a bill of exchange for 2500 or 25,000 francs payable in Paris, sells in London for £100 or £1000, and *vice versa*. It is but seldom, however, that the coins of any country correspond exactly with their mint standard; unless, when newly issued, the are all either more or less worn; and whenever this is the case, an allowance corresponding to the difference between the actual value of the coins and their mint value must be made in estimating "*the sum of the*

*existing currency of either of two countries which contains precisely the same quantity of bullion as is contained in a given sum of the other."* Thus, if the one pound sterling were so worn, clipped, rubbed, &c., as not to contain so much bullion as twenty-five francs, but ten per cent. less, the exchange between London and Paris would be at real par when it was nominally ten per cent. against London. It is necessary to observe, that it is here supposed that the clipped or degraded money exists in such a degree of abundance as only to pass current at its bullion value. If the quantity of clipped money were *sufficiently limited*, it might, notwithstanding the diminution of weight, pass current at its mint value; and then the par would have to be estimated, not by its relative weight to foreign money, but by the mint price of bullion. This is a principle which must be constantly kept in view. And if, on the other hand, the pound sterling was equal to its mint standard, while the franc was ten per cent. less, the exchange between London and Paris would be at real par when it was nominally ten per cent. against Paris and in favor of London. If the currency of both countries were *equally* reduced below the standard of their respective mints, then it is obvious there would be no variation in the real par. But whenever the currency of countries trading together is depreciated in an *unequal* degree, the exchange is nominally in favor of that country whose currency is least depreciated, and nominally against that whose currency is most depreciated.

It is almost unnecessary to refer to the history of exchange to show the practical operation of this principle; and we shall content ourselves with selecting the following, from an infinite number of equally conclusive instances.

In a pamphlet printed in 1604, but written in 1564, it is mentioned, that when Henry VIII. degraded the several species of coin then current, there began to be "*some disorder*" in the price of all wares and commodities, which Edward VI. attempted to remedy by diminishing still farther the quantity of pure silver contained in each coin; the consequence was, that the *English pound sterling, which heretofore exchanged abroad for twenty-six Flemish schillings, became worth no more than thirteen Flemish schillings*, the price of English commodities being at the same time proportionally increased. (Mr. John Smith's *Memoirs of Wool*, vol. i. p. 105, 8vo. ed.)

Previously to the great recoinage in the reign of William III., silver being at that time a legal tender, the *nominal* exchange between England and Holland, calculated according to the standard of their respective mints, was twenty-five per cent. against England; but inasmuch as English silver coins were then, owing to rubbing and clipping, depreciated more than twenty-five per cent. below their mint value, the real exchange may notwithstanding have been in favor of England. The circumstance of the *nominal* exchange having become favorable to this country as soon as the new coin was issued, renders this conjecture extremely probable. (*Wealth of Nations*, vol. ii. p. 215.)

Before the reformation of our gold coin in 1774, the guinea contained so much less than its standard weight as to be degraded from two to three per cent. when compared with the current French coins, and the exchange

between England and France was computed to be two or three per cent. *against* this country. Upon the reformation of the gold coin the exchange rose to par. The Turkish government, in the course of the last forty years, has made three great alterations in the value of its coin. Before these frauds were committed, the Turkish *piastres* contained nearly as much silver as the English *half-crown*; and, in exchange, the par was estimated at *eight piastres* to the pound sterling. The consequence of these repeated adulterations has been, the reduction of the silver in the *piastre* to one half, and a fall in the exchange of 100 per cent.; bills on London having been bought in Turkey, in 1803, at the rate of sixteen *piastres* for every pound sterling. Il est impossible d'indiquer exactement le *pair* des monnoies Turques. On voit des pieces du même nom, et frappées la même année, qui différent de 100 pour cent. dans leur valeur intrinsèque. (Storch, *Cours d'Economie Politique*, tom. vi. p. 336.) Now, although it is not absolutely certain that these fluctuations in the *nominal* exchange were entirely owing to the alterations in the value of the coin, because the real exchange, or that which depends on the abundance or scarcity of bills in the market, might not be constant; yet the exact correspondence of the fall of exchange with the acknowledged degradation of the coin, renders it more than probable that it proceeded almost entirely from that degradation. (*Observations on the Principles which regulate the Course of Exchange*, by Willam Blake, Esq. p. 41.)

#### Effects of Variations in the Relative Value of Gold and Silver on the Exchange.

When one country uses gold as the standard of its currency, and another silver, the par of exchange between them is affected by every variation in the relative value of these metals. When gold rises in value compared with silver, the exchange becomes nominally favorable to that country which has the gold standard, and *vice versa*. And hence, in estimating the state of the exchange among countries using different standards, it is always necessary to advert to the comparative values of the metals selected for standards.

“For example,” to use the words of Mr. Mushet, “if 34 schillings 11 grotes and  $\frac{1}{4}$  of Hamburg currency be equal in value to a pound sterling, or  $\frac{3}{4}$  of a guinea, when silver is at 5s. 2d. per oz., they can no longer be so when silver falls to 5s. 1d. or 5s. an oz. or when it rises to 5s. 3d. or 5s. 4d.; because a pound sterling in gold being then worth more or less silver, is also worth more or less Hamburg currency.

“To find the real par, therefore, we must ascertain what was the relative value of gold and silver when the par was fixed at 34s. 11 $\frac{1}{4}$ g. Hamburg currency, and what is their relative value at the time we wish to calculate it.

“For example, if the price of standard gold was £3 17s. 10 $\frac{1}{2}$ d. per oz., and silver 5s. 2d., an ounce of gold would then be worth 15.07 ounces of silver, and twenty of our standard shillings would then contain as much pure silver as 34s. 11 grotes and  $\frac{1}{4}$  Hamburg currency. But if the ounce of gold were £3 17s. 10 $\frac{1}{2}$ d., and silver 5s., (which it was on 2d January, 1798,) the ounce of gold would then be worth 15.57 ounces of silver. If £1 sterling at par, therefore, be worth 15.07 ounces of silver, then at 15.57

it would be at three per cent. premium ; and three per cent. premium on 34s. 11½d. is 1 schilling 1 grote and  $\frac{1}{10}$ , so that the par, when gold is to silver as 15.57 to 1, will be 36 schillings 1 grote and  $\frac{1}{10}$ . The above calculation will be more easily made by stating as ' 15.07 : 34-11½ :: 15.57 : 36-1 $\frac{1}{10}$ .' " (*An Inquiry into the Effects produced on the National Currency by the Bank Restriction Bill, &c.*, by Robert Mushet, Esq.; second edition, p. 94.)

#### Effects of Seignorage on the Exchange.

As it is by their intrinsic worth as bullion that the values of the coins of particular countries are estimated in exchange, two coins of equal weight and purity are reckoned equivalent to each other, although the one should have been coined at the expense of the State, and the other charged with a *seignorage*, or duty on its coinage. Coins on which a *seignorage* is charged may, if not issued in excess, pass current in the country where they are coined, at a value so much higher than their value in bullion ; but they will not pass at any higher value in other countries.

Previously to 1817, no seignorage had for a very long period been deducted from either the gold or silver coins of Great Britain ; but in the great recoinage of that year the value of silver was raised from 5s. 2d. to 5s. 6d. an ounce, or nearly in the proportion of 6½ per cent. The gold coins, however, are still coined free of expense, and no variation has been made in their standard. The British mint proportion of silver to gold is now as 14 $\frac{28}{100}$  to 1 ; that is, one ounce of standard gold bullion is rendered exchangeable for 14 $\frac{28}{100}$  ounces of standard silver. In France the mint proportion of the two metals is as 15½ to 1 ; a seignorage being exacted to nearly ½d. per cent. on gold, and 1½ per cent. on silver.

#### Effect of Variations in the Value of Paper Currency on the Exchange.

But the principal source of fluctuations in the nominal price of bills of exchange is to be found in the varying value of the *paper* currency of commercial countries. The disorders which universally arose in rude ages from the diminution of the quantity of standard bullion contained in the coins of different countries are now reproduced in another form, and often to a still more ruinous extent, in the depreciation of their paper currency.

The impossibility of retaining a comparatively large quantity of coin or bullion, or of convertible paper, in a particular country, effectually limited the issues of the Bank of England previously to the Restriction Act of 1797, and sustained the value of our currency on a par with that of other countries. When the bank issued less paper than was necessary for this purpose, the value of the currency becoming relatively great, it became profitable to import bullion, and to send it to the mint to be coined. And, on the other hand, when the bank issued too much paper, and thereby depressed its value relatively to gold, it became profitable to demand payment of its notes, and thereafter to export the specie thus obtained either in the shape of coin or as bullion. In this way the bank was compelled to limit its issues when excessive, and, consequently, to put a stop to the demand for gold, by rendering its paper of equal value.

Had the Bank of England, subsequently to the restriction, issued only such quantities of paper as were required to sustain its value on a par with the value of gold, the act of 1797 would not have occasioned any real difference in our monetary system. But, after the bank had been released from the obligation to pay its notes, it was not to be expected that it should be very careful about limiting their number. The restriction enabled the directors to exchange bits of engraved paper, worth perhaps not more than five shillings a quire, for as many, or the value of as many, hundreds of thousands of pounds. And under such circumstances, the only thing to be wondered at is, not that paper money became depreciated, but that its value was not more degraded,—that a still greater quantity of bank-notes were not forced into circulation.

A country with an inconvertible paper currency, of which an undue quantity has been issued, is in the same situation as a country would be in, were it possessed of a redundant gold and silver currency, and subjected to laws prohibiting the melting or exportation of the coin, that were carried into full effect. Such a currency is necessarily confined to the country where it is issued; it cannot, when too abundant, diffuse itself generally amongst others. The level of circulation is destroyed; and the value of the currency becoming less than the value of the currency of other countries, the nominal exchange is rendered proportionally unfavorable.

Supposing that nothing but silver coin of the standard weight and purity (twenty-five francs of which would exchange for a pound sterling of the British mint standard) circulates at Paris, and that the circulating medium of London is composed entirely of paper only worth half its nominal value, or which is depreciated 100 per cent.; in that case the exchange between London and Paris would be at *real* par, when it was nominally cent. per cent. against London. Double the amount of such depreciated London currency would be required to purchase a bill on Paris where the currency retained its value, while half the former amount of Parisian currency would now suffice to purchase a bill payable in London. A depreciation of this sort would have exactly the same effects as an equal reduction in the value of metallic money. While paper money, depreciated 100 per cent. constituted our legal currency, a pound note, instead of being worth 25 francs, would only be worth  $12\frac{1}{2}$ ; and the nominal or numerical value of the bills of exchange negotiated between this country and France would be regulated accordingly; that is, a bill of exchange for £100 or £1000 payable in London, would sell in Paris for 1250 or 12,500 francs, and conversely. If, while the currency of London remained steady at 100 per cent. below its mint value, Parisian currency should, either from the coins becoming deficient in weight, or because of an inordinate issue of paper money, become also depreciated, the *nominal* exchange would be rendered proportionally less unfavorable to London. On the hypothesis that the currency of Paris is depreciated 50 and that of London 100 per cent. the *nominal* exchange would be 50 per cent. against the latter, and so on. Thus it appears that the *nominal* exchange between any two or more places will always be adjusted according to the value of their currencies; being most favorable to that country whose currency approaches nearest its mint standard, and most unfavorable to that whose currency is most degraded.

## Exchange between Great Britain and Ireland subsequent to 1797.

The state of exchange between Great Britain and Ireland, subsequently to the restriction on cash payments in 1797, furnishes a striking proof of the effects which inordinate issues of paper have in depressing the exchange.

The nominal value of the Irish shilling having been raised from 12d. to 13d., or, which is the same thing, £108. 6s. 8d. Irish money having been rendered only equal to £100 British money, it followed, that when the exchange between Great Britain and Ireland was at  $8\frac{1}{2}$  per cent. against the latter, it was said to be at par. In the *eight* years previous to 1797, when the paper currency both of England and Ireland was convertible into gold, the exchange between London and Dublin fluctuated from  $7\frac{1}{2}$  to 9 per cent.; that is, from  $\frac{2}{3}$  per cent. in favor of Dublin, to  $\frac{2}{3}$  per cent. against it. In September, 1797, it was so low as 6 per cent., or  $2\frac{1}{3}$  per cent. in favor of Dublin. The amount of Bank of Ireland notes in circulation in January, 1797, was only £621,917; but in April, 1801, they had increased to £2,286,471; and the exchange was then at 14 per cent., or  $5\frac{2}{3}$  per cent. *against* Dublin. In 1803, the Bank of Ireland notes in circulation averaged £2,707,956, and in October of that year the exchange rose to 17 per cent.; that is, to  $8\frac{2}{3}$  per cent. against Dublin!

The fact of the exchange between London and Dublin having fluctuated so very little from real par, for eight years previous to the restriction, shows that the circulating medium of Great Britain and Ireland had then been adjusted nearly according to the wants of the two countries. But, in these circumstances, it was evidently impossible, supposing the value of British currency to remain stationary, that the quantity of Irish bank paper could be nearly *quintupled* in the short space of six years, without rendering the currency of Ireland comparatively redundant, and sinking its value below that of England. Had the Bank of England increased its notes nearly in the same ratio as the Bank of Ireland, then, as the currency of both countries would have been *equally depreciated*, the exchange between London and Dublin would have continued at par. But while the notes of the Bank of Ireland were increased from £621,917 to £2,707,956, or in the proportion of 1 to 4.3, those of the Bank of England were only increased from £9,181,843 (their number on the 7th January, 1797,) to £16,505,272, or in the proportion of 1 to 1.8. If the Bank of England had not made this addition to its issues, the exchange would obviously have been still more unfavorable to Dublin.

In the debates on the Bullion Report, it was contended that the increase of Bank of Ireland paper could not be the cause of the exchange becoming unfavorable to Dublin, inasmuch as it had again become favorable to the latter, after the issues of the Bank of Ireland had been still further increased. Nothing, however, can be more inconclusive than such reasoning. To give it the least weight, it must be shown that the currency of Great Britain had in the interim retained its value, or that it had not been depreciated to the same extent as that of Ireland. Unless this be established, the circumstance that the exchange between London and Dublin came to par, while as many notes of the Bank of Ireland circulated as in the period of its greatest depression, will not authorize us to conclude that the increase of Irish bank

paper was not the cause of the fall in the exchange previously to 1804. For it is obvious that the depreciation of Irish bank paper might be going on subsequently to 1804; and yet, supposing English bank paper had been depreciated still more rapidly, the exchange would become more favorable to Dublin. This is merely supposing the circumstances which took place in the first six years of the restriction to be reversed in the second six. Let us examine how the fact stands.

We have seen that, in 1803, when the exchange was nominally ten per cent. against Dublin, the issues of the Bank of England amounted to £16,506,272, and those of the Bank of Ireland to £2,707,956. And, by referring to the account of the issues of the Bank of Ireland from 1797 to 1819, it will be seen that, in 1805, 1806, 1807, and 1808, they were rather *diminished*; and that, in 1810, they only amounted to £3,251,750, being an increase of not more than £543,794 in the space of seven years, or at the rate of two and six-sevenths per cent. per annum; but in the same period (from 1803 to 1810) the issues of the Bank of England had increased from £16,505,272 to £22,541,523, or at the rate of five per cent. per annum. But this is not all. According to Mr. Wakefield (*Account of Ireland*, vol. ii. p. 171), who has left no subject untouched which could throw light on the state of Ireland, there were *fifty* registered bankers in that country in 1804, and only *thirty-three* in 1810, of which fourteen were new houses, thirty-one of the old establishments having disappeared; "and I believe," says Mr. Wakefield, "*for the most part failed.*" This extraordinary diminution of the country paper of Ireland, for the reduction of the issues was at least proportional to the reduction in the number of banks, must have greatly raised its value, and would have countervailed a very great increase in the issues of the national bank. Now the very reverse of all this took place in Britain. In 1800 there were 386 country banks in this country; and in 1810, this number, instead of being diminished, as in Ireland, had increased to 721, having at least three times the number of notes in circulation in the latter as in the former period!

It appears, therefore, that when, in the period from 1796 to 1804, the quantity of paper in circulation in Ireland was increased, and consequently its value depressed, faster than in England, the exchange between London and Dublin became proportionally unfavorable to the latter; and, on the other hand, it appears, that when, in the six years subsequent to 1804, the paper currency of England was increased more rapidly than the paper currency of Ireland, its relative value was diminished and the *nominal* exchange became more favorable to Dublin.

This is sufficiently conclusive; but there is still more decisive evidence to show that the unfavorable exchange of Dublin upon London in 1802, 1803, 1804, &c., was entirely owing to the comparative redundancy or depreciation of Irish bank paper. The linen manufacturers, weavers, &c., and the majority of the other inhabitants of a few counties in the north of Ireland, being, at the period of the restriction, strongly disaffected towards government, almost unanimously refused to receive bank notes, either in payment of commodities or as wages. The landlords, having also stipulated for the payment of their rents in specie, the consequence was, that a gold currency was maintained in the north of Ireland long after it had been entirely banished from the

southern part of the island. If, therefore, the depressed state of the exchange between London and Dublin had been occasioned, as was contended by the advocates of the restriction, by an unfavorable balance of trade between Ireland and Great Britain, or by remittances from the former on account of absentee landlords, &c., it would have been equally depressed between London and the commercial towns in the northern counties. But, so far from this being the case, in December, 1803, when the exchange of Dublin on London was at sixteen and one-fourth per cent., that of Belfast on London was at five and one-fourth: or, in other words, at the same time that the exchange between Dublin and London was about eight per cent. against Ireland, the exchange between Belfast, *which had a gold currency*, and London, was about three per cent. in its favor. Nor is this all. There was not only a difference of eleven per cent. in the rate of exchange between Dublin and London, and Belfast and London, but the *inland* exchange between Dublin and Belfast was, at the same time, about ten per cent. in favor of the latter; that is, bills drawn in Dublin, and payable in the gold currency of Belfast, brought a premium of ten per cent.; while bills drawn in Belfast, and made payable in the paper currency of Dublin, sold at ten per cent. discount. Further information on this interesting subject may be obtained from the very able *Report of the Committee of the House of Commons*, appointed in 1804 to inquire into the state of the circulating paper in Ireland, its specie, &c., and the state of the exchange between it and Great Britain; in Sir Henry Parnell's excellent pamphlet on the same subject; and in the pamphlets of Lord King, Mr. Huskisson, &c.

It is unnecessary to refer to the history of the French *assignats*, or of the paper currency of the continental powers generally, and of the United States, to corroborate what has been advanced. Such of our readers as wish for detailed information as to these points may have recourse to the fourth volume of the *Cours d'Economie Politique* of M. Storch, where they will find an able and instructive account of the effects produced by the issues of paper on the price of bullion and the exchange, in almost every country of Europe. They are, in every case, precisely similar to those now stated.

It only remains to determine the effects of fluctuations in the *nominal* exchange, on the export and import trade of the country.

#### Inquiry into the Effects of Fluctuations in the Nominal Exchange on Export and Import Trade.

When the exchange is at par, the operations of the merchant are regulated entirely by the difference between foreign prices and home prices. He imports those commodities which can be sold at home for so much more than their price abroad as will indemnify him for the expense of freight, insurance, &c., and yield an adequate remuneration for his trouble, and for the capital employed in their importation; and he exports those whose price abroad is sufficient to cover all expenses, and to afford a similar profit. But when the *nominal* exchange becomes unfavorable to a particular country, the premium which its merchants receive on the sale of foreign bills has been supposed capable of enabling them to export with profit in cases where the difference between the price of the exported commodities at home and abroad might

not be such as would have permitted their exportation had the exchange been at par. Thus, if the *nominal* exchange were ten per cent. against this country, a merchant who had consigned goods to his agent abroad would receive a premium of ten per cent. on the sale of the bill; and if we suppose freight, insurance, mercantile profit, &c., to amount to six or seven per cent., it would at first sight appear as if our merchants might, in such circumstances, export commodities although their price at home were three or four per cent. higher than in other countries. If, on the other hand, the *nominal* exchange were in our favor, or if bills on this country sold at a premium, it would appear as if foreigners would then be able to consign goods to our merchants, or our merchants to order goods from abroad, when the difference of real prices was not such as would of itself have led to an importation.

But a very little consideration will convince us that fluctuations in the *nominal* exchange can have no such effect. That fall in the value of the currency which renders the exchange unfavorable, and causes foreign bills to sell at a premium, must *equally increase* the price of all commodities. And hence, whatever might be the amount of the premium which the exporter gained by the sale of the bill drawn on his correspondent abroad, it would do no more than indemnify him for the enhanced price of the goods exported. Mercantile operations are in such cases conducted precisely as they would be were the exchange really at par; that is, by a comparison of the real prices of commodities at home and abroad, meaning, by real prices, the prices at which they would be sold, provided there were no depreciation of the currency. If those prices be such as to admit of exportation or importation with a profit, the circumstance of the nominal exchange being favorable or unfavorable will make no difference whatever on the transaction.

“Suppose,” says Mr. Blake, who has very successfully illustrated this part of the doctrine of exchange, “the currencies of Hamburg and London being in their due proportions, and therefore the *nominal* exchange at par, that sugar, which from its abundance in London sold at £50 per hogshead, from its scarcity at Hamburg would sell at £100. The merchant in this case would immediately export. Upon the sale of his sugar he would draw a bill upon his correspondent abroad for £100, which he could at once convert into cash by selling it in the bill market at home, deriving from this transaction a profit of £50, under deduction of the expenses of freight, insurance, commission, &c. Now, suppose no alteration in the scarcity or abundance of sugar in London and Hamburg, and that the same transaction were to take place after the currency in England had been so much increased that the prices were doubled, and, consequently, the *nominal* exchange 100 per cent. in favor of Hamburg, the hogshead of sugar would then cost £100, leaving apparently no profit whatever to the exporter. He would, however, as before, draw his bill on his correspondent for £100; and, as foreign bills would bear a premium of 100 per cent., he would sell this bill in the English market for £200, and thus derive a profit from the transaction of £100 depreciated, or £50 estimated in undepreciated currency, deducting, as in the former instance, the expense of freight, insurance, commission, &c.

“The case would be precisely similar, *mutatis mutandis*, with the

importing merchant. The unfavorable *nominal* exchange would appear to occasion a loss amounting to the premium on the foreign bill which he must give in order to pay his correspondent abroad. But if the difference of *real* prices in the home and foreign markets were such as to admit of a profit upon the importation of produce, the merchant would continue to import, notwithstanding the premium; for that would be repaid to him in the advanced *nominal* price at which the imported produce would be sold in the home market.

“Suppose, for instance, the currencies of Hamburg and London being in their due proportions, and, therefore, the *nominal* exchange at par, that linen, which can be bought at Hamburg for £50, will sell here at £100. The importer immediately orders his correspondent abroad to send the linen, for the payment of which he purchases at £50 a foreign bill in the English market, and on the sale of the consignment for £100, he will derive a profit amounting to the difference between £50 and the expense attending the import.

“Now, suppose the same transaction to take place without any alteration in the scarcity or abundance of linen at Hamburg and London, but that the currency of England has been so augmented as to be depreciated to half its value; the *nominal* exchange will then be 100 per cent. against England, and the importer will not be able to purchase a £50 foreign bill for less than £100. But as the prices of commodities here will have risen in the same proportion as the money has been depreciated, he will sell his linen to the English consumer for £200, and will, as before, derive a profit amounting to the difference between £100 depreciated, or £50 estimated in undepreciated money, and the expenses attending the import.

“The same instances might be put in the case of a favorable exchange; and it would be seen in the same manner that *nominal* prices and the *nominal* exchange being alike dependent on the depreciation of currency, whatever apparent advantage might be derived from the former would be counterbalanced by a loss on the latter, and *vice versa*.” (*Observations, &c.* p. 48.)

It appears, therefore, that fluctuations in the *nominal* exchange have no effect on export or import trade. A fall in the exchange obliges the country to which it is unfavorable to expend a larger *nominal* sum in discharging a foreign debt than would otherwise be necessary; but it does not oblige it to expend a greater *real* value. The depression of the *nominal* exchange can neither exceed nor fall short of the comparative depreciation of the currency. If the depreciation of British currency amounted to 10 or 100 per cent. the *nominal* exchange would be 10 or 100 per cent. against us; and we should be compelled, in all our transactions with foreigners, to give them 22s. or 40s. for what might otherwise have been procured for £1. But as neither 22s. nor 40s. of paper, depreciated to the extent of 10 or 100 per cent., would be more valuable than £1 of undepreciated paper, payment of a foreign debt might, it is evident, be as easily made in the one currency as in the other; and mercantile transactions would, in such circumstances, be conducted exactly as they would have been, had the currency been undepreciated, and the *nominal* exchange at par.

It is necessary, however, before dismissing this part of our subject, to examine the effects of fluctuations in the *nominal* exchange on the importation

and exportation of *bullion*. In certain cases they form an exception to the general principle we have been endeavoring to elucidate.

Effects of Fluctuations in Nominal Exchange on the Trade in Bullion.

If the *nominal* exchange were unfavorable to a country which had entirely discarded the precious metals from its circulation, Mr. Blake's opinion that the fall of the exchange has no effect on the export and import of bullion, more than of any other commodity, would be perfectly well founded. In this case the price of all sorts of commodities, and of bullion among the rest, would be increased precisely according to the depreciation of the currency; and the merchants who should, under such circumstances, attempt to export bullion, would find that its increased price in the home market would be exactly equivalent to whatever premium they might gain by the sale of the bills drawn on their agents abroad for its price. But when the *nominal* exchange becomes unfavorable to a country whose currency consists entirely of the precious metals, or partly of them and partly of paper, a different effect is produced.

In this case the depreciation necessarily adds to the stock of bullion in the country. For as soon as the currency has been depreciated to such an extent as to render the excess of the market above the mint price of bullion sufficient to cover the very trifling expenses attending the melting of the coin, and to afford some little remuneration for the trouble of the melters, they immediately set about converting it into bullion. If, indeed, it were possible to realize a greater profit by the exportation than by the fusion of the coins, they would not be converted into bullion, and, of course, its real price would continue stationary. But this is very seldom the case. The operation of melting is so extremely simple, and requires so very little apparatus, that it may, in almost every instance, be carried on at a less expense than would be necessary to export the coins. The cost attending the conveyance of gold to Paris, varies in a season of peace, from one to two per cent.; while a profit of one fourth or one half per cent. is sufficient to indemnify the melters of guineas or sovereigns. It is obvious, therefore, that of the two modes of restoring the value of the currency when it becomes depreciated, or relatively redundant, that of fusion will be generally resorted to in preference to exportation. Should the redundancy of the currency be inconsiderable, all the addition which the operations of the melters could make to the supply of bullion, would most probably be insufficient to occasion any perceptible fall in its *real* price. But, in every case in which the redundancy or depreciation of the currency is considerable, the fusion of the coined money never fails to increase the quantity of bullion beyond the effectual demand, and, consequently, to occasion a fall in its *real* price, and to render it a profitable article of export. The demand for bullion, though it must always vary with the varying wealth and riches of the community, fluctuates very little in periods of limited duration; and no considerable addition can ever be made to the stock on hand in a particular country, without sinking its value and causing its egress.

Mr. Blake contends that this exportation of bullion is the effect of the melting of the coin, and not the cause of it; and in so far he is certainly

right. But we do not see how this in the least strengthens his opinion, that fluctuations in the *nominal* exchange, even in those cases in which the currency consists either wholly or partially of the precious metals, have no influence on the export and import of bullion. Surely it is impossible to deny that the fusion of the coin, of which Mr. Blake admits the exportation of bullion is a necessary consequence, is occasioned by redundancy of the currency, or by the same cause which occasions an unfavorable *nominal* exchange.

Bullion, therefore, forms an exception, and it is the only one, to the general principle that a fall in the value of the currency, or an unfavorable *nominal* exchange, has no effect on importation or exportation. But this exception does not take place, except in those cases in which the currency consists either in *whole* or in *part* of the precious metals. When the currency consists *entirely* of paper, or of any commodity other than gold or silver, its depreciation has no influence whatever on the importation of bullion.

### CHAPTER III.

#### *Real Exchange.*

Having thus endeavored to trace the effects which variations in the value of the currencies of countries maintaining an intercourse together have on the exchange, we now proceed to consider how far it is influenced by *fluctuations in the supply and demand for bills*. To facilitate this inquiry, we shall exclude all consideration of changes in the value of money; or, which is the same thing, we shall suppose the currencies of the different countries having an intercourse together to be all fixed at their mint standards, and that each has its proper supply of bullion.

When two nations trade together, and each purchases from the other commodities of precisely the same value, their debts and credits will be equal, and, of course, the real exchange will be at par. The *bills* drawn by the one are, in such a case, exactly equivalent to those drawn by the other, and their respective claims may be adjusted without the transfer of bullion, or other valuable produce. But it rarely happens that the debts reciprocally due by any two countries are equal. There is almost always a balance owing on one side or other; and this balance must affect the exchange. If the debts due by London to Paris exceeded those due by Paris to London, the competition in the London market for bills on Paris would, because of the comparatively large sum which our merchants had to remit to France, be greater than the competition in Paris for bills on London; and, consequently, the *real* exchange would be in favor of Paris and against London.

#### Limit to Fluctuation in the Real Exchange:

The expense of the transfer of bullion from one country to another constitutes the limit within which the rise and fall of the *real* exchange between them must be confined. In this respect, as in most others, transactions between foreign countries are regulated by the very same principles

which regulate those between different parts of the same country. We have already shown how the fluctuations in the *real* exchange between London and Glasgow could never exceed the expense of transmitting money between those cities. The same principle holds universally. Whatever may be the expense of transmitting bullion,—the money of the commercial world,—between London and Paris, Hamburg, New York, &c., it is impossible that the *real* exchange of the one on the other should, for any considerable period, be depressed to a greater extent. For a merchant will not pay a greater premium for a bill to discharge a debt abroad, than would suffice to cover the expense of transmitting bullion to his creditor.

Hence it appears that whatever has a tendency to obstruct or fetter the intercourse among different countries, must also tend to widen the limits within which fluctuations in the *real* exchange may extend. This enables us to account for its varying so much more in time of war than in time of peace. The amount of the bills drawn on a country engaged in hostilities is, from various causes which we shall afterwards notice, liable to be suddenly increased, though it is certain that whatever may be the amount of the bills thus thrown upon the market, the depression of the exchange cannot, for any length of time, exceed the expense of conveying bullion from the debtor to the creditor country. But during war this expense is increased; the charges on account of freight, insurance, &c., being then necessarily augmented. It appears from the evidence annexed to the *Report of the Bullion Committee*, that the expense of conveying gold from London to Hamburg, which, prior to the war, only amounted to two or two and a half per cent., had, in the latter part of 1809, increased to about seven per cent.; showing that the limits within which fluctuations in the *real* exchange were confined in 1809 were about three times as great as those within which they were confined in 1793.

This principle also enables us to account for the greater steadiness of the *real* exchange between countries in the immediate vicinity of each other. The expense of transmitting a given quantity of bullion from London to Dublin or Paris, is much less than the expense of transmitting the same quantity from London to New York or Petersburg. And, as fluctuations in the *real* exchange can only be limited by the cost of transmitting bullion, they may consequently extend much farther between distant places than between those that are contiguous.

**Inquiry into the Circumstances which give Rise to a favorable or an unfavorable Balance of Payment.**

It will now be proper to investigate the circumstances which give rise to a favorable or an unfavorable balance of payments, and to appreciate their effects on the *real* exchange, and on the trade of the country in general. As this is one of the most important inquiries in the whole science of political economy, it will require to be discussed at some length.

**The Fact that the Value of the Imports exceeds that of the Exports does not warrant the Conclusion that the Balance of Payments is unfavorable.**

A very great, if not the principal, source of the errors into which practical merchants, and the majority of writers on the subject of exchange, have been

betrayed, appears to have originated in their confounding the sum which imported commodities are worth in the home market, with the sum which they cost in the foreign market. It is obviously, however, by the amount of the latter only, that the balance of payments, and consequently the *real* exchange, is influenced. A cargo of iron, for example, which cost £1000 free on board at Gottenburg, might be worth £1200 or £1300 when imported into England; but the foreign merchant would not be entitled to draw on London for more than its original cost, or £1000. It is clear, therefore, on the slightest consideration, that the circumstance of the value of the imports exceeding the value of the exports, does not authorize the conclusion that the balance of payments is unfavorable. A favorable or an unfavorable balance depends entirely on the sum due *to* foreigners for commodities imported from abroad being less or more than the sum due *by* them for the commodities they have purchased; but it has nothing to do with the prices eventually obtained for the imported or exported commodities.

The great object of the *mercantile* system of commercial policy, a system which still continues to preserve a considerable influence in this and in every other country in Europe, is, the creation of a favorable balance of payments, and consequently of a favorable *real* exchange, by facilitating exportation and restricting importation. It is foreign to the object of this article to enter into any examination of the principles of this system, except in so far as they are connected with the subject of exchange; but we hope to be able to show, in opposition to the commonly received opinions on the subject, that, under ordinary circumstances, the value of the imports must always exceed the value of the exports; and that this excess of importation has not, speaking generally, any tendency to render the *real* exchange unfavorable.

**In Countries carrying on an Advantageous Commerce, the Value of the Imports must always exceed the Value of the Exports.**

It is the business of the merchant to carry the various products of the different countries of the world from those places where their value is least, to those where it is greatest; or, which is the same thing, to distribute them according to the effective demand. It is clear, however, that there could be no motive to export any commodity, unless the commodity which it was designed to import in its stead was of greater value. When an English merchant orders a quantity of Polish wheat, he calculates on its selling for so much more than its price in Poland as will be sufficient to pay the expense of freight, insurance, &c. : and to yield, besides, the common and ordinary rate of profit on the capital employed in the business. If the wheat did not sell for this sum, its importation would obviously occasion a loss to the importer. No merchant ever did or ever will export, but in the view of importing a greater value in return. And so far from an excess of exports over imports being any criterion of an advantageous commerce, it is quite the reverse; and the truth is, notwithstanding all that has been said and written to the contrary, that unless the value of the imports exceeded that of the exports, foreign trade could not be carried on. Were this not the case—were the value of the exports always greater than the value of the imports, merchants would lose on every transaction with foreigners, and the trade

with them would either not exist at all, or, if begun, would be speedily relinquished.

In England, the rates at which exports and imports are valued were fixed so far back as 1696. But the very great alteration that has since taken place, not in the value of money only, but in the cost of most part of the commodities produced in this and other countries, has rendered this *official* valuation, though valuable as a means of determining their quantity, of no use whatever as a criterion of the true value of the imports and exports. To obviate this defect, an account of the *real* or *declared* value of the exports is annually prepared from the declarations of the masters, and laid before parliament. There is, however, no such account of the imports; and, owing to the difficulties which high duties throw in the way, it is, perhaps, impossible to frame one with any thing like accuracy. It has also been alleged, and apparently with some foundation, that merchants have not unfrequently exaggerated the value of articles entitled to drawbacks on exportation; but the recent extension and improvement of the warehousing system, and the decrease in the number of drawbacks, must materially lessen whatever fraud or inaccuracy may have arisen from that source. Indeed, as most articles are charged with an *ad valorem* duty of 10s. per cent. on exportation, the fair presumption is, that their value will be underrated. We believe, however, that the declared value of the exports comes pretty near the truth, at least sufficiently so for all practical purposes.

But if perfectly accurate accounts could be obtained of the value of the exports and imports, there can be no manner of doubt that in ordinary years the latter would always exceed the former. The value of an exported commodity is estimated when it is shipped, *before* its value is increased by the expense incurred in transporting it to the place of its destination; but the value of the commodity imported in its stead is estimated *after* it has arrived at its destination, and, consequently, after it has been enhanced by the cost of freight, insurance, importer's profit, &c.

It is of very little importance, in so far at least as the interests of commerce are concerned, whether a nation act as the carrier of its own imports and exports, or employ others. A carrying nation appears to derive a comparatively large profit from its commercial transactions; but this excess of profit is nothing more than a fair remuneration for the capital it employs, and the risk it incurs, in transporting commodities from one country to another. Were the whole trade between this country and France carried on in British bottoms, our merchants, in addition to the value of the goods exported, would also receive the cost of their carriage to France. This, however, would not occasion any loss to that country. The French merchants must pay the freight of the commodities they import; and if the English can afford it on cheaper terms than their own countrymen, there is no good commercial reason, though there may be others of a different kind, why they should not employ them in preference.

In the United States, the value of the imports, as ascertained by the custom-house returns, always exceeds the value of the exports. And although our practical politicians have been in the habit of considering the excess of exports over imports as the only sure criterion of an advantageous commerce, "it is nevertheless true, that the real gain of the United States has been

nearly in proportion as their imports have exceeded their exports." Pitkin on the *Commerce of the United States*, 2d ed. p. 280. The great excess of American imports has been in part occasioned by the Americans generally exporting their own surplus produce, and consequently receiving from foreigners, not only an equivalent for their exports, but also for the cost of conveying them to the foreign market. "In 1811," says the author just quoted, "flour sold in America for nine dollars fifty cents per barrel, and in Spain for fifteen dollars. The value of the cargo of a vessel carrying 5000 barrels of flour would, therefore, be estimated, at the period of its exportation, at 47,500 dollars; but as this flour would, because of freight, insurance, exporter's profits, &c., sell in Spain for 75,000 dollars, the American merchant would be entitled to draw on his agent in Spain for 27,500 dollars more than the flour cost in America, or than the sum for which he could have drawn had the flour been exported on account of a Spanish merchant. But the transaction would not end here: the 75,000 dollars would be vested in some species of Spanish or other European goods fit for the American market; and the freight, insurance, &c., on account of the return cargo would perhaps increase its value to 100,000 dollars; so that in all, the American merchant might have imported commodities worth 52,500 dollars more than the flour originally sent to Spain." It is as impossible to deny that such a transaction as this is advantageous, as it is to deny that its advantage consists entirely in the excess of the value of the goods imported over the value of those exported. And it is equally clear that America might have had the balance of payments in her favor, though such transactions as the above had been multiplied to any conceivable extent.

Instead, therefore, of endeavoring to fetter and restrict the trade with those countries from which we should otherwise import a greater value than we exported, we ought to give it every possible facility. Every man considers that market as the best in which he is able to obtain the highest price, or the greatest value in exchange for his goods; why then should he be excluded from it? Why compel a merchant to dispose of a cargo of muslin for £10,000 rather than £12,000? The wealth of a state is made up of the wealth of individuals; and we have yet to learn that any more effectual method of increasing individual wealth can be devised than to permit every person to make his purchases in the cheapest, and his sales in the dearest market.

**Erroneous Notions relative to the Balance of Trade have been the Cause of the Restrictions which have annihilated the Trade with France.**

It would be difficult to estimate the mischief which absurd notions relative to the balance of trade have occasioned in almost every commercial country. In Great Britain they have been particularly injurious. It is principally to the prevalence of prejudices to which they have given rise, that the restrictions imposed on the trade between this country and France are to be ascribed. The great, and, indeed, the only argument insisted on by those who prevailed on the legislature to declare the trade with France a nuisance (*Prohibition Act, 1st William and Mary,*) was founded on the fact, that the value of the imports from that kingdom considerably exceeded the

value of the exports. The balance was termed a *tribute* paid by England to France; and it was sagaciously asked, what had we done that we should be obliged to pay so much money to our deadly enemy? It never occurred to these wise persons, that no merchant would import any commodity from France, unless it brought a higher price in this country than the commodity exported in its stead; and that the profit of the merchant, or, which is the same thing, the national gain, would depend on this excess of price. The reason assigned for prohibiting the trade, affords the best proof of its having been a lucrative one. There cannot, indeed, be a doubt, that an unrestricted freedom of intercourse between the two countries would be of the greatest service to both. The peculiarities in the soil and climate, and in the national character of the people, of Great Britain and France, enable the one to produce various species of raw and manufactured commodities at a cheaper rate than they can be produced by the other. If we were allowed freely to purchase and import under moderate duties, the silks, the wines, and the brandies of France, those things which we can supply cheaper than our ingenious neighbors would be taken in payment. An extensive market would thus be created for a vast variety of articles, and a natural and powerful stimulus would be applied to the industry of both countries. Nobody denies that the trade with America, Portugal, and the Baltic is advantageous; and if so, why is the trade with France to be considered as prejudicial? Supposing the trade between the two countries were perfectly free, does any one imagine that our merchants would export or import any commodity to or from France, provided they could either sell or buy it on better terms anywhere else? If the restrictions on the French trade be not really injurious, that is, if the trade with France be either a losing or a less advantageous one than that with other countries, we may rest assured that the throwing it open would not make a single individual engage in it.

As the real price of commodities is always proportioned not only to the expense of their production, but also to the expense necessarily incurred in conveying them to the place where they are to be consumed, it is plain that a nation which prohibits trading with the countries in her vicinity must pay a higher price for her imported commodities, and be obliged to exact a higher price for those which she exports, than would be necessary were she able to procure the one or to dispose of the other in her immediate neighborhood. If the same sort of wine could be bought at Bordeaux equally cheap as at Lisbon, the difference of freight would enable it to be sold cheaper in London. It is this principle in fact, which renders the home trade peculiarly advantageous. The parties engaged in it live near each other, and consequently each obtains the commodity of which he stands in need at its cheapest rate, and without being obliged to pay any great additional sum on account of carriage. When, therefore, we restrict the trade with countries in our immediate vicinity, we act in the teeth of that very principle which is, in every other case, admitted to be advantageous. We compel such of our people as purchase foreign commodities, to buy them at a comparatively high price; while by raising the price of the commodities we export, the market for them is injuriously contracted.

But the partisans of the exclusive or mercantile system will perhaps tell us, that they do not mean to contend that it is profitable to export a greater

value than is imported, but that by exporting an excess of raw and manufactured commodities, the balance of payments is rendered favorable, and that this balance (which they consider as representing the entire net profit made by the country on its transactions with foreigners) is always paid in *bullion*.

Favorable or Unfavorable Balance not always received or paid in Bullion.

It will, however, be easy to show that this statement is altogether erroneous; that a balance, whether on the one side or the other, is seldom or never cancelled by means of bullion; and that this balance is not a measure, and has in fact nothing to do with the profit or loss attending foreign commercial transactions.

1. So long as the premium on foreign bills is less than the expense attending the transit of bullion from a country which has an unfavorable real exchange, no merchant ever thinks of subjecting himself to an unnecessary expense, by exporting bullion to pay a foreign debt. But though the premium on foreign bills had increased, so as to equal the cost of exporting the precious metals, for it cannot *exceed* this sum, it does not by any means follow that they would therefore be exported. That depends entirely on the fact, whether bullion be, at the time, the cheapest exportable commodity, or, in other words, whether a remittance of bullion be the most advantageous way in which a debt may be discharged. If a London merchant owe £100 in Paris, he sets about finding out the cheapest method of paying it. On the supposition that the *real* exchange is two per cent. below par, and that the expense of remitting bullion, including the profit of the bullion merchant, is also two per cent., it will be indifferent to him whether he pay £2 of premium for a bill of £100 payable in Paris, or incur an expense of £2, by remitting £100 worth of bullion directly to that city. If the prices of cloth in Paris and London be such, that it would require £103 to purchase and send as much cloth to Paris as would sell for £100, he would undoubtedly prefer buying a bill or exporting bullion. But if, by incurring an expense of £101, the debtor be able to send as much hardware to Paris as would sell for £100, he would as certainly prefer paying his debt by an exportation of hardware. By doing so, he saves one per cent. more than if he bought a foreign bill or remitted bullion, and two per cent. more than if he exported cloth. If there had been any other commodity that might have been exported with more advantage, he would, of course, have used it in preference.

It is obvious, therefore, that the exportation of bullion is regulated by precisely the same principles which regulate the export and import of other commodities. It is exported when its exportation is most advantageous; that is, when it is less valuable at home and more valuable abroad than any other commodity; and it cannot be otherwise exported. The balance of payments might be a hundred millions against a country, without depriving it of a single ounce of bullion. No merchant would remit £100 worth of gold or silver from England to discharge a debt in Paris, if he could invest £98, £99, or any smaller sum in any other species of merchandise which, exclusive of expenses, would sell in France for £100. Those who deal in

the precious metals are, we may depend upon it, as much under the influence of self-interest as those who deal in coffee or indigo. But who would attempt to discharge a foreign debt, by exporting coffee which cost £100, if he could effect the same object by sending abroad indigo which cost only £97? No person in his senses would export a hat to be sold for 20s. provided he could sell it at home for a guinea; nor would any person export an ounce of bullion, if its value were not less in the exporting than in the importing country, or if there were any other commodity whatever that might be exported with greater advantage.

2. It is in vain to contend that, by permitting an unrestricted freedom of trade, one country might become indebted to another, which had no demand for any sort of ordinary merchandise, and which would only accept of cash or bullion in exchange for its exports. Such a case never did, and never will occur. A nation which is in want of money must also be in want of other things; for men only desire money because of its being the readiest means of increasing their command over the necessaries and enjoyments of life. The extreme variety, too, in the soil and climate, in the machinery, and in the skill and industry of the artisans belonging to different countries, must always occasion a considerable difference in the prices of their products. And until the cost of production be equalized, there must always be a foreign demand for those commodities which can be produced cheaper at home than abroad; and until the desire to accumulate be banished from the human breast, there must always be an inclination to send commodities from those countries where their exchangeable value is least, to where it is greatest.

3. In treating of the *nominal* exchange, we endeavored to show, that it is impossible that any country should be able, for any length of time, to import or export a greater quantity of bullion than may be necessary to preserve the value of bullion in it, in its proper relation to the bullion of other countries; or, which is the same thing, to have the *real* exchange either permanently favorable or unfavorable. But though this principle be strictly true in reference to its *aggregate* exchanges, it is incorrect when the state of its exchange with one country only is considered. Great Britain, for example, may constantly have the exchange in her favor with Portugal, provided she have it constantly, and to an equal extent, against her with the East Indies, or some other country. "She may," to use the words of Mr. Ricardo, "be importing from the north the bullion which she is exporting to the south. She may be collecting it from countries where it is relatively abundant, for others where it is relatively scarce, or where, from some particular causes, it is in great demand. Spain, who is the great importer of bullion from America, can never have an unfavorable exchange with her colonies; and as she must distribute the bullion she receives among the different nations of the world, she can seldom have a favorable exchange with the countries with which she trades." See *Reply to Mr. Bosanquet's Observations on the Report of the Bullion Committee*, p. 17; one of the best pamphlets that has ever been published on the subject of exchange.

It was by this principle that Lord King ingeniously, and, we think, successfully accounted for the nearly continued favorable exchange between this country and Hamburgh, from 1770 to 1799. His Lordship showed that the importation of bullion from Hamburg and other countries was only

equivalent to the quantity exported to the East Indies and consumed at home; that the demand corresponded to the supply; and that its value remained pretty stationary. The extraordinary influx of bullion into this country from the continent at the era of the bank restriction in 1797, and the very favorable state of the exchange, were undoubtedly owing, in a very great degree, to the reduction in the issues of bank paper, and to the diminution of the gold currency caused by the hoarding of guineas, &c. In 1797 and 1798, above *five* millions of guineas were coined at the mint; and this extraordinary demand for gold is of itself abundantly sufficient to account for the very favorable exchange of that period, and for the length of time which it continued. But, at the same time that the demand for *gold* bullion for the mint was thus increased, the demand for *silver* bullion, for the purpose of exportation by the East India Company, had also been porportionally augmented. In 1795, the quantity exported on account of the Company, and of private persons, amounted to only 151,795 ounces.

|            |         |  |            |           |
|------------|---------|--|------------|-----------|
| In 1796 to | 290,777 | \| | In 1798 to | 3,565,691 |
| 1797 . . . | 962,880 |  | 1799 . . . | 7,287,327 |

From this period the exportation of silver to the East Indies was very much reduced; and, in the years in which the exchange was most unfavorable, it had almost entirely ceased.

Instead, therefore, of the extraordinary importation of bullion from Hamburg in 1797 and 1798 affording, as Mr. Bosanquet and others have supposed, a practical proof of the fallacy of the opinion of those who contend that it is impossible, for any length of time, to destroy the natural equality in the value of bullion in different countries, it is a striking example of its truth. Without this influx, bullion in this country could not have maintained its proper value, as compared with that of other countries. We imported it, because, owing to the reduction of the paper currency, and the increased exports by the East India Company, its value was rendered higher here than on the continent; and, consequently, because the continental merchants found it advantageous to send bullion to us, in the same manner as they would have sent corn, or any other commodity for which there happened to be an unusual demand in Great Britain. For, however favorable the *real* exchange between Hamburg and London might have been to the latter, we should not have imported a single ounce of bullion, had it not been, at the time, the most advantageous article with which Hamburg could discharge its debt to London.

4. In the absence of all other arguments, it would be sufficient to state, that it is physically impossible that the excess of exports over imports, as indicated by the custom-house returns, should be paid in bullion. Every country in the world, with the single exception of the United States, has its apparently favorable balance; and of course, if they really existed, they would have to be paid by an influx of bullion from the mines correspondent to their aggregate amount. It is certain, however, that the entire produce of the mines, though it were increased in a *tenfold* proportion, would be insufficient for this purpose! This of itself is decisive of the degree of credit which ought to be attached to the commonly received opinions on this subject.

5. In the last place, the profit on transactions with foreigners does not consist in the quantity of bullion imported from abroad, but in "the excess of the value of the imports over the value of the exports." If, in return for exported commodities worth *ten* or *twenty* millions, we import such as are worth *fifteen* or *thirty*, we shall gain 50 per cent. by the transaction, though the exports should consist entirely of bullion, and the imports of corn, sugar, coffee, &c. It is a ridiculous prejudice that would make us import bullion rather than any other commodity. But whatever the partisans of the exclusive system may say about its being a *preferable product*, a *merchandise par excellence*, we may be assured that it will never appear in the list of exports or imports, while there is any other commodity with which to carry on trade that will yield a larger profit.

Effect of Fluctuations in the Real Exchange on Foreign Trade.

Thus it appears that the excess of exports over the imports, instead of being any proof of an advantageous commerce, is distinctly and completely the reverse;—that a commercial country may, and almost always does, import commodities of greater value than it exports, without rendering itself indebted to foreigners;—and that when a balance of debt has been contracted, that is, when the sum *payable* to foreigners for imported commodities is greater than the sum *receivable* from them for exported commodities, the balance will not be paid by sending bullion from the debtor to the creditor country, unless it be at the time the most profitable article of export.

We have, in the previous *section*, shown that fluctuations in the nominal exchange have no effect on foreign trade. When the currency is depreciated, the premium which an exporter derives from the sale of the bill drawn on his correspondent abroad, is barely equivalent to the increase in the price of the goods exported, occasioned by the depreciation. But when the premium on a foreign bill is not a consequence of a fall in the value of money, but of a deficiency in the supply of bills, there is no rise of prices, and under such circumstances the unfavorable exchange undoubtedly operates as a stimulus to exportation. As soon as the *real* exchange diverges from *par*, the mere inspection of a price current is no longer sufficient to regulate the operations of the merchant. If it be unfavorable, the premium which an exporter receives on the sale of bills must be included in the estimate of the profit he is likely to derive from the transaction. The greater that premium, the less will be the difference of prices necessary to make him export. And hence an unfavorable *real* exchange has exactly the same effect as a bounty on exportation equal to the premium on foreign bills.

But for the same reason that an unfavorable *real* exchange increases exportation, it proportionally diminishes importation. When the exchange is really unfavorable, the price of foreign commodities brought to our markets must be so much under their price at home, as not merely to afford, exclusive of expenses, the ordinary profit on their sale, but also to pay the premium which the importer must give for a foreign bill, if he remit one to his correspondent, or for the discount, added to the invoice price, if the latter draw upon him. A much less quantity of foreign goods will therefore suit our

markets when the *real* exchange is unfavorable ; and fewer payments having to be made abroad, the competition for foreign bills is diminished, and the *real* exchange rendered proportionally favorable. In the same way, it is easy to see that a favorable *real* exchange must operate as *duty* on exportation, and as a *bounty* on importation.

It is thus that fluctuations in the *real* exchange have a necessary tendency to correct themselves. They can never, for any considerable period, *exceed* the expense of transmitting bullion from the debtor to the creditor country. But the exchange cannot continue permanently favorable or unfavorable to this extent. When favorable, it corrects itself by restricting exportation and facilitating importation ; and when unfavorable, it produces the same effect by giving an unusual stimulus to exportation, and by throwing obstacles in the way of importation. The true *PAR* forms the centre of these oscillations ; and though the thousand circumstances that daily and hourly affect the state of debt and credit, prevent the ordinary course of exchange from being almost ever precisely at par, its fluctuations, whether on the one side or the other, are confined within certain limits, and have a constant tendency to disappear.

The natural tendency which the exchange has to correct itself is powerfully assisted by the operations of the bill merchants.

The Operations of the Bill Merchants have a Tendency to lessen Fluctuations in the *Real* Exchange.

England, for example, may owe an excess of debt to Amsterdam, yet, as the aggregate amount of the debts *due* by a commercial country, is generally balanced by the amount of those which it has to receive, the deficiency of bills on Amsterdam in London will most probably be counterbalanced by a proportional redundancy of them in some other quarter. Now, it is the business of the merchants who deal in bills, as of those who deal in bullion or any thing else, to buy them where they are cheap, and to sell them where they are dear. They therefore buy up the bills drawn by other countries on Amsterdam, and dispose of them in London ; and by so doing, prevent any great fall in the price of bills on Amsterdam in those countries in which the supply exceeds the demand, and any great rise in Great Britain and those countries in which the supply happens to be deficient. In the trade between Italy and this country, the bills drawn on Great Britain amount almost invariably to a greater sum than those drawn on Italy. The bill merchants, however, by buying up the excess of the Italian bills on London, and selling them in France, Holland, and other countries indebted to England, prevent the *real* exchange from ever becoming very much depressed.

A large Foreign Expenditure has no Permanent Effect on the Exchange.

An unusual deficiency in the supply of corn, or of any other article of prime necessity, the demand for which could not be immediately contracted, by causing a sudden augmentation of the imports from abroad, materially affects the state of debt and credit with foreign countries, and depresses the exchange. In time of war the balance of payments is liable to be still further

deranged; the amount of the bills drawn on a country carrying on foreign hostilities, being increased by the whole expense of its armaments abroad, and of subsidies to foreign powers. But neither the conjoined nor separate influence of both or either of these causes can exert any permanent influence over the exchange. A sudden increase in the accustomed supply of bills must, in the first instance, by glutting the market, occasion their selling at a discount; but this effect can only be of temporary duration. The unusual facilities which are then afforded for the exportation of manufactured produce to the foreign market, and the difficulties which are thrown in the way of importation, never fail speedily to bring the *real* exchange to par.

In a period of profound peace we may, by exporting an excess of raw or manufactured produce, overload the foreign market, and occasion such a decline in the price of British goods abroad, as to render the imported less valuable than the exported commodities with which they have been purchased. But such a state of things speedily effects its own cure. The distress which it necessarily occasions leads to an immediate diminution of exports; and the supply of British commodities in the foreign market being thus rendered more nearly commensurate with the demand, they of course sell for an adequate profit; and the value of the imports again exceeds, as it always ought to do, the value of the exports. But whenever a country has a large foreign expenditure to sustain, its exports are proportionally augmented. Such an expenditure can only be discharged either by the government directly sending abroad an equivalent amount of commodities, or by means of bills of exchange drawn against produce exported by private individuals. Supposing the foreign expenditure of Great Britain during the late war to have amounted to ten or twenty millions a-year, it is evident we must have annually exported an equal amount of the produce of our land, capital, and labor, for which payment would be received, not, as in ordinary cases, by a corresponding importation of foreign commodities, but from the treasury at home. This is strictly true, even though it were admitted that the expenditure had, in the first instance, been entirely discharged by remittances of bullion; for the increased supply of bullion which was thus required could be obtained only by an equally increased exportation of other produce to the countries possessed of mines, or from which it could be advantageously imported. Foreign expenditure, by increasing exports precisely in proportion to its own amount, is incapable of exerting any permanent effect on the exchange.

Thus it appears that a *really* great excess of exports, instead of being any criterion of increasing wealth at home, is only a certain indication of great expenditure abroad. "When," says Mr. Wheatley, "the exports exceed the imports, as they must do when there is a large foreign expenditure, the equivalents for the excess are received abroad in as full and ample a manner as if the produce which they purchased were actually imported and entered in the custom-house books, and afterwards sent to the seat of war for consumption. But from the circumstance of its not being inserted in the custom-house entries as value received against the produce exported for its payment, the latter is deemed to constitute a favorable balance, when it is in reality exported to liquidate a balance against us." (Wheatley *On the Theory of Money*, p. 219.)

## Cause of the Rise of the Exchange in 1815 and 1816.

But however conclusive this reasoning may appear, it has nevertheless been contended, that it is at *variance with the fact*; and that the rise of the exchange in autumn, 1814, and its restoration to par in 1816, when the restriction on cash payments at the bank was in full operation, is a practical and convincing proof that its previous depression had not been a consequence of the depreciation of the currency, but of the excessive supply of bills on London in the foreign market, occasioned by the expensive contest in which we were then engaged. According to our view of the matter, however, this fact leads to a precisely opposite conclusion. It is of no use to tell us that the exchange came to par while the restriction act was unrepealed. It was never contended that the fact of such law being in existence had any effect on the currency. The restriction was justly condemned, because it *enabled* the Bank of England to deluge the country with paper. If the bank had never abused that power,—if the proprietors had sacrificed their own individual interests to those of the public, and had constantly kept their paper on a level with bullion,—the restriction act, though unwise, would, as to consequences, have been the same as if it had never existed. The question is not, therefore, whether the exchange came to *par* while the restriction continued, but *whether it came to PAR while as many notes circulated as in the period of its greatest depression?* If this could be shown, and if it could also be shown that the effective demand for paper had not, at the same time, been proportionally increased, the argument would be conclusive; and we should be compelled to admit that a great comparative increase of paper money has no tendency to diminish its value, or to render the *nominal* exchange unfavorable!

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, 1815, and 1816. In that period above 240 country banks stopped payment; and ninety-two commissions of bankruptcy were issued against these establishments; being at the rate of *one* commission against every *seven and a half* of the total number of banks existing in 1813! 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 the three years in question has seldom been estimated at less than from *sixteen to twenty* millions, though it probably amounted to a great deal more. Mr. Horner, the accuracy and extent of whose information cannot be called in question, made the following statement on this subject, in his place in parliament:

“From inquiries he had made, and from the accounts on the table, he was convinced that *a greater and more sudden reduction of the circulating medium had never taken place in any country than had taken place since the peace in this country*, with the exception of those reductions that had taken place in France after the Mississippi scheme, and after the destruction of the assignats. The reduction of the currency had originated in the previous fall of the prices of agricultural produce. That fall had produced a destruction of country-bank paper, to an extent which would not have been thought possible, without more ruin than had actually ensued. The Bank

of England had also restricted its issues. As appeared by the accounts recently presented, the average amount of its currency was not, during the last year, more than between £25,000,000 and £26,000,000; while two years ago it had been nearer £29,000,000, and at one time even amounted to £31,000,000. But without looking to the diminution of Bank of England paper, the reduction of the country paper was enough to account for the rise which had taken place in the exchange."

Here, then, is the cause of the exchange coming to par in 1815 and 1816. It had nothing to do with the cessation of hostilities, but was entirely a consequence of the increased value of our currency, caused by the sudden reduction of its quantity. Instead, therefore, of being at variance with the principles we have been endeavoring to elucidate, this fact affords the strongest confirmation of their perfect correctness. And having been sanctioned by the fullest experience, they may be considered as beyond the reach of cavil and dispute.

An objection of a different sort has been made, by a very able economist, to another part of the theory maintained in this *section*, of which it may be proper to take some notice.

[ To be continued in the March No. ]



**THE FIRST COTTON FACTORY.**—A correspondent of the Providence Journal says:

"The American Quarterly Register for June contains some very interesting manufacturing statistics. The editor has fallen into an error, however, which we take the liberty to correct. Speaking of the factory erected in Byfield, Mass., in 1793, he says it was 'the first regular factory establishment in the United States.' There are at least two that took precedence of the Byfield establishment, viz.: one in Beverly, Mass. erected in 1788, and chartered in 1789, and one in Pawtucket, established in 1790. The spinning and weaving in the Beverly factory were done by hand power. In the Pawtucket factory, the machinery was moved by water power. In 1789, General Washington visited the factory in Beverly, and expressed a warm interest in its success. During that year, 10,000 yards of cotton goods, such as corduroys, velveteens, &c., were manufactured there. It was a day of small things, indeed, but the representative of a branch of industry now vitally connected with our national prosperity."

**THE MINERAL WEALTH OF ALABAMA.**—Of the extent and value of the coal deposits in this region there can be no doubt. Most of the coal beds hitherto found are less than four feet in thickness — in strata too thin for mining — but several of them are four feet thick and upwards. Those above three feet are more numerous still. I do not mean that they are found in numerous places merely, but that they are different strata, clearly defined, lying one above another. The far greater number are above the level of high water, appearing in bluffs which overhang the channel of the stream, and, indeed, at the bottom of its bed. The river runs on coal, sometimes bare, sometimes shielded by sand rock, for above one hundred miles. The coal is bare in all the little streams that run into the river. The greater part of the land in the coal region is public, and may be obtained at the government price.

The dip of the coal is uniformly in the direction of the natural drainage of the country. All the Warriar beds, thick or thin, are so, and therefore require nothing but ditching to keep the mining operations free from the ingress of water. This is true of those on the North river, also, so far as has been examined. Those on the Cahawba river are at an angle of 45° with the horizon. They dip obliquely across the drainage of the country, and will, it is apprehended, require great power to keep them dry.—*Mobile Herald.*

EXCHANGE BETWEEN ENGLAND AND THE UNITED STATES.

TABLE SHOWING THE RATE OF EXCHANGE ON ENGLAND AT NEW YORK, FOR FIRST PACKET OF EACH MONTH, FROM JAN. 1822, TO DEC. 1849.  
(The prices quoted are in each instance the rate charged for A1 Bills. Good but not well-known Bills usually could have been bought for a fraction less)

|      | Jan. | Feb. | March. | April. | May. | June. | July. | Aug. | Sept. | Oct. | Nov. | Dec. |
|------|------|------|--------|--------|------|-------|-------|------|-------|------|------|------|
| 1822 | 12½  | 12½  | 13     | 13     | 12½  | 12½   | 10    | 10   | 11    | 12½  | 13   | 12½  |
| 1823 | 12½  | 11   | 11     | 3½     | 4    | 5½    | 5½    | 7½   | 6½    | 7    | 7½   | 7½   |
| 1824 | 7½   | 7½   | 8½     | 9      | 8½   | 10    | 9     | 8½   | 9½    | 10   | 9½   | 9½   |
| 1825 | 9½   | 10   | 9½     | 9½     | 8    | 5     | 5½    | 5    | 7½    | 10½  | 9½   | 9    |
| 1826 | 8½   | 8½   | 8      | 7½     | 10   | 9½    | 10½   | 10   | 11    | 12½  | 11½  | 12½  |
| 1827 | 11½  | 10   | 10     | 10½    | 10½  | 11    | 10    | 10   | 11    | 11   | 11½  | 11½  |
| 1828 | 11   | 10½  | 11½    | 11     | 10½  | 11    | 10½   | 9½   | 10½   | 11½  | 11   | 9½   |
| 1829 | 8½   | 8    | 8½     | 8½     | 9½   | 9     | 8½    | 9½   | 9½    | 9½   | 9½   | 9½   |
| 1830 | 9½   | 8½   | 8½     | 8      | 7    | 7     | 6     | 6½   | 6½    | 6    | 7    | 6½   |
| 1831 | 6½   | 6½   | 6½     | 7      | 9½   | 7½    | 10    | 10   | 10½   | 10½  | 10½  | 10   |
| 1832 | 10   | 9½   | 9½     | 9½     | 10½  | 9½    | 9½    | 7    | 8½    | 8    | 8    | 8½   |
| 1833 | 8    | 8    | 8      | 8      | 8½   | 8½    | 8½    | 8½   | 8½    | 7½   | 7½   | 5½   |
| 1834 | 2    | 89   | 99½    | 1      | 3½   | 2     | 2½    | 5    | 6½    | 7    | 7    | 6    |
| 1835 | 7    | 7½   | 7½     | 8½     | 8½   | 9     | 9½    | 9½   | 9     | 9½   | 9½   | 9½   |
| 1836 | 8½   | 10   | 9½     | 7½     | 7    | 7     | 7½    | 7½   | 7½    | 8½   | 8½   | 9½   |
| 1837 | 7½   | 9½   | 8½     | 11½    | 11   | 13    | 18    | 19½  | 21    | 14   | 16   | 14   |
| 1838 | 9½   | 10   | 9      | 7½     | 4½   | 7     | 8     | 7½   | 9½    | 9½   | 9½   | 10   |
| 1839 | 9½   | 9    | 8½     | 9½     | 8½   | 9½    | 9½    | 9½   | 9     | 10   | 9    | 9    |
| 1840 | 8    | 8½   | 8      | 7½     | 8    | 7½    | 7     | 7    | 7     | 8½   | 8½   | 8½   |
| 1841 | 8½   | 8    | 8      | 7      | 7½   | 8½    | 8½    | 8½   | 9     | 9½   | 10   | 9½   |
| 1842 | 8½   | 8½   | 8½     | 6½     | 7½   | 8     | 7½    | 6½   | 7½    | 7½   | 8½   | 6½   |
| 1843 | 5½   | 5½   | 6      | 5½     | 5½   | 8½    | 8½    | 8½   | 9½    | 9½   | 8½   | 8½   |
| 1844 | 8½   | 8½   | 9      | 8½     | 8    | 8½    | 9½    | 9½   | 9½    | 10   | 10   | 10   |
| 1845 | 10   | 10   | 9½     | 9½     | 9½   | 10    | 10    | 10   | 9½    | 9½   | 9½   | 8½   |
| 1846 | 8½   | 8½   | 8½     | 10     | 10   | 9½    | 8½    | 8    | 9½    | 9½   | 6    | 6½   |
| 1847 | 5½   | 6½   | 5½     | 4½     | 6½   | 7½    | 6½    | 6½   | 7½    | 9    | 10   | 10½  |
| 1848 | 10½  | 10½  | 10     | 10     | 10½  | 10½   | 10    | 9½   | 9½    | 9    | 8½   | 8½   |
| 1849 | 9    | 8½   | 8      | 6½     | 6½   | 9½    | 9½    | 9    | 10    | 10   | 10½  | 9    |

## BANKING IN ALABAMA.

*Extracts from the Message of Governor Collier to the Senate and House of Representatives of Alabama, December, 1849, upon the subject of*

## BANKS AND A PAPER CURRENCY.

Entertaining the opinion that the people of this State are in favor of a paper currency, and that they expect the Legislature, at its present session, to enact some safe and practical system, by which it may be provided, at least to some extent, I beg leave to invite the attention of the General Assembly to the early consideration of this interesting subject. It is generally conceded that an exclusive metallic currency is most inconvenient and costly. The loss from abrasion alone is variously estimated at a large sum, while from other causes it perhaps amounts to much more. The convenience and cheapness of paper money induces its use in all commercial countries, and the objection, that it is too easily counterfeited, will lie quite as justly against gold coin.

The right to furnish a paper currency is usually a franchise enjoyed by the few, or if all are allowed to participate in it, certain conditions are prescribed as a pre-requisite; and it is not a mere profitless privilege, but it generally holds forth large gains to the successful banker. Those who enjoy it, should not object to furnish bill-holders and others who may confide in them, a reasonable security that their liabilities will be met; but a preference in making the assets of a bank available, or in charging a stockholder in an incorporated bank, upon his individual liability, should be conceded to the former. Such a distinction in creditors is important to the credit of bank bills, and to induce their free circulation. Depositors cannot complain, as they will act voluntarily in intrusting their money to banks, and with a full knowledge of their rights. The *Free Bank System*, as it has been designated elsewhere, requires an ample and available security to be deposited with some public officer, previous to commencing business; but the only security I have known to be provided in the case of stock banks, is to make the shareholders liable for defaults of the bank, in their individual capacity, in proportion to their respective interests. Such, I believe, has been the law in Massachusetts and perhaps other States, for years. The new constitution of New York introduces it in that State, and a recent statute has enacted a remedy by which the constitutional provision may be enforced.

The liability of stockholders, in their private capacity, will have the effect to associate capitalists, and induce prudence and caution in the management of a bank. Banks thus constituted will be apt to command public confidence by the increased security afforded for the payment of their debts. If judiciously conducted, they will do business largely upon their capitals. They would not expand much beyond their present means, and, consequently, but little inconvenience need be apprehended from contractions.

Should it be the pleasure of the General Assembly to incorporate stock banks, I incline to think it best to enact a general law adapted to such banks as may be chartered at the present or any succeeding session,

instead of passing an extended act applying exclusively to each. It cannot be expected that I should state in detail the special provisions of such an enactment; there will be no difficulty in adjusting these, if some of the statutes of our sister States and some of our own are consulted.

I may, however, remark, that among the leading features of such an act, it should be provided :

1. No bank should go into operation until at least one-half of its capital stock shall have been paid in gold or silver coin, the money counted by commissioners appointed for that purpose, and their report made to the Comptroller.

2. The remainder of the stock subscribed should be paid in equal parts, in sixty and one hundred and twenty days from the time the bank commences operations. Upon default of a stockholder to make such payment, his shares should be sold, and if they shall yield a surplus of money beyond what is necessary to pay for the stock, with interest and the charges incident to the sale, it should be paid over to him.

3. No loan should be made, directly or indirectly, to any stockholder, nor any note or bill discounted on which his name appears as a drawer, drawee, endorser or surety, until the amount of his subscription shall have been paid into the bank; and no part of the capital stock should be sold or transferred until it shall have been fully paid for.

4. The amount of bills issued should not, at any time, exceed thrice the amount of stock actually paid in.

5. If any bank shall issue bills to a greater amount than the law authorizes, the Directors under whose administration it may happen, should be liable for the excess in their private capacities; unless dissenting or absent Directors shall exempt themselves from the liability by complying with certain conditions to be prescribed.

6. No bank should be allowed to employ any part of its money in trade or commerce.

7. If the payment of any bill or note in gold or silver coin shall be delayed or refused, when presented within the usual hours of business, the bank should pay to the holder a certain amount of damages.

8. The powers of the Comptroller and General Assembly in respect to banks should be defined—the causes for which their charters may be forfeited should be particularized, and the Legislature authorized to declare a forfeiture, so as to render it unnecessary to resort to the tedious process of a judicial investigation.

9. Every bank should pay a prescribed annual tax upon its stock actually paid in.

10. No bank should be authorized to issue bills of a less denomination than five dollars, and the Legislature should retain the right to extend the prohibition to ten dollars.

11. The rate of interest on discounting any note, bill, or other security, should be limited to six per cent. Such rate of interest or discount should, however, be calculated according to the established rules of banking; and, in discounting drafts or bills of exchange, in addition to the rate of interest, it should be allowable to charge the then existing rate of exchange between the place where the bank is located and where the draft or bill is payable.

12. The President and Cashier of each bank should, once in each year, transmit to the Comptroller a report, to be made out according to a form to be furnished by the latter, showing the condition of their respective banks.

13. For refusing to pay money deposited or collected, within some reasonable time after demand duly made, each bank should be made summarily liable to the amount deposited or collected, with interest and damages.

14. The remedy for and against banks should be summary and mutual.

15. Upon any bank's charter expiring, being forfeited or declared void, the remedy for and against the bank should be continued until its business is closed.

16. A provision similar to that of the eleventh section of the act to incorporate the Mobile Bank should be inserted, so as to make the stockholders liable in their individual or private capacities for the debts of the bank. It should be also provided, that stockholders who pay more than their proportions of demands may recover contribution, as in other cases of suretyship.

17. The mode of assigning stock, with the restrictions upon assignments, should be clearly defined.

The Free Bank System, as it is styled, has been established in several States, and is quite a favorite in New York, the State in which it was first introduced. It authorizes every individual or association to engage in the business of banking, and as there recently modified, requires the whole circulation to be secured by a deposit with the Comptroller of stocks of the State of New York or of the United States, to be, or to be made, equal to stocks producing six per cent *per annum*, for at least one-half the amount of the issue; the other half may be secured by such stocks, or by bonds and mortgages on improved productive real estate, to be taken for not more than two-fifths the value of the land, exclusive of buildings. Upon such security being given by a banking association or an individual banker, the Comptroller delivers to the association or individual an equal amount of bank notes for circulation, duly numbered, registered and countersigned, in his office; and these notes form the circulation on which a banking business is done. If a bank note is not redeemed upon due presentation, by the association or individual issuing it, it is protested for non-payment, the securities made available for the payment of the circulation, notice given that it may be presented for payment—and the business thus closed. Whenever it is proposed to withdraw the securities, it is only necessary to return the bills to the Comptroller.

This system seems to combine, at least in theory, simplicity, safety and a reasonable prospect of gain to the banker; and if it will succeed and secure all these advantages, I am free to declare, that it commends itself very favorably to our consideration. In this State, we certainly could not receive real estate as security to any extent; its value is so fluctuating and uncertain, that it is impossible to estimate what it would command in cash at the present moment, much less what it will sell for at any future indefinite period. Even in New York, the average price at which mortgages, taken under the free bank law, were sold, up to the time of the recent modification, was a fraction less than sixty-eight cents on the dollar. Alabama has paid the interest upon her debt, according to the letter of her contract, and never has manifested, and we hope never will, a disposition to repudiate;

yet her bonds do not retain their nominal value in market, doubtless because when her available means are exhausted, she will have a large sum to raise by taxation, and it is apprehended by foreign capitalists, that as the debt becomes stale, the generation which contracted it passes away, and a new population takes place, the force of the obligation will not be sufficiently felt to induce them to submit to the burthen until the debt is extinguished. These considerations, with the additional one, that the bonds are renewable at the pleasure of the State, have caused them to depreciate far below par value. We have done nothing to contribute to such a result, and consequently are not censurable for any departure from the line of moral duty. I have made this statement to show that our bonds would be an inadequate security, if taken at par, and consequently could not be received at that rate. Could we receive them at a lower estimate, without incurring the charge of intending to depreciate them for selfish motives? Besides, the professed object of the free bank law is to secure the bill-holder by securities readily convertible into cash. Are not depreciated stocks too unsteady to predicate of their present value what they will command in future? I merely throw out these suggestions, without pretending to affirm that some plan may be devised mutually agreeable and beneficial to the State and the bond-holder, by which our bonds may be received as security to some extent. We should not hesitate to authorize the reception of United States six per cents., or any other stocks of the Federal Government made equal to them so as to insure a sale at par, should a default occur.

The effect of this system of banking would be to advance the stocks that were receivable, and thus diminish its own profits; for all that was paid for them above the par value would be a clear loss, unless it could be reimbursed by the accruing interest, and the profits realized by the use of the notes received from the Comptroller. When the stocks were paid off, the advanced price at which they were purchased would not be refunded.

Upon the hypothesis that the securities were obtained at par, the profits of the banker may be thus stated: Interest upon one hundred dollars of stock at six per cent. is six dollars, and as he may safely use as much as eighty or ninety per cent. of the bills, (especially if he live in Mobile, or at a point where he can communicate with it by steam,) the profits thus made may be also added, deducting the charges of the Comptroller and the expenses incident to the business. If the security is unquestionable, and the banker's operations and business qualifications are such as to command entire confidence, he will, most probably, only be called on for small sums in specie, the payment of which will not at all embarrass him. An intelligent and cautious banker would deal largely in exchange, and place himself in funds at those points where money is most needed. Thus, such a one doing business in the interior of South Alabama, well supplied with exchange on Mobile and New York, with ten per cent. of coin, would be impregnable; for as it respects this portion of our State, these are the points of *centralization*, and exchange there would be at least equivalent to specie.

The profits of such an institution would, perhaps, be something less than a stock bank, organized upon the plan we have developed, if all the means which the latter is authorized to employ were actively and judiciously used; yet, it is believed that few stock banks realize greater profits than a success-

ful banker under the free bank system. To this it may be added, the latter system will prove safer for individual bankers, even if less profitable. An advantage has been given to the free banks in the city of New York over the safety fund banks, by permitting them to charge a higher rate of interest on short paper, and exempting them from the safety fund tax. We might, perhaps, relieve them from the payment of a tax beyond what is necessary to defray the expenses they occasion; but I should deem it inexpedient to discriminate in the rate of discount.

I cannot avoid the conviction that the free bank system furnishes the safest circulation of any with which we are familiar; and as it cannot expand beyond a defined limit, no great danger is to be apprehended from its contraction.

Notwithstanding the system is safe, and to a great degree powerless for harm, I doubt whether it can be relied on to furnish a paper currency in this State. Our citizens own but a small amount of stocks, and, it is believed, would not be inclined to invest in any but United States six per cents., and not even in these at the present advanced price. Although non-resistant holders of stocks might lend them to some extent upon assurances of being well compensated by the borrowers, it is barely probable that a sufficient amount would be brought here to furnish a circulation adequate to the wants of our people. But suppose the deposit of stocks with the Comptroller should authorize the issue of as much circulation as we could advantageously use, will not the withdrawal of the stocks, in consequence of the payment by the United States, or the States, cause an inconvenient change in moneyed facilities? As neither the States nor Federal Government are inclined to continue their indebtedness beyond the period of their ability to discharge it with convenience, can we rely upon their stocks for any length of time as the basis of a paper currency? It is impossible to answer these questions with certainty—they may, however, serve to show some of the difficulties with which the subject is surrounded.

In view of all the considerations adduced, I am of opinion that the Legislature should incorporate one stock bank, with a capital of a half million of dollars, with restrictions quite as effectual to secure honesty and caution as those I have enumerated. As such a bank would not afford a circulation sufficient to meet the demands of a regular and safe business, I respectfully recommend to the General Assembly to repeal the act of the second of February, 1839, entitled "An Act to prohibit unlawful Banking Associations, and for other purposes," and to regulate and restrict the common law right of banking, in such manner as to prohibit its exercise in any other form than I have indicated, is best adapted to our situation.

If the latter recommendation is received with favor, I would suggest that no deposit of stock should be received from any banker for a less sum than one hundred thousand dollars. It is not supposed to be necessary to prescribe a *maximum* applicable to any one, or all who may be inclined to engage in banking. The business is not likely to be overdone; if it should, it is said it will soon adjust itself, like every other commercial pursuit. If, however, it is thought best, as a prudential measure, to designate a *maximum*, the amount of issues may be fixed and apportioned at different points.

I am aware that some persons entertain the opinion that the free bank

system is directly in conflict with the constitutional provisions which declare that no more than one bank or branch bank shall be established, nor bank charter renewed, at any one session of the General Assembly; that at least two-fifths of the capital stock of a bank shall be reserved for the State; and that no bank shall commence operations until half of the capital stock subscribed is paid in gold or silver. It cannot be necessary to meet this objection with an elaborate argument. The Court of the last resort of this State has decided that private banking is a common law right, not in any manner impaired by the provisions referred to; that the constitution, as its terms indicate, only restricts the power of the Legislature in the creation of corporations for the purpose of banking; and that the Legislature may prohibit private banking entirely, or tolerate it upon conditions. I might add further, that our constitution was adopted a few months after the disastrous operations of the banks of some of our sister States—many of which had been incorporated within a shorter period than eighteen months, and developed their bankruptcy before that had emerged from a chrysalis state. It was this state of things that suggested the precautionary provisions, and if these provisions were doubtful, should assist their interpretation. The recognition of the free bank system, and limiting it to individual bankers, will be nothing more than regulating and restricting the common law right to bank, and goes clear of any conflict with the constitution. Where several persons jointly engage in the business of banking, they should be made liable to their creditors as limited or special partners. If the free bank system shall furnish an ample paper currency, and succeed to the satisfaction of the people, future legislatures will, of course, refuse to add to the number of stock banks. It would certainly be improper to do so, as a spirit of rivalry between the two systems would be apt to generate antagonism, which might prove prejudicial to the public. Be this as it may, it is believed but little inconvenience can result from the establishment of a stock bank, with the limited capital suggested, if the General Assembly shall determine that it is expedient to permit a paper currency to be provided by our own citizens.

I have already drawn this exposition to a length quite beyond what I had desired—but I felt it due to public expectation to say thus much, and have only to add, that the present is the most propitious period for the establishment of a permanent policy upon this interesting subject. It may now be adjusted under the influence of dispassionate reason—but, if it is delayed, the public feeling may be aroused and the clamor for paper money be such, that the teachings of prudence will be unheeded and the proper safeguards lost sight of.

#### *The Bank of Mobile.*

I assume that this institution has been managed with much financial ability, and that its present condition indicates unusual prosperity, yet I am sure that neither the State nor the bank can be prejudiced by the former disposing of its stock in the latter. The connection, if continued, will be apt to prove prejudicial to both. Past experience has demonstrated the impolicy of the State becoming a banker. Whether the Directors are

selected by the General Assembly or the Executive, it is not to be expected that the choice will be so judicious, as if it were made by individual stockholders. Many of the latter would act upon their own personal knowledge, and the others upon reliable information, derived from those who have a like interest with themselves; while either of the departments mentioned would most usually act upon testimonials, which speak in general terms of qualification, without attempting to discriminate between applicants for the Directory, or, upon the representations of persons concerned, to advance their own interests. The State cannot be placed upon an equal footing in guarding its rights, and it should not adventure its funds in a corporation whose business is to deal in money. I therefore recommend the passage of an act authorizing the sale of the State stock in the Mobile Bank, as soon as it can be sold on such terms as will discharge the bonds upon which the loan was effected to pay for it, and relieve the State from the demand of the bank for interest paid on the bonds. If it be thought essential to the constitutionality of such an act, that two-thirds of the stock should be reserved for the State, it will only be necessary to increase the stock to that extent and continue the reservation. Such an amendment of the charter would be altogether harmless, as the State will never claim the stock.

It is needless to declare that the State shall not become a stockholder in a bank; so long as the constitution remains unaltered, "at least two-fifths of the capital stock shall be reserved for the State." But, notwithstanding this constitutional provision, it is not imperative upon the State to pay for the *reserved stock*—it must depend upon the volition of the Legislature whether it will ever be taken. I will not pretend to say that the regulations and restrictions I have specified may not be improved. They have been stated with diffidence, yet seem to me to meet the objections which have been justly urged against a latitudinous system of banking.

~~~~~

CUSTOMS DUTIES, YEAR ENDING 5 JAN. 1849.

*Detailed Statement of the Principal Sources of Custom House Revenue,
Great Britain.*

Butter,	£140,105	Pepper,	£83,568
Cheese,	106,090	Gloves,	41,320
Eggs,	32,096	Silk Manufactures,	274,504
Rice,	7,818	Silk and Thread Lace,	8,662
Coffee,	709,632	Embroidery and Needle Work,	13,576
Tea,	5,329,991	Rum, Brandy, Geneva, &c.,	2,387,591
Cocoa and Chocolate,	18,323	Timber, Deals, Buttons, &c.,	737,200
Currants,	299,096	Watches,	7,082
Figs,	19,707	Cologne Water,	5,748
Nutmegs,	18,216	Tobacco and Snuff,	4,350,732
Nuts, Walnuts, &c.,	21,718	Artificial Flowers,	12,010
Oranges and Lemons,	75,590	Clover Seed,	31,100
Raisins,	179,564	Miscellaneous,	351,714
Sugar and Molasses,	4,741,263		
Wines,	1,732,232	Total for the year 1848,	£22,523,976
Corn, Meal and Flour,	787,668		

REVENUE OF GREAT BRITAIN.

FOR THE YEAR ENDING 5 JANUARY, 1846, 1847, 1848, 1849.

<i>Revenue.</i>	1846.	1847.	1848.	1849.
Customs,	£20,196,856	£20,568,909	£21,655,662	£22,523,976
Excise,	13,585,583	13,988,310	13,919,652	15,043,235
Stamps,	7,710,683	7,505,180	7,671,324	6,785,052
Land and assessed Taxes,	4,223,842	4,272,409	4,553,860	4,508,461
Property and Income Tax,	5,026,570	5,395,391	5,612,655	5,485,164
Post Office,	753,000	845,000	2,181,017	2,143,680
Crown Lands,	120,000	120,000	430,763	362,500
China Indemnity,	1,142,924	667,644	. . . . .	539,305
Deficiency, . . . .	. . . . .	. . . . .	2,880,138	796,420
Surplus Fees,	41,839	226,518	106,880	53,548
Miscellaneous,	259,056	200,777	218,462	749,425
Total,	£53,060,353	£53,790,138	£59,230,413	£58,990,736
<i>Expenditures.</i>	1846.	1847.	1848.	1849.
Public Debt,	£23,847,243	£23,739,573	£23,799,259	£23,978,113
Terminable Annuities,	3,980,022	3,916,982	3,905,974	3,795,076
Navy,	6,809,873	7,803,464	8,013,873	7,922,286
Army,	6,744,689	6,699,700	7,540,405	6,647,284
Ordnance,	2,109,707	2,361,534	2,947,869	3,076,124
Annuities, Pensions, &c.	544,408	532,660	529,804	509,762
Salaries and Allowances,	249,645	265,978	1,69,811	271,381
Civil List,	392,165	393,051	393,983	395,245
Diplomatic Salaries,	175,192	175,056	171,346	166,492
Courts of Justice,	769,433	870,409	1,046,594	1,098,403
Interest on Exchequer Bills,	426,607	421,432	436,298	790,327
Miscellaneous,	3,193,829	3,264,338	4,695,658	342,550
Kaffir War, . . . .	. . . . .	. . . . .	. . . . .	1,100,000
Charges of Collection, . . . .	. . . . .	499,653	3,963,539	4,805,600
Surplus,	3,817,640	2,846,303	. . . . .	. . . . .
Distress in Ireland, . . . .	. . . . .	. . . . .	1,525,000	4,092,093
Total,	£53,060,353	£53,790,138	£59,230,413	£58,990,736

TRADE OF GREAT BRITAIN.

ANNUAL CONSUMPTION OF SUGAR, TEA, COFFEE, COCOA, RICE, CURRANTS AND RAISINS, FOR EACH YEAR FROM 1843 TO 1848, INCLUSIVE.

	1843.	1844.	1845.	1846.	1847.	1848.
Sugar, <i>cwt.</i>	4,028,307	4,129,443	4,856,604	5,220,248	5,779,508	6,208,872
Tea, <i>lbs.</i>	40,293,393	41,363,770	44,193,433	46,740,344	46,314,821	48,735,971
Coffee,	29,979,404	31,352,382	34,293,190	36,754,578	37,441,372	37,166,292
Cocoa,	2,547,934	2,589,977	2,579,497	2,951,206	3,079,198	2,935,479
Rice, <i>cwt.</i>	315,359	432,480	372,274	545,883	971,694	925,731
Currants,	254,330	284,694	309,485	358,761	331,236	389,500
Raisins,	236,826	202,230	204,960	238,255	212,024	223,542

CHRONICLES AND CHARACTERS

OF THE

STOCK EXCHANGE.

CHAPTER I.

Ancient Mode of supporting Governments. — Ignorance of Political Economy. — Mercantile Greatness. — Early Supplies. — Tulip Mania. — Accession of William.

THE national debt has been designated by some a national nuisance ; by others it has been termed a national necessity. In the earlier history of the world, when war was a war for dominion, and spoliation followed conquest, the victor returned rich with the treasures of conquered states, and his captive paid trebly the expenses of the war. It was thus that the mistress of the world became an emporium for the gathered wealth of temples, for the gorgeous ornaments of a subdued aristocracy, and for the gold which had filled the treasury of barbarous but luxurious nations. These accumulations, together with annual tributes, prevented the formation of a public debt. The Goth, when he poured from his barren recesses upon the cultivated plains of Italy, ignorant of political economy as a science, felt it as a principle, and more than repaid the expenses of his foray by exacting the riches of imperial Rome. Modern Europe teaches us to similar purport ; and Napoleon, in those wars which, to some a memory, are to others history, acted upon the same plan, and made Paris a receptacle for the spoil of many nations.

In the early annals of England, the feudal system prevented the creation of a national debt. The Saxon serf was compelled to follow the banner of his Norman master. The Norman baron, at the command of his sovereign, called his followers to the field, and having, if successful, enriched himself, retraced his path to his mountain fastness and his island home. In these rude ages the art of levying money was unknown ; and victorious armies were often dispersed for want of funds. The conqueror of Pavia was compelled to disband 24,000 men because he could not raise taxes to support them ; and it is a suggestive fact, that when,

during the reign of the third Henry, it was necessary to procure £ 50,000, and a tax of £ 1 2s. 4d. was levied on each parish in England, it only produced about £ 9,500, there being but 8,500 parishes ; so ignorant were the authorities of the very machinery of the state they governed.

From a very early period, the mercantile capacity of England has been developed ; and her insular position, which at once suggested and favored commerce, was taken advantage of by laymen and churchmen. Bishops entered into speculations in herrings, and abbots did not disdain to unite the smuggling with a more saintly calling. But there were other and more legitimate followers of that pursuit which has since made the name of an English merchant a symbol of English greatness. Among these, William de la Pole stands prominently forward ; and the founder of the House of Suffolk is familiar to the student of commercial history. William Canyng — that name so intimately connected with the fortunes of “ the marvellous boy who perished in his pride ” — and Richard Whittington — dear to household memories, and the founder of many princely charities — were others whose munificence was only surpassed by their wealth.

A slight sketch of the tyranny and injustice employed by our earlier monarchs in the production of revenue, may not be unamusing to the readers of the present volume. The records of the Exchequer prove that barbaric acts were performed to obtain money ; that justice was openly bought and sold ; that the supreme judicature of the country could only be approached by bribes to the monarch. The county of Norfolk paid a large sum to Henry I. to secure fair dealing. Yarmouth paid heavily to prevent a king from violating his own charter. Commerce was controlled, and trade was harassed. Corporations and monopolies were created at the monarch's pleasure ; and, as nothing was too small to escape his notice, so nothing was too large to escape his grasp. The wife of Hugh de Neville paid two hundred hens to enjoy the society of her husband twelve hours in prison ; and an abbot paid largely for permission to secure his wood from being stolen. To mitigate the king's anger, or obtain the king's services, money was equally necessary. When peer and prior were sufficiently strong to resist, or sufficiently poor to escape, the farmer and the peasant were visited. The approach of the court was like the approach of the plague ; and men ran to conceal their effects and their persons until the royal plunderer had passed.

Extraordinary emergencies caused extraordinary expenses ; and the call to arms which resounded throughout Europe when Peter the Hermit preached deliverance to the captive Sepulchre, was responded to by Richard I. with the vehemence and energy of his character. To compass his aim, he mortgaged the customs and he farmed the revenues. He exacted money from his subjects in proportion to their wealth, and declared he would sell London itself rather than forego his cherished object. He feigned the loss of his signet, to procure fees ; and, to crown all, resumed, on his return, the property he had previously sold, on the pretence that he had no right to alienate it.

King John adopted the notable plan of imprisoning the mistresses of the priests, confident that the money he could not obtain from their

cupidity he would from their lust. Henry III. seized the merchandise of his subjects, and borrowed a large sum besides, for which he paid a high interest, and which the Parliament refused to discharge. Edward I. seized the money and plate of monasteries and churches, feigned a voyage to the Holy Land, and, when funds were collected to aid him, kept the money, and refused to go. Edward III. erected monopolies, exacted loans, levied arbitrary fines, imposed arbitrary taxes, and, notwithstanding the determined remonstrances of the Commons, claimed the right of doing so at pleasure.

Richard II. pawned the jewels of the crown, sold the furniture of the palace, went from place to place in the fashion of one soliciting alms, and was deposed partially because he extorted large sums which he never repaid. The reign of Henry V., brilliant as it was, would have proved yet more so, had an authorized mode of raising supplies been then organized. Although he took from all quarters, sold his jewels, and borrowed on the security of his crown, he was often compelled to stop in a career of the most splendid success for lack of money. Edward IV. was called the handsomest tax-gatherer in his kingdom; and when he kissed a widow because she gave more than he expected, it is said she doubled the amount, in expectation of a second kiss. Henry VII. adopted all modes and methods; and, having levied a benevolence, made a large claim on those who lived frugally, because they must have saved by their frugality; while, if they lived splendidly, they were dealt with as opulent. It must, however, be recorded of this monarch, that he lent money, without interest, to many merchants whose capital was not sufficient for their commercial operations. When the eighth Henry attempted to raise a forced loan of unusual amount, with unusual rigor, the people said, if they were treated thus, "England was bond, and not free." The county of Suffolk rose in arms; and had not even this man's stubborn spirit quailed before it, the resistance would have changed into rebellion. No sooner had the monarch exhausted all Parliamentary supplies, than he carried out, on a grand scale, the robberies he had often achieved on a small one, by seizing the accumulated property of the monastic classes. In 1522, he required a general loan of ten per cent. upon all property from £20 to £300, and a higher rate on larger sums. By courtesy, it was termed a loan; but when, seven years afterwards, a subservient Parliament acquitted him of all obligation to pay it, a harsher name was recorded in the minds, than the tongues of the people dared to express.

To the English sovereign a certain power over commerce had always been intrusted; but Elizabeth stretched her prerogative, and granted monopolies by scores. Prices rose enormously, and the evil was felt by every family in the realm. The House of Commons remonstrated. When a long list of patents for monopolies was read, one sturdy member demanded, "Is not bread there?" "Bread!" quoth one. "Bread!" cried another. "Yea, bread!" said Mr. Hackwell; "for, if care be not taken, bread will be there before next Parliament." Nor was this all: the coach of the chief minister was surrounded by the populace; menacing murmurs were heard cursing patents; and indignant voices declared that the old liberties of England should not be encroached on by

new prerogatives. With admirable sagacity, the queen saw the necessity of yielding, and did it while she could with grace and dignity. But this sovereign improved upon the plans of her predecessors, — she kept the temporalities of bishoprics in her own hands for years, and appropriated the landed property of sees. Under the name of New Year's gifts, she extorted large sums from the frequenters of the court; she ordered companies to lend her money, — to borrow, if they did not possess it, — and, if she had more than she required, she would return part, provided they would pay her interest for that on which she paid them nothing. To the citizen of the nineteenth century this must appear a fable; but it is a recorded fact, that Elizabeth borrowed money from the citizens, found she had more than she required, and, instead of repaying it, re-lent it to them at seven per cent. on the security of gold and silver plate.

Charles I. seized the money of his merchants; and his bonds were hawked about the streets, were offered to the people as they left church, and sold to the highest bidder. The Commonwealth were debtors, on the security of the forfeited estates. Charles II. took money from France, shut up the Exchequer, borrowed from his friends, and did any thing rather than run the risk of being again sent on his travels. Thus, it would seem, the exchequer of the earlier monarchs was in the pockets of the people; that of Henry VIII. in the suppressed monasteries; Elizabeth in the corporations; and Charles II. wherever he could find it.

The abdication of James II. and the arrival of William III. form an era in the history of the monetary world. The plans adopted by the latter to crush the power of France, and raise the credit of England, were the commencement of that great accumulation known as the National Debt, and the origin, though remote, of that building celebrated throughout Europe as the Stock Exchange. The rapid sketch now presented of the mode in which money was supplied confirms the remark of Mr. Macaulay, that "there can be no greater error than to imagine the device of meeting the exigencies of the state by loans was imported into our island by William III. From a period of immemorial antiquity, it had been the practice of every English government to contract debts. What the Revolution introduced was the practice of honestly paying them."

The earliest instance of that fatal love of speculation, so ruinous to the character and credit of all who possess it, occurred in 1634; and the history of the tulip mania in Holland is as instructive as that of any similar period. In the above year, the chief cities of the Netherlands engaged in a traffic which destroyed commerce and encouraged gambling; which enlisted the greediness of the rich and the desire of the poor; which raised the value of a flower to more than its weight in gold; and which ended, as all such periods have ended, in wild and wretched despair. The many were ruined, the few were enriched; and tulips were as eagerly sought in 1634, as railway scrip in 1844. The speculation was conducted on similar principles. Bargains were made for the delivery of certain roots; and when, as in one case, there were but two in the market, lordship and land, horses and oxen, were sold to pay the deficiency. Contracts were made, and thousands of florins paid, for tulips which were never seen by broker, by buyer, or by seller. For a time, as usual, all won,

and no one lost. Poor persons became wealthy. High and low traded in flowers; sumptuous entertainments confirmed their bargains; notaries grew rich; and even the unimaginative Hollander fancied he saw a sure and certain prosperity before him. People of all professions turned their property into cash; houses and furniture were offered at ruinous prices; the idea spread throughout the country that the passion for tulips would last for ever; and when it was known that foreigners were seized with the fever, it was believed that the wealth of the world would concentrate on the shores of the Zuyder Zee, and that poverty would become a tradition in Holland. That they were honest in their belief is proved by the prices they paid; and the following list shows that the mania must indeed have been deep, when goods to the value of 2,500 florins were given for one root:—

	Florins.		Florins.
2 Lasts of wheat	448	4 Tons of beer	32
4 Lasts of rye	558	4 Tons of butter	192
4 Oxen	480	1000 Pounds of cheese	120
3 Swine	240	1 Bed	100
12 Sheep	120	1 Suit of clothes	80
2 Hogsheads of wine	70	1 Silver beaker	60

Another species commonly fetched two thousand florins; a third was valued at a new carriage, two gray horses, and a complete harness. Twelve acres of land were paid for a fourth; and 60,000 florins were made by one man in a few weeks. But the panic came at last. Confidence vanished; contracts were void; defaulters were announced in every town of Holland; dreams of wealth were dissipated; and they who, a week before, rejoiced in the possession of a few tulips which would have realized a princely fortune, looked sad and stupefied on the miserable bulbs before them, valueless in themselves, and unsalable at any price. To parry the blow, the tulip-merchants held public meetings, and made pompous speeches, in which they proved that their goods were worth as much as ever, and that a panic was absurd and unjust. The speeches produced great applause, but the bulb continued valueless; and, though actions for breach of contract were threatened, the law refused to take cognizance of gambling transactions. Even the wisdom of the Deliberative Council at the Hague was at fault, and to find a remedy was beyond the power of the government. Many years passed before the country recovered from the shock, or commerce revived from the depression which followed the Tulipomania; and which, not confined exclusively to Holland, visited London and Paris, and gave a fictitious importance to the tulip in the two greatest capitals of the world.

CHAPTER II.

The Earliest National Debt. — History of Tontines. — Of the Money Interest, its Origin, Extravagance, and Folly. — Royal Exchange — First Irredeemable Debt. — Tricks of the Brokers. — Jobbing in East India Stock. — False Reports. — Importance of the English Funds. — Picture of the Alley. — Systematic Jobbing of Sir Henry Furnese, Medina, and Marlborough. — Thomas Guy, a Dealer in the Alley.

THE creation of a national debt has been attributed to the Dutch, but is really due to the Venetians. The immediate treasury of the Doge was exhausted; money was necessary; and the most eminent citizens of that great republic were called upon to redeem the credit of their country. A Chamber of Loans was established, the contributors were made creditors, four per cent. was allowed as interest, and she,

“ Who once held the gorgeous East in fee,
And was the safeguard of the West,”

resumed her credit, and increased her power.

So fruitful a source of wealth was not allowed to fall into desuetude. The Florentine republic, experiencing a deficiency in her revenue, established a mount, allowed five per cent. interest, and, says Sir William Blackstone, these laid the foundation of our national debt. The Dutch were not long following the example. When the great persecution occurred, which forced the Spanish Jew — the aristocracy of the chosen race — from the place of his nativity, he brought with him to Holland the craft and the cunning of the people. He taught the Dutch to create an artificial wealth; and the people of that republic, by its aid, maintained an attitude of independence, which rendered them so long the envy and the hatred of the proud states which surrounded their territory. Their industry increased with the claims upon them. They cultivated their country with renewed perseverance; they brought the spices of the rich and barbarous East to the shores of the cultivated and the civilized West; they opened new sources of profit; their merchant-vessels covered the waters; their navy was the boast of Europe; their army was the scourge of the great Louis in the height of his pride and power. The markets of Holland evinced a full activity; the towns of Holland increased in importance; and the capital of Holland became the centre of European money transactions, partly in consequence of the great bigotry which banished the Jew from Spain.

When, therefore, the chief of that small yet powerful republic was called to sit upon an English throne, he brought with him many of those whose brains had contrived and whose cunning had contributed to produce these great changes; and from his reign, whatever evils may have arisen from a reckless waste of money, there commenced that principle which, for a century and a half, has operated on the fortunes of all Europe, — which proclaimed that, under every form and phase of circumstance, in the darkest hour of gloom as in the proudest moment of

grandeur, the inviolable faith of England should be preserved towards the public creditor. Up to this period, the only national debt on which interest was acknowledged was that sum which had been seized on in the Exchequer; and even these dividends were irregularly paid. Many debts had been incurred by our earlier kings, but all the promises and pledges which had been given for their redemption were broken directly the money was gained, and it remained, we repeat, for William, whatever his errors may have been, to establish the principle, that faith to the public creditor must be inviolate.

The reign of William was productive of all modes and methods of borrowing. Short and long annuities, annuities for lives, tontines, and lotteries, alike occupied his attention. The former are still in existence, the two latter have fallen to decay. The lotteries have been expunged from the statute-book, and their evils will be fully developed at a fitting period; while to the brain of a Neapolitan, and the city of Paris, William was indebted for the knowledge of the tontine. Lorenzo Tonti, in the middle of the seventeenth century, with the hope of making the people of France forget their discontents in the excitement of gambling, suggested to Cardinal Mazarin the idea of annuities, with the benefit to the survivors of those incomes which fell by death. The idea was approved by the Cardinal and allowed by the court. Parliament, however, refused to register the decree, and the scheme failed. Tonti again endeavoured to establish a society on this plan, and to build by its means a bridge over the Seine; but the unfortunate inventor christened it Tontine, and not a man in Paris would trust his money to a project with an Italian title. A complete enthusiast, he allowed Paris no rest on his favorite theme, and proposed to raise money for the benefit of the clergy in the same way. The Assembly reported on the scheme, and the report contained all that could flatter the projector's vanity, but refused a permission to act on it; and again it was abandoned. The idea, however, which could not be carried out for the people, which was refused for the benefit of the city, and not allowed for the clergy, was claimed as a right for the crown; and in 1689, Louis XIV. created the first tontine to meet his great expenses. From this period they became frequent; and William was too determined to humble the pride of his rival, not to avail himself of this among other modes of raising funds.*

The moneyed interest—a title familiar to the reader of the present day—was unknown until 1692. It was then arrogated by those who saw the great advantage of entering into transactions in the funds for the aid of government. The title claimed by them in pride was employed by others in derision: and the purse-proud importance of men grown suddenly rich was a common source of ridicule.

Wealth rapidly acquired has been invariably detrimental to the manners and the morals of the nation, and in 1692 the rule was as absolute

* The tontine is simply a loan raised on life-annuities. In consideration of a certain amount paid by a certain number of persons, government grants to each a life-annuity. As the annuitants die, their shares are divided among the survivors, until the annuity granted to the whole becomes centred in the longest liver; at his death the transaction ceases.

as now. The moneyed interest, intoxicated by the possession of wealth which their wildest dreams had never imagined, and incensed by the cold contempt with which the landed interest treated them, endeavoured to rival the latter in that magnificence which was one characteristic of the landed families. Their carriages were radiant with gold; their persons were radiant with gems; they married the poorer branches of the nobility; they eagerly purchased the princely mansions of the old aristocracy. The brush of Sir Godfrey Kneller, and the chisel of Caius Cibber, were employed in perpetuating their features. Their wealth was rarely grudged to humble the pride of a Howard or a Cavendish; and the money gained by the father was spent by the son in acquiring a distinction at the expense of decency. They were seized upon by the satirist and the dramatist as a new object of ridicule; and under various forms they have become a stage property. The term which they had chosen to distinguish them became a word of contempt; and the moneyed class was at once the envy and the laugh of the town. Nor was it until that interest became a great and most important one, that the term assumed its right meaning, or that the moneyed contended with the landed interest on a more than equal footing. The former have always clung to the house of Brunswick; the latter have often used their exertions against it. In time, however, the moneyed became a landed interest, and vied in taste as well as magnificence with the proudest of England's old nobility. Among these was Sir Robert Clayton, director of the Bank, whose banqueting-room was wainscoted with cedar, whose villa was the boast of the Surrey hills, whose entertainments imitated those of kings, whose judicious munificence made him the pride of that great city to the representation of which he was called by acclamation. But there were other and less reputable directors of the great Bank; and a pamphlet, published shortly afterwards, drew public attention to acts which either prove that morality in one commercial age is immorality in the next, or that some of the governors of the corporation were wofully deficient in the organ of conscientiousness.

In the Royal Exchange, erected for less speculative and more mercantile pursuits, were the early transactions of the moneyed interest in the funds carried on. In 1695, its walls resounded with the din of new projects; nor could a more striking scene be conceived than that presented in the area of this building. The grave Fleming might be seen making a bargain with the earnest Venetian. The representatives of firms from every civilized nation — the Frenchman with his vivacious tones, the Spaniard with his dignified bearing, the Italian with his melodious tongue — might be seen in all the variety of national costume; and the flowing garb of the Turk, the fur-trimmed coat of the Fleming, the long robe of the Venetian, the short cloak of the Englishman, were sufficiently striking to attract the eye of the painter to a scene so varied. There, too, the sober manner of the citizen formed a strong contrast to the courtier, who came to refill his empty purse: and there also, as now, might be seen the broken-down merchant, pale, haggard, and threadbare, haunting the scene of his former glory, passing his now valueless time among those who scarcely acknowledged his presence, and, as he had probably dined with Duke Humphrey, supped with Sir Thomas Gresham.

“Trampling the Bourse's marble twice a day,
Though little coin thy purseless pockets line,
Yet with great company thou art taken up,
For often with Duke Humphrey dost thou dine,
And often with Sir Thomas Gresham sup.”

A new impulse had been given to trade, and the nation was beginning to feel the effect of the Revolution. William had already tried his power in the creation of a national debt: jobbing in the English funds and East India Stock succeeded; and the Royal Exchange became—what the Stock Exchange has been since 1700—the rendezvous of those who, having money, hoped to increase it, and of that yet more numerous and pretending class, who, having none themselves, try to gain it from those who have.

The charter granted by William to the Corporation of the Bank of England is the first instance of a debt bequeathed to posterity. Annuities had hitherto been the mode of raising supplies; and the day, therefore, which witnessed the establishment of the Bank is worthy of notice, as being also the day on which William laid the foundation of an irredeemable national debt.

It was soon found that the duties appropriated to the various payments of interest and annuities were insufficient to meet the claims. In 1697, the national debt amounted to twenty millions, and the revenue was deficient five millions. The payment in consequence grew uncertain, and the moneyed men of the day, watching the course of events, made large sums out of the distresses of government. “The citizen,” says an old writer on the subject, “began to decline trade and turn usurer.”

To prevent this, a law was passed against the stockbrokers and jobbers, which limits the number of the former, enacts some severe regulations, and makes some severe remarks upon the entire body.

At this period the broker had a walk upon the Royal Exchange devoted to the funds of the East India and other great corporations; and many of the terms now in vogue among the initiated arose from their dealings with the stock of the East India Company. Jobbing in the great chartered corporations was thoroughly understood. Reports and rumors were as plentiful then as now. No sooner was it known that one of the fine vessels of the India Company, laden with gold and jewels from the East, was on its way, than every method was had recourse to. Men were employed to whisper of hurricanes which had sunk the well-stored ship; of quicksands which had swallowed her up; of war which had commenced when peace was unbroken; or of peace being concluded when the factories were in the utmost danger. Nor were the brains of the speculators less capable than now. If at the present day a banker condescends to raise a railway bubble 50 per cent., the broker of that day understood his craft sufficiently to cause a variation in the price of East India Stock of 263 per cent.; and complaints became frequent that the Royal Exchange was perverted from its legitimate purpose, and that the jobbers—the term was applied ignominiously—ought to be driven from a spot polluted by their presence. Mines of gold, silver, and copper were so temptingly promised, that the entire town pursued the deception. Tricks

and stratagems were plentiful ; the wary made fortunes, and the unwary were ruined.

In 1698, the dealers and jobbers in the funds and share market, annoyed by the objections made to their remaining in the Royal Exchange, and finding their numbers seriously increase, deemed it advisable to go to 'Change Alley, as a large and unoccupied space, where they might carry on their extensive operations.

"The centre of jobbing is in the kingdom of 'Change Alley and its adjacencies," said a pamphleteer a few years after. "The limits are easily surrounded in about a minute and a half. Stepping out of Jonathan's into the Alley, you turn your face full south ; moving on a few paces, and then turning due east, you advance to Garraway's ; from thence, going out at the other door, you go on still east into Birchin Lane ; and then, halting a little at the sword-blade bank, you immediately face to the north, enter Cornhill, visit two or three petty provinces there on your way to the west ; and thus, having boxed your compass, and sailed round the stock-jobbing globe, you turn into Jonathan's again."

The English funds were assuming a greatness they have ever since maintained. The Hebrew capitalist, who came over with William, had increased the importance of the jobbers by joining them. The English merchant — even at this early period — found that money might be gained in the new operation ; and 'Change Alley, so well known in Parliamentary debates and the correspondence of the time as "the Alley," was for a century the centre of all dealings in the funds. Here assembled the sharper and the saint ; here jostled one another the Jew and the Gentile ; here met the courtier and the citizen ; here the calmness of the gainer contrasted with the despair of the loser ; and here might be seen the carriage of some minister, into which the head of his broker was anxiously stretched to gain the intelligence which was to raise or depress the market. In one corner might be witnessed the anxious, eager countenance of the occasional gambler, in strong contrast with the calm, cool demeanor of the man whose trade it was to deceive. In another the Hebrew measured his craft with that of the Quaker, and scarcely came off victorious in the contest ; while in one place, appropriated to him, stood the founder of hospitals, impressing with eagerness upon his companion the bargain he was about to make in seamen's tickets.

It was soon felt practically that the air of England is cold and its climate variable. The more respectable among the jobbers, therefore, gathered beneath the walls of one of those coffee-houses which formed so marked a feature of London life in the eighteenth century, until the chance became a customary visit, and the coffee-house known as Jonathan's became the regular rendezvous of all the dealers in stock, and consequently the scene of transactions as extensive as any the world ever witnessed.

In 1701, the character of those who met in 'Change Alley was not very enviable. It was said, and said truly, that they undermined, impoverished, and destroyed all with whom they came in contact. "They can ruin men silently," says a writer of the period, with great vehemence ; "undermine and impoverish, fiddle them out of their money, by the

strange, unheard-of engines of interest, discount, transfers, tallies, debentures, shares, projects, and the devil and all of figures and hard names."

Every thing which could inflate the hopes of the schemer was brought into operation by the brokers. If shares were dull, they jobbed in the funds, or tried exchequer bills; and if these failed, rather than remain idle, they dealt in bank-notes at 40 per cent. discount. These new modes of gambling seized upon the town with a violence which sober citizens could scarcely understand. Their first impulse was to laugh at the stories currently circulated of fortunes lost and won; but when they saw men who were yesterday threadbare pass them to-day in their carriages, — when they saw wealth, which it took their plodding industry years of patient labor to acquire, won by others in a few weeks, — unable to resist the temptation, the greatest of the city merchants deserted their regular vocations and speculated in the newly-produced stocks. "The poor English nation," says a writer, "run a madding after new inventions, whims, and projects; and this unhappy ingredient my dear countrymen have in their temper, — they are violent, and prosecute their projects eagerly."

No sooner had the members of the jobbing community taken their quarter in 'Change Alley, than the city of London was seized with alarm, and tried to keep the brokers at the Royal Exchange. They grew indignant at their deserting so time-honored a place, and bound them in pains and penalties not to appear in 'Change Alley. Pocket, however, triumphed over prerogative; brokers resorted where bargains were plentiful; 'Change Alley grew famous throughout England; but it was not till nearly a century and a quarter after its first transaction, and a quarter of a century after 'Change Alley ceased to exist as a sphere for the stockjobbers, that the ancient and useless provision not to assemble in 'Change Alley was expunged from the broker's bond.

Among those who employed their great fortunes in the manner alluded to was Sir Henry Furness, a Director of the Bank of England. Throughout Holland, Flanders, France, and Germany, he maintained a complete and perfect train of intelligence. The news of the many battles fought at this period was received first by him, and the fall of Namur added to his profits, owing to his early intelligence. On another occasion he was presented by William with a diamond ring, as a reward for some important information, and as a testimony of this monarch's esteem. But the temptation to deceive was too great, even for this gentleman. He fabricated news; he insinuated false intelligence; he was the originator of some of those plans which at a later period were managed with so much effect by Rothschild. If Sir Henry wished to buy, his brokers were ordered to look gloomy and mysterious, hint at important news, and after a time sell. His movements were closely watched; the contagion would spread; the speculators grew alarmed; prices be lowered 4 or 5 per cent., — for in those days the loss of a battle might be the loss of a crown, — and Sir Henry Furness would reap the benefit by employing different brokers to purchase as much as possible at the reduced price. Large profits were thus made; but a demoralizing spirit was spread throughout the Stock Exchange. Bankrupts and beggars sought the

same pleasure in which the millionaire indulged, and often with similar success.

The wealthy Hebrew, Medina, accompanied Marlborough in all his campaigns; administered to the avarice of the great captain by an annuity of six thousand pounds per annum; repaid himself by expresses containing intelligence of those great battles which fire the English blood to hear them named; and Ramilies, Oudenarde, and Blenheim administered as much to the purse of the Hebrew as they did to the glory of England.

In the midst of these excitements arises a name which, to the dwellers in London, is well known. Thomas Guy, the Bible contractor, was a frequenter of 'Change Alley; and here, duly and daily, might be seen that figure, which the gratitude of his fellow-men has rendered familiar in the statue raised to his memory.

CHAPTER III.

Enormous Bribery by William. — Increased Taxation. — Speech of Sir Charles Sedley. — Wrongs of the Soldiers. — Defence of William. — Moral Disorganization of the Country. — First Exchequer-Bill Fraud. — First Foreign Loan. — Romantic Fraud in 1715. — Political Fraud of 'Change Alley. — Interference of the House of Peers. — First Hoax.

THE Parliamentary records of William's reign are curious. The demands which he made for money, the hatred to France which he encouraged, and the frequent supplies he received, are remarkable features in his history. Every art was employed; at one time a mild remonstrance, at another a haughty menace, at a third the reproach that he had ventured his life for the benefit of the country. The bribery during this reign was the commencement of a system which has been very injurious to the credit and character of England. The support of the members was purchased with places, with contracts, with titles, with promises, with portions of the loans, and with tickets in the lottery. The famous axiom of Sir Robert Walpole was a practice and a principle with William; he found that custom could not stale the infinite variety of its effect, and that, so long as bribes continued, so long would supplies be free. Exorbitant premiums were given for money; and so low was public credit, and so great public corruption, that, of 5 millions granted to carry on the war, only 2½ millions reached the exchequer. Long annuities and short annuities, lottery-tickets and irredeemable debts, made their frequent appearance; and the duties, which principally date from this period, were most pernicious. The hearth-tax was nearly as obnoxious as the poll-tax. The custom and excise duties were doubled. The hawker and the hackney-coach driver, companies and corporations, land and labor, came under his supervision. Births, burials, and bachelors were added to the list, and whether a wife

lost a husband, or whether a widow gained one, the effect was alike. Beer and ale, wine and vinegar, coal and culm, all contributed to the impoverished state; and although some who looked back with regret occasionally indulged their spleen, the general tone of the Parliament was submissive. Still, there were times when the truth was spoken; and truths like the following were unpleasant:—

“We have provided,” said Sir Charles Sedley, “for the army; we have provided for the navy; and now we must provide for the list. Truly, Mr. Speaker, ’t is a sad reflection that some men should wallow in wealth and places, while others pay away in taxes the fourth part of their revenue. The courtiers and great officers feel not the terms, while the country gentleman is shot through and through. His Majesty sees nothing but coaches and six, and great tables, and therefore cannot imagine the want and misery of the rest of his subjects. He is encompassed by a company of crafty old courtiers.”

The corrupt transactions which tended so greatly to increase the national debt are very remarkable. The assembled Commons declared in a solemn vote, “it is notorious that many millions are unaccounted for.” Mr. Hungerford was expelled from the lower house for accepting a bribe of £21; and the Duke of Leeds impeached for taking one of 5,500 guineas. The price of a speaker—Sir John Trevor—was £1,005, and the Secretary to the Treasury was sent to the Tower on suspicion of similar practices. Money-receivers lodged great sums of public money with the goldsmiths at the current interest. Others lent the exchequer its own cash in other persons’ names; and out of 46 millions raised in 15 years, 25 millions were unaccounted for. The Commissioners of Hackney-coaches were accessible, and speculation in the army was discovered by a chance petition of the dwellers in a country town. By this it appeared that the inhabitants of Royston in Hertfordshire had large claims made upon them for money, by colonels, captains, and cornets, in addition to the food and lodging which was their due. A few independent members took up the question; the public supported them; and at this juncture a book was delivered at the lobby of the house, which asserted that the public embezzlement was as enormous as it was infamous, and that the writer was prepared to make discoveries which would astonish the world. The offer was accepted; a searching inquiry was made, and defalcations were discovered so great, that all wonder ceased at the increase of the national debt, and at the decrease of the national glory. The abuses in clothing the army were plain and palpable. The agents habitually detained the money due to the soldiers, and used it for their own advantage, or compelled them to pay so large a discount, that they were in the utmost distress.

The subaltern officers were not better off. Colonel Hastings, afterwards cashiered for the offence, made them buy their raiment of him. If they hesitated, he threatened; if they refused, he confined them. In 1693, an inquiry was made into the application of the secret-service money, when great and deserved animadversion was passed upon those through whom it circulated. The power possessed by government under such abuses may be imagined. They were sure of the votes of those

who had places and pensions, and they were sure also of the votes of that large class of expectants which always haunts a profuse ministry ; and thus "the courtiers," as the ministerial party was long designated, could baffle any bills, quash all grievances, stifle any accounts, and raise any amount of money.

These discoveries inflamed the people, and murmurs that corruption had eaten into the nation became general. Court and camp, city and senate, were alike denounced. The pamphleteers spoke in strong language. "Posterity," said the author of one, termed *The Price of the Abdication*, "will set an eternal brand of infamy upon those members, who, to obtain either offices, profitable places, or quarterly stipends, have combined to vote whatever hath been demanded."

It has been the fashion of a certain class to decry William because he founded the national debt. But the war which he waged was almost a war of necessity, and could not be supported without liberal supplies. There was, however, with William a personal pride in the contest. He had been taught, from his boyhood, hatred to France, and almost in boyhood had checked the universal dominion aimed at by Louis. With him, therefore, opposition to France was a passion ; and he who, at the age of twenty-three, bade defiance to the combined power of the two greatest nations of the modern world, remembered, as soon as he reached the English throne, that proud, though bitter moment, when, surrounded by French force, his people determined to let loose the waters which their skill had confined, and from the homes and hearths of their fathers bear their goods, their fortunes, and their persons, and to erect in a new land the flag they would not see dishonored in the old. When, therefore, William of Orange became monarch of England, his first thought was the humiliation of France. To this point he bent the vast energies of England and his own unconquerable will ; for this only was his crown valuable, and for this purpose was the power of England strained to the utmost tension.

The importance of France was then at its height. Louis sought to sway the councils of Europe ; and whoever else might have succumbed, the statesmen of England had been in his power, and a monarch of England in his pay. He saw, therefore, with dislike which was not attempted to be concealed, the throne mounted by one who was resolved, not merely to maintain its ancient greatness, but to quell the power of its ancient rival. Louis sheltered the abdicated king, and encouraged his mock court and his mock majesty. This was sufficient proof of his feeling ; nor were other indications wanting : and it is a complete fallacy to suppose that the debt was unnecessarily incurred ; in it lay the power of William and the safety of the land.

Had the new king employed the arbitrary mode of levying supplies of the earlier monarchs ; had he made forced loans and never repaid them ; had he seized upon public money, and wrung the purses of public men, the country might as well have been governed by a James as a William, and would in all probability have recalled the exile of the unfortunate House of Stuart. The evils of William's reign were in the facts that his power was not sufficiently established to borrow on equitable terms ; that

the bribery, abuses, and corruption of men in high places increased with their position; and, above all, that, instead of paying his debts by terminable annuities, he made them interminable. Lord Bolingbroke declares, that he could have raised funds without mortgaging the resources of the nation in perpetuity, and that it was a political movement to strengthen the power of the crown, and to secure the adherence of that large portion of the people by whom the money had been lent.

The war was necessary, and the contraction of the debt equally so; for, although William engaged in the contest with something like personal pride, it was essentially a national war. A free people had driven away the Stuarts; a despotic king would have forced them back. If ever, therefore, a contest directly interested both subject and sovereign, it was that which created the national encumbrance; and England was fortunate in the man she had chosen to champion her rights. The contest, which dated from 1688 and ended in 1697, which cost us 20 millions in loans and 16 millions in taxes, was only closed because both nations were fatigued. It produced no great results, no grand achievements, no lasting peace. It did but prove that the strength which had departed from England during the two previous reigns had slumbered, but was not withered. The earlier history was, as many of England's great wars have been, comparatively unsuccessful. The parties into which the nation was divided prevented the unanimity necessary to great deeds. They agreed only in robbing the people. Public principle was with them a public jest. Incapacity and corruption pervaded all branches. By corruption a Parliamentary majority was procured, and through incapacity the commerce of the country was decaying. Talent was only employed in devising its own benefit; patriotism was perverted; national virtue was forgotten; and the allies found that on sea and land the enemy had the advantage. The navy was daring, but divided; the admirals were accused of disaffection. While the foe was intercepting our merchandise in the Channel, the vessels of England were building in the docks. On the sea, our own peculiar boast, we were dishonored; our flag was insulted; and English admirals retreated before French fleets. Ships of war were burnt; merchant-vessels were sunk; and a million of merchandise was destroyed.

But the clamor of the people reached her councils. It was said our plans were betrayed to the enemy; treachery was justifiably suspected; and all who were familiar with the period will join the writer in thinking it not only possible, but probable.

During these trials the spirit of William remained unchanged; and, rejecting all overtures from France, he exhibited to the world the soldier-ship for which he was remarkable. At Namur he fought in the trenches, ate his dinner with the soldiers, animated them with his presence, shared their dangers, and won their hearts. Namur capitulated, and the scene changed. The French power was shaken in Catalonia; its coasts were assailed; its people were suffering, and Louis, whose great general was dead, was sufficiently humbled to renew his proposals for peace, which, after nine years' war, costing Europe 480 millions of money and 800,000 men, was gained by the pacification of Ryswick.

A deep thinker of the present day has said of the war anterior to 1688,

— and the argument is supported by that school of which Cobbett was chief, — “The cost happily fell upon those who lived about the time, — it was not transmitted to posterity, according to the clever contrivance devised in a more enlightened and civilized age. They spent their own money, and not that of their grandchildren. They did as they liked with their own labor and its results; they did not mortgage the labor of succeeding generations.”

Men do not argue thus, ordinarily. The case is very similar to that of a land-proprietor mortgaging his estate to defend it from a suit which endangers it. His posterity may regret, but they cannot complain; they know it is better to have the estate partially mortgaged than not to have an estate at all. It seems, to the writer, similar with the national debts of the reign of William. He was bound to defend the people who had chosen him; war was then, as now, a popular pastime; and William is no more to be blamed that he was not in advance of the time, than the nobles of the present day are to blame because they bring up their younger sons to be shot at for glory and a few shillings a day, instead of seeing, as their successors will probably see, the anti-progressive and anti-Christian nature of the principle thus supported.

The one great evil was, that the difficulty of getting money tempted William to borrow on irredeemable annuities. Had he borrowed only on annuities terminable in a century, he would have attained his money at a little extra cost, but the pressure on the people would have decreased year by year, the credit of the government have increased, and the discontent of the nation been less.

If, however, any blame be attached to the government of William, how much greater must be that which is attached to succeeding ministries. They knew, for they felt, the evil of perpetual debts. Sir Robert Walpole said, when the nation owed 100 millions it would be ruined; but he, and those who preceded with those who followed him, persisted in neglecting the only principle of action which could save the country. It is the misfortune of governments to abide by that which is only venerable from its antiquity, and persist in following precedents when they should act upon principle. They forget — and the fact cannot be urged too strongly — that government is a progressive science, and that improvement is a law of nations as well as of nature.

In 1696, while the gold was being recoined, exchequer-bills, principally for £ 5 and £ 10, were introduced. Being issued on the security of government, they supplied the place of coin, and were found a great convenience, acting as state counters, which passed as money, because the people knew that the government would receive them at full value. The Lords of the Treasury were authorized to contract with moneyed men to supply cash; and though these bills were at one time at a discount, their credit rose daily, until they reached 1 per cent. premium. They at first bore no interest; but when they were reissued, £ 7 12s. per cent. annum was paid, and they became a favorite investment. The genius of Mr. Halifax invented them; and it has required no genius on the part of succeeding ministers to issue a supply whenever the wants of the government have demanded them. When it is not convenient to pay these se-

curities off, and they have accumulated to an amount which attracts the notice of the Opposition, or is calculated to depress the price, the consent of Parliament is procured, and they are liquidated by being added to the fixed debt of the country. They now form a regular supply to the ministry, and are part of the floating or unfunded debt of England, bearing a premium or discount in proportion to the credit of the nation.

The first fraud in exchequer-bills occurred within a year of their creation; when receivers-general, members of Parliament, and deputy accountants formed a confederacy fraudulently to indorse some of these securities, to which their position gave them access. The robbery was discovered; and a Mr. Reginald Marryot, one of the accomplices, saved himself by discovering the plot. The House of Commons expelled from its members the men whose dishonor was increased by their position; and, as the estate of Mr. Charles Duncombe, one of the accused, was worth £400,000, they fined him £200,000, being the amount wrongfully circulated. In the House of Lords it fell to the Duke of Leeds to give the casting vote. Mr. Duncombe's estate was saved, but the Duke's credit suffered, for he gave his decision in favor of the defaulter; and it was said that Mr. Duncombe paid no inconsiderable sum for the benefit he received at the hands of his Grace. The charge was never brought home; but the Duke's after-conduct gave a sufficient coloring to the suspicion.

The first foreign loan was negotiated in 'Change Alley in 1706. The victories of the Duke of Marlborough had raised the pride of the English people; and even 'Change Alley possessed a somewhat similar feeling. When, therefore, his Grace proposed a loan of £500,000 to the Emperor, for eight years, at 8 per cent., on the security of the Silesian revenue, it was received with acclamation, and was filled in a few days by the first commercial names of England.

During that period, which, now a romantic, was then a terrible reality, when it was known, in 1715, that the best families in the North of England had assembled in arms to change the dynasty, no pains were spared by the jobbers to procure correct and to disseminate false intelligence: and it was with mingled feelings of alarm and pity that the inhabitants of a small town between Perth and the seaport of Montrose — where James embarked after his unhappy expedition — saw a carriage and six, traveling with all the rapidity which the road would allow. It was known that the rebel army was dispersed; that its chiefs were scattered; and that the unfortunate Stuart was wandering through the country, with life and liberty alike endangered. It excited, therefore, no surprise in the village when the carriage was surrounded, and the apparent prize conveyed with great ostentation towards London. Letters soon reached the city that the fugitive Stuart was taken, and the letters were confirmed by the story related, which quickly reached London. The funds of course rose, and the inventors of the trick laughed in their sleeves as they divided the profit. By this time the jobbers must have reached a somewhat high position, as, the same year, one Quare, a Quaker and a celebrated watchmaker in 'Change Alley, having successfully speculated in the shares and funds with which it abounded, was of sufficient importance to invite to the marriage-feast of his daughter, Sarah Jennings, Duchess of Marlbor-

ough, and the Princess of Wales, who, with three hundred guests of distinction, graced the wedding entertainment.

But 'Change Alley was notorious for other dealings than those in the funds. When that desperate struggle for power occurred between the old and new East India Company ; when their varying claims were on every man's tongue, and their bribes in every man's hand ; the election of a member of Parliament was an affair of moment. The partisans of each Company sided with their friends ; bought boroughs ; shed their money lavishly and largely ; used every art that self-interest could devise ; and so extensive was the interference of the brokers, that the only question heard in 'Change Alley was, " Is he for the New or the Old Company ? " It was the touchstone of a principle more sacred than the Hanoverian succession, and more important than England and Hanover united. It was probably found profitable ; and it was said in 1720, that elections for members of Parliament came to market in 'Change Alley as currently as lottery-tickets.

The first political hoax on record occurred in the reign of Anne. Down the Queen's Road, riding at a furious rate, ordering turnpikes to be thrown open, and loudly proclaiming the sudden death of the queen, rode a well-dressed man, sparing neither spur nor steed. From west to east, and from north to south, the news spread. Like wildfire it passed through the desolate fields where palaces now abound, till it reached the city. The train-bands desisted from their exercise, furled their colors, and returned home with their arms reversed. The funds fell with a suddenness which marked the importance of the intelligence ; and it was remarked that, while the Christian jobbers stood aloof, almost paralyzed with the information, Manasseh Lopez and the Jew interest bought eagerly at the reduced price. There is no positive information to fix the deception upon any one in particular, but suspicion pointed at those who gained by the fraud so publicly perpetrated.

The invasion of 1715, as it caused extra expenses, demanded extra grants. The House of Commons voted them ; but the House of Peers, a portion of which possessed strong Jacobite feeling, attempted to modify without mending it. Though they did not reject the bill, the lower house resented the mere interference. At an early hour on the morning of the 13th February, Lord Harcourt went to the House of Peers, and made an anxious search for precedents of amendments to money bills. The search proved unsuccessful, as, since the Restoration, the Commons had defended their right of not allowing the Lords to make any alterations in these acts. A committee was appointed, and the Peers fought bravely for their claim ; but though the court was willing to support them, money was so immediately necessary, that, at the request of the government, they yielded under protest.

MISCELLANEOUS.

BANKS, BANKING, AND CURRENCY—NATIONAL BANK.—Those of our readers who wish to compare the foreign with the American views of these topics, with which every banker should be familiar, will find them discussed in the following periodicals:

Banks and Banking.—

Democratic Review, Vol. II., pp. 3, 113, 418; Vol. III., p. 358; Vol. XII., p. 425; Vol. V., p. 427; Vol. VI., pp. 3, 97, 369; Vol. X., p. 384.
 British and Foreign Review, Vol. V., p. 242.
 Edinburgh Review, Vol. LVI., p. 376; Vol. LXV., p. 31.
 Westminster Review, Vol. XLVII., p. 216; Vol. XVII., p. 193, 421.
 Blackwood's Magazine, Vol. XXII., p. 734; Vol. XXIII., p. 197.
 New Englander, Vol. II., p. 48.
 American Quar. Rev., Vol. XI., p. 245; Vol. VIII., p. 441; Vol. XIV., p. 493.

Bank United States.—

Democratic Review, Vol. XV., p. 129; Vol. V., p. 499.
 New York Review, Vol. VIII., p. 409.
 North American Review, Vol. XXXV., p. 485; Vol. XXXII., p. 32.
 American Quarterly Review, Vol. IX., p. 248; Vol. XI.
 Southern Quarterly Review, Vol. VIII., p. 1.
 Foreign Quarterly Review, Vol. X., p. 214.
 British and Foreign Review, Vol. V., p. 537.
 Westminster Review, Vol. XXI., p. 273.

Currency.—

Westminster Review, Vol. XXXV., p. 45; Vol. XLI., p. 292.
 Democratic Review, Vol. VIII., p. 457; Vol. V. p. 311; Vol. VII., p. 167, 195.
 Blackwood's, Vol. XXVII., p. 59; Vol. XXVII., p. 792; Vol. XXV., p. 136.

NEW FOREIGN COINS.—The new five franc piece of the French Republic, of which 200,000 have been already coined, has come into circulation. On one side is a figure of a female, representing the Republic, crowned with flowers, &c., with the word *Concord* on the forehead, and as a legend the words *Republique Francaise*; on the other side are two palms, forming a crown, and the words *Liberté, Egalité, Fraternité*.—*London Spectator*, 29 September.

NEW ENGLISH COIN.—*New Two-Shilling Piece or "Florin."* The London Gazette contains a proclamation, dated Osborne House, July 30th, directing that the new two-shilling piece "shall be current and lawful money of Great Britain and Ireland." This new coin is to be called a *florin*. The proclamation recites that "every such florin, or one-tenth of a pound, has for the obverse, Our effigy, crowned, with the inscription, 'Victoria Regina,' and the date of the year; and for the reverse, the ensigns armorial of the United Kingdom contained in four shields, crosswise, each shield surmounted by the royal crown, with the rose in the centres, and in the compartments between the shields the national emblems of the rose, thistle, and shamrock, surrounded by the words 'One Florin, one-tenth of a pound,' and with a milled graining round the edge: and whereas pieces of silver money of the above description have been coined in our mint, and will be coined there, in pursuance of orders issued, and to be issued."

CHICAGO.—The following table exhibits the increase of population, and of imports and exports, at Chicago, since 1840, inclusive :

Year.	Population.	Imports.	Exports.
1840	4,853	\$562,106 20	\$228,635 74
1841	—	664,347 88	348,862 24
1842	—	664,347 88	659,305 20
1843	7,580	971,849 75	682,210 85
1844	—	1,686,416 00	785,504 23
1845	12,088	2,043,445 73	1,543,519 85
1846	14,199	2,027,150 00	1,813,468 00
1847	17,000	2,641,852 52	2,296,299 00
1848	19,724	8,338,639 66	10,706,333 40

The first shipment of beef from this port was made in 1833, and the first shipment of wheat in 1839. The following table will exhibit the increased exports of these and some other staple articles, for seven years past :

Year.	Bs. Wheat.	Bs. Flour.	Beef & Pork.	Lbs. Wool.
1842	586,907	2,920	16,209	1,500
1843	628,967	10,786	21,492	22,050
1844	891,894	6,320	14,938	96,635
1845	956,860	13,752	13,268	216,616
1846	1,459,594	28,045	31,224	281,222
1847	1,974,304	32,538	48,920	411,488
1848	2,160,000	45,200	59,200	961,400

These figures show that our city is making rapid strides in the race of prosperity. But the history of the past, encouraging as it is, furnishes no adequate criterion by which to judge the future of the great emporium of the North-West. The resources of this vast region only *begin* to be developed. Ten years hence it will be seen that, in point of wealth and population, Chicago has advanced by geometrical progression. Be it our pleasant duty to chronicle every accession to its growing prosperity.—*Chicago Tribune*.

MANUFACTURES AT THE SOUTH. — We have shown that Georgia, Alabama, and Kentucky are all making money by manufacturing cottons. There is no stockholder of a Georgia factory who will not clear a larger revenue upon his investment, year after year, than any planter in our State. But look at the case of Rhode Island. She is situated a thousand miles from our cotton regions, and pays out more for her labor ; and yet, though she is dependent upon us for the raw material, she has 163 cotton mills, consuming annually 560,000 bales of cotton, and manufacturing 50,000,000 of yards. When will our planters open their eyes?—*Jackson Mississippian*.

" We yesterday had the pleasure of examining several specimens of manufactured cotton goods, consisting of cottonades, gingham, osnaburgs, drillings, sail duck, bed tick, striped shirting, &c., from the 'Bell Factory,' at Huntsville, Ala. These samples, we understand, are the first of Southern manufacture which have ever been sent to the New Orleans market, and the best judges pronounce them in every way equal, if not superior, to similar goods manufactured at the North. It is estimated that they can be furnished in this city as cheap as they can be purchased in New York.—*New Orleans Picayune*, 16 Sept.

ROBBERY AT A BANK COUNTER.—A few weeks since, a boy in the employ of a mercantile firm in Boston, had \$2,300 stolen from him, while standing at the counter of the Suffolk Bank. He had \$4,000 in his bank book at the time. The money stolen consisted of two bills of \$1,000 each, and one of \$30, all on the Merchants' Bank. The robber, shortly after committing the act, offered one of the bank bills in exchange for gold at Mr. Matthew Bolles's exchange office in State street, where he was secured by Mr. Bolles, who locked the rascal in, while he acquainted the parties interested of the fact. Twenty-two hundred dollars of the stolen money was found upon the thief.—He has since been convicted and sent to the State prison.

PROPERTY EXEMPT FROM TAXATION IN NEW YORK STATE.—Lands belonging to the State or the United States,—Colleges, Academies, Seminaries of Learning, School-houses, Court-houses, Jails, Churches, Public Libraries and Charitable Institutions, together with the grounds occupied and the furniture of each.

Stocks in Incorporated Companies, when the Companies are taxed.

United States Stocks are not taxable, being exempt by the Constitution of the United States.—See decision of the Supreme Court of the United States, in the *Municipal Gazette*, page 353. Railroad Stock is not liable to taxation, but the road is liable, the rails being a fixture on land.

Stocks in foreign Institutions or Institutions of other States, Mutual Insurance Companies and Savings Banks.

COMMERCE OF BOSTON.—Imports and duties at the Boston Custom House for November, 1849.

Value of dutiable merchandise,	\$1,300,897
“ free, “	80,180
“ specie,	2,725
	<hr/>
	\$1,383,802
Amount of duties paid and deposited,	342,833.99
Amount for corresponding month last year :	
Dutiable,	\$1,752,608
Free,	191,090
Specie,	24,595
	<hr/>
	\$1,968,293
Amount of goods paid and deposited,	455,571.89
Decrease in November, 1849,	112,917.90

NEW HAVEN CITY LOAN.—The bids for the New Haven City Loan of one hundred thousand dollars, payable in twenty years from 1st January, 1850, at six per cent. interest, payable semi-annually, were opened on Saturday, at the New Haven County Bank, in presence of the Mayor and several other gentlemen, and were found to be as follows :

	Amount.	Premiums.
H. Trowbridge & Sons,	\$15,000 . .	103 to 103 75-100
Pepoon, Hoffman & Co.,	10,000 . .	103
Giles H. Porter,	6,000 . .	103
Alfred Blackman,	1,000 . .	102 1-2
H. Trowbridge & Sons,	15,000 . .	102, to 102 1-2
Wm. B. Astor,	50,000 . .	101.76
H. Trowbridge & Sons,	3,000 . .	101.75

\$100,000

The entire bids amounted Dec. 15, 1849, to \$223,000, all above par.

RAILROADS.—Among the railways now urged, is a road direct from the Anthracite coal fields of Pennsylvania to New York, from Camden to the Atlantic sea board ; from Doylestown to Easton ; from Salem, N.J., to the Delaware river ; from Pittsburg to Erie ; the State road to avoid the inclined plane, and the great Central Railroad from this city to Pittsburg. Out West and South, these projects are more numerous as well as more extended, and if pushed forward to completion, will require the labor of all the emigrants that can possibly be brought into the country, as well as all the capital that the California mines can yield us. To avoid the trouble of special legislation upon all the numerous applications before the Illinois Legislature, that body has passed a general railroad law, by complying with the provisions of which anybody may construct a railroad, precisely as anybody may bank under the general banking law of the State of New York. This is all very well, but in what will it end?—*Phila. Ledger.*

PROPOSED NEW JERSEY CORPORATIONS.—Among the notices of applications of companies to the coming session of the Jersey Legislature, we perceive the following:—Mercer County Bank at Trenton. Capital \$200,000. The Farmers and Mechanics' Bank at Salem. Capital \$50,000. For several turnpike charters in West Jersey; for a Plank Road in Monmouth; for a charter for the Mercer County Pursuing and Detecting Society; for a Savings Bank at Elizabethtown; and for banks at Sweedsboro and Woodbury in Gloucester county, and one in Cape May. To alter the legal rate of interest, so as to allow 7 per cent. on special agreements for that purpose. To provide for the payment to Jersey City of taxes upon the property of the New Jersey Railroad and Transportation Company, and the Hudson River Railroad Company. The Philadelphia Steamboat Company, to run between Philadelphia and Gloucester. The New York Bay Cemetery Ferry Company. Capital \$50,000. To renew the charter of the State Bank at Newark. To set off a new county from Monmouth. To incorporate the town of Beverly. To unite Jersey City and Van Vorst into one "City of Jersey." For a new city charter for Camden. To incorporate the Beverly Steam Power Company. The India Rubber and Gutta Percha Company. Capital \$50,000. Amendments of and Supplements to the charter of the Newark Savings Institution. Road from Hightstown (Mercer Co.), to Freehold (Monmouth county). Capital \$75,000. Plank or gravel road, from Cape Island to some point on the Delaware Bay, in the county of Cape May. Capital \$20,000. Railroad from Hightstown to Freehold. Capital \$200,000. From Freehold to a point easterly of Princeton Basin on the New Brunswick and Trenton Railroad. Capital \$300,000. From Hackensack to some point on the Paterson Railroad, near Boiling Spring; or to authorize the Paterson Railroad Company to construct the same. From Paterson to Hackensack, and thence to the Hudson River, near Jersey City.

THE STATE OF ALABAMA.—Among the articles in the last number of the "Southern Quarterly," which we have read with pleasure, is one on the "*Characteristics of Alabama*," from which we gather the following particulars: That State was admitted into the Union in 1819, and, in the opinion of the review, has been as singularly favored by nature as it has been neglected by man. Of its principal rivers the *Tombeckbee* is navigable during a large portion of the year beyond the town of Columbus, Mississippi, and the Alabama river is navigable for steamboats to Wetumpka, and is the boldest and most generally navigable stream in the State. The scenery and the soil are both complimented in the highest terms. In the city of *Tuscaloosa*, which was the capital of the State until 1847, there have lately been erected two manufacturing establishments, which are both in successful operation—one of cotton and the other of paper. Factories have also been established in Autauga county, and at the city of Montgomery, which is pronounced the most prosperous one in the interior of the State. The city of Mobile is described as less flourishing than it was a few years ago, but the railway and other improvements now being made, will, it is hoped, give it a new start. The article before us also contains a comprehensive history of the banking institutions of the State, with the good and evil they have accomplished; and by those who feel any concern in such matters may be read with interest.

A bill has been already introduced into the Senate for a law upon the principles of free banking. Mr. Storrs, of Wetumpka, has introduced another into the Senate for the establishment of a stock bank at Montgomery, with a capital of \$500,000. Mr. Manning has brought forward a bill of the last session of the Legislature in relation to a bank or banks, and our senator has introduced a resolution, calling upon the Committee upon Banks and Banking to inquire into the expediency and necessity, for the interest of the State, of granting to Mobile further banking facilities than she now possesses.

ENORMOUS INHERITANCE.—It is said that Lieut. Colonel Gold, of the British army, will come into possession of the enormous wealth left by Mr. Charles Bullen, the late banker, of Liverpool. The property is said to amount to between £5,000,000 and £6,000,000 sterling.

AN ECCENTRIC CHARACTER.—A very eccentric character died recently at the Cochin Hospital, at Paris. This man, whose name was Jules Andre Gueret, being possessed, when twenty-five years of age, of a considerable fortune, resolved never to marry. He converted his entire estate into hard cash, and, in order not to suffer any losses from failures, depreciation of property, &c., he kept his money in his own possession. He made the following calculation: "The life of a sober man extends over a period of seventy years; that of a man who denies himself no kind of amusement may attain fifty-five or sixty. Thus, the whole of my hopes cannot go beyond that period; at any rate, as a last resort, suicide is at my command." He divided his money into equal portions for each year's expenditure.

This division was so nicely arranged, that at the expiration of the sixtieth year, Gueret would have nothing left, and each year he scrupulously spent the sum set apart. But alas! he had not reflected on the clinging attachment of man to life, for in 1843, having exceeded the prescribed period, he patiently submitted to his misfortune, and, being then old and infirm, he took his stand on the *Quai des Celestins*, with a small box and a few lucifer matches, living on the charity of passers by. He wore suspended round his neck a piece of pasteboard, on which were written the following lines of his own composition:

"Ayez pitie, passants, du pauvre Andre Gueret,
Dont la vie est plus longue, qu'il ne croyait."

The cholera carried him off at last, to the great regret of the *artistes* of the Ile St. Louis, whose leisure hours he whiled away by the relation of his youthful recollections.

CIRCUIT COURT TRIAL, WASHINGTON D. C.—*New England Bank of Boston vs The Bank of the Metropolis.*—This case has been in progress since Tuesday last before the United States Circuit Court, and to-day was submitted to the jury. After a short absence, a verdict was rendered for plaintiffs in the sum of \$176.54, with interest from July, 1839. The amount claimed by the New England Bank was about \$10,000; and the amount recovered was an undisputed item in the account. The case had been tried twice before, and had been twice sent back by the Supreme Court.—*U. S. Washington Republic, 24 November.*

AMERICAN STOCKS IN LONDON, NOVEMBER 2.

United States five per cents, 1853,	92
United States six per cents, 1868,	106 a 106½
New York five per cents, 1845,	91 a 93
New York five per cents, 1856,	91 a 93
New York five per cents, 1858,	91 a 93
Pennsylvania five per cents,	79 a 80
Ohio six per cents, 1856,	98 a 100
Ohio six per cents, 1860,	98 a 100
Massachusetts five per cents, Sterling Bonds, 1868,	101½ a 102½
South Carolina five per cents, (Baring & Co.),	92 a 94
Maryland five per cents, Sterling Bonds,	87 a 88
Mississippi six per cents,	60 a 62
Do five per cents, Sterling Bonds,	20
Alabama five per cents,	60
Do Sterling Bonds,	63
Florida six per cents,	30
United States Banks Shares,	10s. a 12s.

THE ROYAL BRITISH BANK.—This newly chartered institution commenced business in London, on Monday, November 19th. Particulars of the plan of this bank will be found in our June No. p. 730.

MARYLAND. The Citizens' Bank has been re-organized, by the election of Adam Denmead, Esq., President, and Gerard Gover, Esq., Cashier, and has commenced operations under the new Board of Directors.

BRITISH NAVIGATION LAWS.—The legislative changes of the past session, (observes Mr. BEDELL, in his new edition of the *British Tariff*;) although few in number as respects fiscal and commercial matters, are nevertheless most comprehensive and important in their nature. By far the most important of these changes is that contemplated by the amended navigation act, which is to take effect from 1st January, 1850, when the whole of the restrictions imposed by the navigation laws will be done away, and the comprehensive principle established of admitting into this country, or into any British possession, goods of any sort, in a ship of any country, from any part of the world. All restrictions, however, that were heretofore deemed necessary for the safety of the State, for the protection of revenue and mercantile interests, limiting the size of packages, and the tonnage of vessels, and prohibiting the importation of foreign articles purporting to be British, remain intact. Her Majesty is empowered to impose, by order in council, additional tonnage duties on ships, or additional duties of customs on goods imported in ships, of countries that do not reciprocate the privileges conferred. The United States have, however, promptly responded to these privileges. It is presumed that, at the commencement of the new year, all existing reciprocity treaties will have become inoperative, as far as importation is concerned, inasmuch as all countries and ships will, *ab initio*, be placed in the same category.

NEW JERSEY LEGISLATURE.—The time having expired within which notices of applications to the New Jersey Legislature for charters were to be published, the Trenton True American gives a complete list of the applications. They number 113, and among them are applications for 9 plank roads, 19 railroads, 12 new banks, 3 ferry companies, 1 renewal of bank charter, 3 insurance companies, 2 new counties, 12 municipal corporations, 3 savings banks, 1 electric telegraph, five turnpike companies, 6 manufacturing companies, 1 transportation company, and 7 other incorporated companies. Twenty of these applications come from Hudson county, seventeen from Essex, ten from Burlington, fifteen from Monmouth, ten from Middlesex, and ten from Mercer. The new banks are, Mercer County Bank, at Trenton, capital \$200,000; Farmers and Mechanics', at Salem, \$50,000: one at Cape May, \$50,000; at New Brunswick, \$200,000; at Bordentown, \$100,000; at Freehold; at Phillipsburg, (Warren county;) at Jersey City, \$200,000; at Elizabethtown; at Deptford, (Gloucester;) at Jersey City or Van Vorst, \$100,000; at Paterson, founded on Stocks of United States, New York, Massachusetts, Kentucky, or Ohio. The new counties are proposed to be set off, one from Monmouth and the other from Essex.

MARCH, 1850.—All six months' acceptances dated the 27th, 28th, 29th, 30th and 31st of August, 1849, will fall due on the same day in March next—thus bringing five days' payments into one. Proof:

Date,	27th August,	due 27th Feb.,	3 days' grace,	2d March.
"	28	"	28	" 3 " 3 "
"	29	"	28	" 3 " 3 "
"	30	"	28	" 3 " 3 "
"	31	"	28	" 3 " 3 "

The 3d of March, 1850, will fall on Sunday, consequently the five payments will become due on Saturday, the 2d of March, 1850.

CHEAP BOOKS.—Sir Charles Lyell, in his "Second Visit to the United States," says: A letter dated April 15, 1849, was shown me from the Harpers, with permission to make known its contents, in which they mentioned that having been authorized by Mr. Macaulay to publish in America his "History of England," they had printed six editions, at prices varying from 50 cents to \$4—15s. 5d. to 2s. At the expiration of the first three months they had sold 40,000 copies, and other book-sellers who had issued independent editions, had sold about 20,000; so that 60,000 copies had been sold in the United States at a time when about 13,000 had been disposed of by Longman & Co., in London, at the price of £1 12s. each. As the cheap American editions were only just brought into the market at the date of this letter, the principal sale of the book was but commencing.—*Hartford Courant*.

STEAMBOATS OF THE WEST.—The Cincinnati Prices Current gives the following list of steamboats built at that port during the year ending September 1, 1849, as registered on the books of the Port Warden:

Name.	Tonnage.	Value.	When built.
Lancaster, . . .	135	\$11,000	Sept. 1848.
New Orleans, . . .	400	28,000	Oct. "
Hiram Powers, . . .	316	22,000	" "
J. M. Niles, . . .	430	28,000	" "
John Adams, . . .	435	28,000	" "
Memphis, . . .	265	18,000	" "
Belvidere, . . .	290	21,000	" "
Webster, . . .	460	25,000	" "
Farmer, . . .	293	19,000	" "
Storm, . . .	290	20,000	Dec. "
Yorktown, . . .	420	26,000	" "
Shamrock, . . .	182	10,000	" "
Wm. Noble, . . .	420	28,000	" "
Melodeon, . . .	325	20,000	Jan. 1849.
New World, . . .	280	17,000	" "
Martha, . . .	180	9,500	" "
D. B. Mosby, . . .	190	12,000	Feb. "
Phillip Pennywit, . . .	320	24,000	" "
Sarah, . . .	540	32,000	" "
Defiance, . . .	500	35,000	Mar. "
Yankee, . . .	315	23,000	April, "
Diana, . . .	188	15,000	June, "
Jenny Lind, No. 2, . . .	107	8,500	" "
Total, 23 . . .	7,281	\$480,000	

Comparing the number and tonnage of the boats built in this district during the last four years, ending September 1, the figures are as follows:

Year.	No.	Tonnage.	Year.	No.	Tonnage.
1848-9	23	7,281	1846-7	32	8,268
1847-8	29	10,233	1845-6	25	5,667

MORMON GOLD COIN.—We were shown this morning a twenty dollar gold coin, a number of which have just been received by Messrs. E. W. Clark & Co., brokers, of this city. It is about the diameter of a cent, but much thicker. One side bears the inscription "Holiness to the Lord," with the device of an eye and another figure that we do not understand. On the reverse is a representation of hands clasped in fellowship, with the inscription "1849, Twenty dollars. C. S. L. C. P. C." The coin is a very fair specimen of the mintage of the City of the Salt Lake. It is represented to be of pure gold, without alloy, and is thus too soft for long use. Those received here are to be sent to the mint to be re-coined according to our standard.—*Philad. Evening Bulletin.*

MORMON DOUBLE EAGLES.—Last week, Clark & Co., of this city, deposited at the mint for re-coining what purported to be \$3,000 in Mormon double eagles, each piece stamped as worth \$20. After melting, the aggregate value was found to be \$2,583.63, or about \$17.22½ each piece. The fineness was found to be 897 thousandths—silver parting 98 thousandths. The public will have to be on the look-out for this coin, for if this assay at the mint be a fair test of the value of the whole of the Great Salt Lake manufacture of coin, as we presume it is, the Mormons seem to know what they are about, and to be determined to make the most of their gold mines.—*Philad. Evening Bulletin.*

STATISTICS OF BOSTON.—We are indebted to the labors of LEMUEL SHATTUCK, Esq., for the copious and reliable tables of the Finances of Boston, contained in the February No. of the Bankers' Magazine. Such tables are indicative of great labor and research.
Ed. B. M.

NEW YORK, 26 JANUARY.			BOSTON, 26 JANUARY.		
New York, 6 per cent., 1860	112½	@ 114½	Albany, W. R. R. 6's,	105	@ 105½
Do. 6 per cent., 1865	112½	@ 115½	Do. do. 1865	104	@ 104½
Do. 5 per cent., 1862	106	@ 107	Boston 6's, 1853	101½	@ 102
Do. do. 1858	102½	@ 103	Boston 5's, 1860	97	@ 97½
N. Y. City, 7 per cent., 1857	113	@ 115	East Boston Co.,	14½	@ 14½
Do. 5 per cent., 1856	101	@ 101½	Massachusetts 5's, 1859	95½	@ 96
Do. Do. W. Ln. 1858	101	@ 102	Massachusetts Sterlings, . .	100½	@ 100½
N. Y. and Erie R.R., new, 6	57½	@ 57½	Atlantic Bank,	102	@ 102½
Syracuse and Utica, 8	130	@ 130½	Atlas Bank,	98½	@ 99
Auburn and Rochester, . . . 8	84	@ 84½	Boston Bank, (par 50) . .	54½	@ 55
Long Island,	17	@ 17	Boylston Bank,	103½	@ 104
Providence and Stoning, . . . 5	42½	@ 45	City Bank,	101	@
Tonawanda, Ex. div. . . 20	112	@ 115	Cochituate Bank,	85	@ 90
Harlaem,	52½	@ 52½	Columbian Bank,	99½	@ 99½
Mohawk,	88	@ 91	Eagle Bank,	100	@ 100½
Utica and Schenectady,	128	@ 129	Exchange Bank,	101½	@ 101½
Hudson River, 6	59½	@ 61	Freeman's Bank,	107½	@ 108
Bank of New York, 10	134	@ 135	Globe Bank,	108	@ 109
Manhattan Bank, 7	106	@ 106½	Granite Bank,	99½	@
Merchants' Bank, 8	110	@ 110	Grocers' Bank,	94½	@ 95
Mechanics' Bank, 5	115	@	Hamilton Bank,	101	@ 102
Union Bank, 10	127	@ 128	Market Bank, (par 70) . .	79½	@ 80
Bank of America, 7	102½	@ 103½	Massachusetts, . (par 250) . .	235	@ 237½
City Bank, 8	114	@ 116	Mechanics' Bank, (S. B.) . .	100	@ 101
Phenix Bank, 6	100	@ 101½	Merchants' Bank,	106	@ 106½
Tradesmen's Bank, 16	130	@	New England Bank,	106	@ 106½
Fulton Bank, 10	118½	@ 121	North Bank,	96	@ 97
Del. and Hudson C. Co., . . . 24	154	@	Shawmut Bank,	99½	@ par.
Butchers and Drovers', . . . 10	119	@ 125	Shoe and Leather Dealers', . .	111	@ 112
National Bank, 8	110	@	State Bank, (par 60) . .	61	@ 62
Merchants' Exchange, 8	109	@ 109	Suffolk Bank,	130½	@ 131
Leather Manufacturers', . . . 7	108	@	Traders' Bank,	99	@ 100
Bank of the State, 7	@		Tremont Bank,	102½	@ 103
Bank of Commerce, 6½	104	@ 105	Union Bank,	102½	@ 103
Mech. Banking Asso'n, 7	94	@ 96	Washington Bank,	95½	@ 95½
Amer. Exch. Bank, 8	109	@ 110	American Insurance Co., . . .	116	@ 120
N. Y. L. I. and T. Co., 8	116	@ 120	Boston Ins. Co.,	105	@ 106
Farmers' L. and T. Co.,	29½	@ 29½	Boylston Fire and Marine, . .	106	@ 108
Ohio Life and T. Co.,	98	@ 100	Fireman's Ins. Co., (par 25) . .	25	@ 30
Canton Co.,	39	@ 39½	Franklin Ins. Co.,	95	@ 96
Bank of Louisiana, 8	125½	@	Hope Ins. Co.,	98	@ 100
Louisiana State Bank, 6	90	@ 95	Manufacturers' Ins. Co., . . .	118	@ 120
N. O. Canal and B. Co., 6	74	@ 75	Mercantile Marine,	85	@ 90
Mech. and Traders' Bank, 6	84	@ 86	Merchants' Ins. Co.,	125	@ 130
Ohio, 6 per cent., 1870	107½	@ 107½	National Ins. Co., . . (par 50)	26½	@ 65
Do. 7 per cent.,			Neptune Ins. Co.,	158	@ 160
Ill. Int. Imp. Stock, 1847	45	@ 45½	Suffolk Ins. Co.,	85	@ 90
Indiana Bonds,	41	@ 45	Tremont Ins. Co.,	95	@ 98
Do. State Fives,	71½	@	United States, (par 50)	53	@ 54
Arkansas, 6 per cent.,	15	@ 38	Warren,	70	@ 75
Alabama, 5 per cent.,	76	@ 80	Washington,	90	@ 95

BANK ITEMS.

MASSACHUSETTS.—The Bank Commissioners of Massachusetts have presented a report to the Legislature, recommending several alterations of the laws, viz. :— that the Banks shall be restrained from making loans whenever their specie is less than six per cent. on the amount of their capital; that the Banks shall make monthly returns—are to state the largest amount of loan during the month, the average loans during the month, and the amount received for exchange, &c. The aggregates of the monthly returns are to be immediately published. There are also some additions proposed to the annual returns. They recommend some restrictions intended to render it more difficult for money borrowers to set a Bank in motion.

THE ATLAS BANK.—The Atlas Bank, at Boston, will, in a few weeks, remove its place of business from No. 60, State Street, to the lower floor of No. 8, Kilby Street, corner of Doane Street.

CONNECTICUT.—The Farmers' Bank commenced business at Bridgeport on the 3rd December last. The capital authorized by the charter is \$200,000, one half of which is paid in. S. Towlinson, Esq., President; S. K. Satterlee, Esq., Cashier, (formerly Cashier of the Stamford Bank.)

NEW YORK—ATTEMPT TO ROB THE BROADWAY BANK.—An attempt was made last night to enter the premises of Dr. Moffat, at the N. E. corner of Broadway and Anthony street, for the purpose of robbing the Broadway Bank. About 7 o'clock the watchman of the bank went to his supper, leaving the premises safe. On his return he heard a noise below, (the basement rooms are unoccupied) and went for aid to search the place. On entering the basement it was found locked, but some persons had been sawing a hole through the bulkhead, by which aperture they could have obtained access to the bank. Finding their project discovered, they relocked the door and fled.—*N. Y. Com. Adv., 17th January.*

DRY DOCK BANK.—The following are the names of the President and Directors of the Dry Dock Bank Company:—George Law, President; David Palmer, Cashier; George Law, John Dimon, J. D. Beers, Wm. H. Hays, Saml. Sherwood, Miner C. Story, Oliver Charlick, Walter W. Concklin, Fred. J. Hayes, Directors.

PENNSYLVANIA.—The Bank of Danville (Pennsylvania) commenced operations in January. President, Peter Baldy, Esq.; Cashier, George A. Frick, Esq.

RHODE ISLAND.—Josiah Chapin, Esq. has been elected President of the Merchants' Bank at Providence, in place of Wm. Richmond, Esq., resigned.

THE WESTERN BANK, BALTIMORE.—The Board of Directors have adopted a Resolution, "That books be opened at the Banking House on the 10th of Jan., and kept open during the business hours of the day, for two weeks, for the receipt of subscriptions to the capital stock of the Bank, in shares of twenty dollars each, *at par*; giving the preference to the present stockholders, in case the subscriptions exceed the amount of stock for sale."

The "bills discounted" are all active, and of the first class of commercial paper; the circulation large; the deposit accounts, both home and foreign, numerous, and constantly on the increase; the *bonus*, and all other expenses charged off to profit and loss; besides which, there is a clear *realized surplus fund*, more than sufficient to guarantee the integrity of the stock.

As the Bank, by a supplement to its charter, possesses the right, at any time, to increase its capital to \$600,000 (six hundred thousand dollars), without the payment of any additional bonus, and the growing business wants of the Western section of the city demanding an augmentation of banking capital, the directors deem it their duty to bring the subject before the stockholders and the community generally.

NEW JERSEY.—THE FARMERS' BANK AT WANTAGE commenced on Tuesday, 8th January. About \$90,000 of the capital stock having been subscribed and promptly paid in, it commences business under very favorable auspices. The new bills issued are elegantly executed, bearing the names of Jas. C. Havens, as President, and T. D. Armstrong, Cashier. The devices are chaste and elegant. The vignettes of the 1's represent the farmer engaged with his team in ploughing, and a milkmaid bearing upon her head the product of the dairy on the right. The 2's represent the New Jersey coat of arms in the centre, and the goddess of liberty on the right. The 3's are represented by a forgerman with a train of railroad cars and iron manufactory in the distance, and Ceres with her sickle and horn of plenty on the right. The 5's represent Agriculture accompanied by Commerce, with an Indian on the right.—*Sussex Herald*.

NEW YORK.—*The Newburgh Gazette* states that the Bank of Fishkill will go into operation on the 1st of June next, \$112,000 of the capital stock having been already taken. The total capital is fixed at \$120,000, and only \$8,000 remain to be subscribed. This bank is located in the neighborhood of large business transactions, requiring considerable banking facilities, and it will doubtless do a good business. The opening is a fine one, and the demand for capital is active. It seems that the business interests of that locality require the establishment of a bank.

NEW BANK AT BUFFALO.—A new banking institution, under the general law, will go into operation in Buffalo about the 1st of February, under the title of "The Hollister Bank." Its capital will be \$150,000. Henry Wager, of Utica, will be President; John Hollister, of Buffalo, Vice President, and Robert H. Eberman, Cashier.

VIRGINIA.—John C. Campbell, Esq., was, on the 2d January, elected President of the North Western Bank of Virginia, at Wheeling.

ALABAMA.—A movement is made in the Legislature of Alabama, to establish a State Bank in Mobile; with branches at Montgomery, Tuscaloosa, (the capital) Huntsville, and Tuscumbia. Also to incorporate The Bank of Montgomery.

In the Legislature, the proposition to repeal so much of an act of 1837 as restricted the Bank of Mobile to an issue of two dollars in paper for one in specie, so that they might issue three for one, as was contemplated by the original charter, came up for consideration, and was debated at some length. Mr. Beckett moved its reference to the Committee on Finance and Banks, with certain instructions, which was refused, and then the bill was ordered to a third reading. We regret that we cannot give a more extended notice of this debate; but will, hereafter, as the subjects for discussion are becoming of much more general importance, endeavor to present a brief abstract of the argument on each subject.—*Mobile Register*.

NEW ORLEANS.—The charter of the City Bank of New Orleans will expire on 1st May next. The circulation in June last was \$600,000, and the specie \$790,000.

City Bank, New Orleans, Jan. 5, 1850.

NOTICE.—With a view to the speedy withdrawal from circulation of all the notes of this Bank, the charter of which will expire on the 1st day of May next, the holders of the notes are requested to present them for redemption, at the counter of the Bank, as early as practicable. By order of the Board,

R. J. PALFREY, Cashier.

NEW ORLEANS CANAL AND BANKING COMPANY.—On the 7th January, R. W. Montgomery, Esq., was elected President of the N. Orleans Canal and Banking Company.

KENTUCKY.—A bill was reported in the Senate of Kentucky, on the 9th Jan., to incorporate *The Farmers' Bank of Kentucky*. A similar bill passed the Senate last year, but too late for the action of the House of Representatives. The present law proposes a capital of \$2,000,000; the parent bank to be located at Frankfort, with six branches,—1, Covington; 2, Maysville; 3, Mt. Sterling; 4, Henderson; 5, Princeton; 6th, not named, but will probably be at Bardstown.

WISCONSIN MARINE AND FIRE INSURANCE COMPANY.—The *Milwaukie Wisconsin*, in speaking of this institution, says:—"As a strong illustration of the confidence of the business men of this city in the solvency of this institution, they still continue to make deposits to a large amount, and we are informed that not a single customer has withdrawn his account."

The *Sentinel* says:—"The office of the Wisconsin Marine and Fire Insurance Company in this city was kept open till a late hour, Friday, and from 8 A.M. to 6 P.M., without intermission, Saturday, to accommodate all who were disposed to 'run' it."

BANK OF THE STATE OF MISSOURI.—The case of the State of Missouri vs. Nathaniel Childs, Jr., (late teller of the Bank,) was finally concluded, and given to the jury, on the 7th December last. The verdict is as follows: "We, the jury, find the defendant *not guilty*, as charged in the indictment." Mr. Childs was tried on the charge of abstracting \$120,000, specie funds, from the Bank, while acting in the capacity of teller.

TENNESSEE.—A bill passed a second reading in the Senate of Tennessee, the 2nd January, authorizing the Union Bank to establish a Branch at Chattanooga.

Notes on the Money Market.

BOSTON, 31 JANUARY, 1850.

The money market exhibits no material changes since our last monthly report. Money may be said to be still dearer here than in New York. In the latter city loans are made *on call* at 5 per cent., and prime business paper is worth six to seven. In Boston there is a considerable amount of commercial paper floating among capitalists, and the rates may be quoted at eight or ten per cent. per annum, for No. 1 bills. That the Boston Banks are doing all they can in the shape of discounts is apparent from their late annual returns, the details of which appear in our present number. They are rather more extended than those of the other large cities, and it is clear that they have furnished all the facilities to the community that prudence permits.

We have before us the recent returns of the Boston, New York, Philadelphia and Baltimore banks. In Boston and Baltimore the loans exceed their capital and deposits combined; in the other cities the loans of the banks are less. For the sake of comparison, we now present in round numbers the leading features of the banks of the four cities.

	<i>New York.</i>	<i>Boston.</i>	<i>Philadelphia.</i>	<i>Baltimore.</i>
Capital.....	\$25,000,000	\$19,600,000	\$10,670,000	\$6,975,000
Deposits.....	27,000,000	7,200,000	10,900,000	3,660,000
Circulation.....	5,600,000	6,000,000	4,160,000	2,070,000
Loans.....	49,000,000	31,000,000	20,200,000	11,600,000
Specie.....	6,800,000	2,100,000	4,062,000	2,120,000

These figures serve to show that the banks of Boston are quite as extended as their own customers and friends would recommend. They would not be justified in a larger

line of discounts. The actual bank circulation of Massachusetts (after deducting their own notes on hand) is \$12,300,000, against which they hold coin to the amount of \$2,750,000, or 22½ per cent. This is equivalent to a note circulation of \$15 per head for the entire population, whereas in Kentucky it is only \$8; in Virginia, \$7; in Pennsylvania and Ohio, \$5, and in Tennessee only \$3 per head; assuming the Patent office

of this Commonwealth, urges several we will allude more fully hereafter. We

ix per cent. of its capital stock. its stockholders for six months after the

the bonds of cashiers and subordinate

of the stockholders in the bank, to be ls.

ad of the present limited rate of five per

ate to be made to the Secretary of State,

or productive of no good. Such, for urties interested in the organization of a er for their own, for the purpose of ob- ck.

umed, has a Stock Ledger, in which the t, are duly posted.

il. The public generally do not care to upon as labor lost. The late recharter of ublication of its condition. It is believed rve to keep the public mind unnecessarily house of Baring & Co.) is to this effect. ach frequent publications, that they oper- r inferences from them; and that quar- er.

ms to us that the banks themselves are ions. It is nothing to the community at ; but to the stockholders and directors it

. upon the capital may be set down as a bank capital in the State of thirty-four llions should certainly be kept up, espe- edeeming point for the circulation of all

m of banking on the security of public all the States." It seems to us that the in this country. For the safety of bill mbraced in any other banking system in k have been demonstrated; and the loss instances have occurred, within the last fully indemnified. The Comptroller of uly one bank failure has occurred within ur. The amount of its circulation was

\$50,000, which was wholly secured by New York stocks. Arrangements were promptly made to redeem the bills, and they have been since paid, without interruption, at the former agency of the bank in this city, (Albany.) The premiums on the stock will yield a surplus of \$2,000 to \$3,000." This presents a strong contrast to the results of the bank failures in Massachusetts, Pennsylvania, New Jersey, Maryland, Illinois, &c.

The conviction is forcing itself upon the minds of legislators that a general banking law is better adapted to the State than special enactments or charters. By the former the field is left open for fair competition, and every one may become a banker who can produce *the basis of operations*; while no charge of favoritism or exclusive monopoly can be brought against it.

Another conviction is rapidly gaining ground, viz.:—that a modification or repeal of the usury laws must soon be adopted for the sake of the large class of borrowers. New York and Pennsylvania have the subject before their respective legislatures, and it is to be hoped that they will respond to public opinion in the large cities, and adopt the beneficial changes already in force in Great Britain. Mr. S. Gurney, in his evidence before the House of Commons, said, "I have no doubt that the relaxation of the usury laws has operated beneficially to the trade of this country." Few practical men are averse to the change now suggested, while common sense and experience point to it as essentially necessary.

The commercial prospects for the year 1850 are highly encouraging. Cotton has further advanced in Europe, with a continued large demand. The rates for bills for the last steamer were as follows:

London,	108	108½	Amsterdam,	39½	40
Paris,	530	523½	Hamburg,	35	35½
Bremen,	77½	77¼			

State securities have attained high figures, and their indebtedness is diminishing under the operation of the sinking funds. This is the case with Maryland and Pennsylvania more especially. New York six per cents of 1845 have reached this month 115—115½; Maryland six per cents, 103¼; Tennessee, 103¼; Kentucky, 102¼; Pennsylvania five per cents, 89¼; Ohio five per cents of 1870, 107¼. The annual financial Reports of Ohio, Virginia, Pennsylvania, New York, Massachusetts and Indiana, are all before our readers and present a highly favorable aspect.

There is an accumulation of nearly four millions in coin at New York, in the hands of the Sub-Treasurer, while less than seven millions are in the vaults of the banks. The *whole* should be in the banks. The use of coin as a currency is a burlesque upon the government; and, like free trade, is one of those attractive theories which look so beautiful on paper, but which are utterly unsuited to practical business transactions.

PHILADELPHIA MONEY MARKET.

There has been a moderate amount of business done in stocks during the past three days, and prices of the sound securities are well sustained, and in some instances a slight improvement has been realized. The fancies, however, continue to attract very little attention, the disposition to operate in them being apparently confined to the brokers, and not participated in by the community. The money market is rather easier. The banks are discounting freely, and the amount of good paper offering in the street is limited. The disbursement of a million and a half of dollars by the Sub-Treasurer has also imparted more confidence to the mercantile community, and has removed some of the apprehensions which were naturally caused by the locking up in the government vaults of the immense amount of upwards of four millions of dollars in specie.—*Phila. Evening Bulletin.*

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

~~~~~  
VOL. IV.

MARCH, 1850.

No. IX.  
~~~~~

IMPORTANCE OF USURY LAWS.

Communicated for the Bankers' Magazine.

THE following article on the Usury Laws was written by the Hon. John Whipple, of Rhode Island, in 1836. It was first printed in New York, and subsequently in the "American Jurist," a law periodical published in Boston.

Of the great ability of Mr. Whipple to master any subject which he undertakes, nothing need be said. His reputation as a powerful thinker, an able and experienced lawyer and eloquent speaker, is fully established and acknowledged. He is a gentleman of wealth,—and it is certainly a subject of congratulation that he is disposed to exert his splendid talents in behalf of the people,—the laborer, the mechanic and the farmer.

It may not be improper to remark that this article was highly complimented as conclusive upon the subject—by the late Judge Story, and by some of the most distinguished statesmen of Great Britain.

As a certain portion of the citizens of this Commonwealth, and of other States, are constantly endeavoring to induce legislators to try the experiment of repealing the Usury Laws, it has been thought that the republication of Mr. Whipple's article might accomplish much good.

If the proposed experiment were to be tried at the expense of the rich, for whose benefit it would inevitably tend, we might view the matter with sufficient indifference to withhold all objections. But it is far otherwise. The rich, or the possessors of money, propose to try an experiment, which can cost them nothing, whatever may be the result,—and the poor, or those whose income depends upon industry and prudence, will be made to suffer the accumulated penalties which are sure to come as the legitimate fruits of error.

Besides, the people require no such experiment. The experiment has been

frequently and sufficiently tried throughout the civilized world.* The ultimate convictions of the people, and the ultimate measures of government, have been remarkably uniform,—and hence we find Usury Laws in every nation upon the face of the earth, and we find them in every State of the American Union.

Those citizens who petition for the repeal of the Usury Laws may be divided into four classes, viz.

1st. Those who wish to increase their income by being permitted to tax the borrower what they please; 2d. Those who act as agents or brokers,—and desire to increase money negotiations for a commission; 3d. Those who are borrowers, and are made to play a subservient part to the lenders; and—4th. Those who are made to believe, and this class is a very small one, that such an experiment would really tend to benefit the people, although they are at a loss to tell how or in what way such a result has ever been reached by such means.†

We insert the following letter from the Hon. W. W. Wick, late member of Congress from Indiana, and formerly a judge in that State. It is brief and to the point, and may be viewed as a complete answer to all petitioners for experiments.

Washington, D. C., March 7, 1849.

Sir,—Your note of inquiry is before me. I propose leaving for home this evening, and my response must be brief.

In Indiana the usury laws were repealed twelve or fourteen years ago, perhaps more—and were not reinstated for three or four years. The frightful results of the repeal were not immediately developed. Many a “stricken deer” retired to die in secret, too proud to make known his ruin, induced by his own imprudence and the absence of legal protection against it. Many were sold out of house and home, ere public attention was directed to the subject; but no sooner had the effects of the repeal been developed, and become the subject of public discussion and conversation, than an *irresistible public opinion called for usury laws*. The first step was to fix the rate of legal interest at six per cent., and to sanction contracts for ten per cent. In two or three years the taking of more than six per cent. was prohibited.

If I had time I would be glad to make a sketch of the desolations left in the track of the usurer, during his brief reign in “Hoosier land.” I was judge of one of our circuits at the time, and was a *shuddering witness* to these desolations.

* Several of the States have tried this experiment, and always with ruinous results. Interest at this time in California is said to be 10 per cent. per month!

† We wrote a letter of inquiry to a highly respectable citizen of New York City, (Jan. 28, 1853,) respecting the petitioners for the repeal in that place. We have received a reply, (dated Feb. 4,) from which we make the following extract:—

“Your first question is, ‘what class of citizens are petitioning for the repeal of the usury laws?’ The originators of the petitions (so far as I am able to judge) are capitalists, such as brokers, wealthy merchants, &c.,—who are lending money at higher than the legal rates of interest. Another class who advocate this repeal are what are called street-brokers, who negotiate loans for others at exorbitant rates of interest, charging the borrower $\frac{1}{2}$ per cent. for their services. There are, however, many others, who know little of the nature of finance, who are induced to sign these petitions because they are told that if the restrictions were taken off, the competition among lenders of money would reduce the rates of interest. If this class of citizens depended on their own judgment, a little reflection would tell them that there is now no obstacle to competition in interest at or below seven per cent.; and that the design of these petitions is to INCREASE instead of to diminish the rates of interest.”

In addition to the above extract, it may be proper to speak of the extraordinary courtesy of these petitioners extended to the members of their State Assembly. These Wall street petitioners held a meeting at the Exchange last month,—and when a Mr. Nash was called to the chair—he remarked, among other things,—that the New York Assembly appeared to be “*demented*” upon this subject, &c.!!!

I have rendered judgment upon contracts for the payment of fifty, or twenty cents per day, or per week, for a loan of fifty or a hundred dollars, and in some instances the interest had become more than ten times the amount of the principal. It is worthy of remark that the usurer rarely brought suit for his money until the accumulating interest had swelled the debt to an amount approximating closely the value of the debtor's estate, or until notified to do so by the surety, or endorser of the debtor. The usurer, in the mean time, counted and gloated over his daily or weekly accumulation of interest, and the debtor (poor fellow!) lived upon the hope of extrication through some miraculous intervention. I am convinced that in some instances they had a secret faith that the creditor could not find it in his heart to demand the entire sum legally due, or relied upon private assurances from the creditor to a like effect.

Had the legislature not interfered, and tied the hands of the spoiler, an immense amount of property would have changed hands in a few years. As it was, clerks in stores, venders of spirits by retail, &c., in many instances, became wealthy, almost without capital of their own; and by the use, at a limited interest, of the money of some friend, who knew them well and could watch over their operations; and to make them wealthy, a great number of small farmers, owning in fee land worth five to fifteen hundred dollars, were ruined. In many instances the ruin had not half done its work when the estate of the borrower was engulfed. Discouraged, shamed and indignant, he either fled to dissipation or became a *man hater*. I know many men of excellent natural qualities, and much inclined to be moral and gay—and who became hopelessly demoralized and misanthropical. The moral desolations created by the absence of usury laws will tell upon any community to an extent, almost infinitely beyond the mere ruin of estate.

To show that it is not best to repeal usury laws as an *experiment*, it is only necessary to say that the contracts made in one year of the absence of such laws would not naturally develop their consequences during that year, to any considerable extent. As years pass away the evil results will develop themselves in a geometrical ratio. Long before they develop their full force and effects, the community will demand usury laws, and the blighting curses of many a withered or aching heart will follow the advocates of their repeal to their graves.

In haste, yours truly,

W. W. Wick.

As the State of Wisconsin ventured to repeal the usury laws last winter,—we had a desire to know whether the people of that Commonwealth were beginning to reap the bitter fruits of such an experiment,—and addressed a letter of inquiry to the Hon. J. P. Walker, United States Senator from Wisconsin, now at Washington. We received an answer dated Washington, Jan. 24, 1850, and from which we make the following extract. He says, in speaking of the repeal,—

“The argument in favor of this policy was, that competition in the loan of money, the rate of interest being unrestricted, would produce a great influx of capital to the State. It certainly has produced an influx of *money*—but not of *capital*.

“The result is, (and is to be,) that money has been freely taken at an interest from 20 to 50 per cent. The money loaned was that of non-residents. Now taking the average of interest to be 25 per cent., it is obvious that, at the end of four years, the amount loaned in the State will again be sent out; and that too, with an equal amount for the interest.”

“This is a poor way, in my opinion, to increase the real capital of a State. You will now appreciate the distinction I make above, between money and capital in this relation.

“I have no doubt that the results to our State will be *most disastrous*.”

It requires no prophet to foretell that if the experiment be permitted during a period of four years,—the enterprise of this new State will be completely prostrated,—and sold to non-residents and usurers. The only source of safety to the people of Wisconsin is to demand forthwith stringent usury laws. Her citizens may now be able to redeem themselves, but much delay would render their case almost a hopeless one. We hope and trust that they will be induced to adopt the enlightened views of their distinguished senator.

Allusions are made to the experiment of England, with respect to commercial paper of twelve months and less. The objects of this experiment were to increase the demand and the rates for money, to encourage business transactions—where capital was very plenty and very cheap, the very opposite of those professed by the repealers of the United States. So far as the results can be traced to their sources, the experiment has enriched the lender and impoverished the borrower. It has induced forced and ruinous transactions; and we may venture to predict with safety, that the experiment will prove in the end disastrous to the people.

A law authorizing the discount of short paper at unlimited rates would lead the borrower in all cases to require short paper to be made under promises of renewal, and the obligations of our citizens would be given subject to conditions wholly within the control of the lender. Such an exception would prove a most dangerous trap to the borrower, and in many respects would doubtless prove more fatal than a total repeal of all the usury laws of every name and nature.

The banks are to be excluded from all participation in this movement! This indeed would be excellent. It would be equivalent to a guarantee from government against loss to speculators in money. It would be taken at government cost, and sold at a merchandise price. There could be no risk in buying, and no risk in holding the currency, and the rich would be the only competitors for purchase in the market. By such a process the great objects of a currency would be subverted. Monopoly and prostration of business would follow as consequences.

The banks pay a heavy tax to the Commonwealth for the privilege of giving to the people a currency. They are subjected to expenses and risks peculiar to their business. They are required to have a specie basis, and to conform to rigid requisitions of law. This is deemed necessary for the protection of the currency, and for the protection of the commercial interests of the people. Why exclude them?

The securities specified are those which the banks usually prefer to receive, and why should they be denied the obvious rights which a system of competition, if it secures to any, should secure to all? Is it that money would be made too plenty and too cheap, or that the head sources would be cut off? Perhaps, if the banks were permitted to lend money for what interest they please, they might prefer to ask the highest price for it, and thus give no chance to speculators. The officers and directors of country banks might esteem it a duty to carry their money to the great cities for sale. It would be a good sort of merchandise to buy and sell. It might be sent by mail to all parts of the country at little expense and at no risk, even without insurance. But the beauty of the traffic would be that the government is made responsible for the prime cost. If a citizen buys flour at eight dollars per barrel, and abundance in the market reduces the price to four dollars, he is compelled to submit to a loss of one-half of all he pays. Not so with money. Its minimum value is fixed by law, and the only uncertainty with the purchaser is not so much as to what he is liable to lose, but as to the amount which he is sure to gain.

If it be the object of the petitioners to make money plenty and cheap, as they unreservedly assert, then the usury laws should be entirely abolished. Banks, corporations and holders of mortgages should be permitted to do as

they please. If the principle assumed be true of a part, it is true of the whole. If a portion of our citizens be authorized to charge what interest they please, on a certain class of securities, for the purpose of making money more abundant, there is no reason why all holders of similar securities should not enjoy the same privilege. If the operation of a portion serves to increase our means, the operations of the whole would necessarily lead to still greater abundance. We find strange elements in the proposition of the petitioners. They unquestionably admit the importance of having a good currency, and seriously desire that it should be rendered by the acts of government safe, permanent and uniform. They ask that the banks shall be compelled to take a limited interest under forfeiture of charter. And beyond this, they propose for themselves a freedom not to be recognized or regulated by law! They ask the legislature to determine by law the rate which they are to pay, and then they propose, by some *legerdemain* process, which they do not explain, to produce plenty by having the power of demanding an advance upon that rate according to their own good judgment! They require no *lex scripta* for themselves. This is only necessary for *others*.

If the legislator be called upon to decide whether he shall avert a pang from the suffering poor, or add to the surplus means of the rich, we trust that he will not long deliberate how to decide the question. The power of money, chained as it is by the usury laws, is strong enough. It is too strong for man's best good. If the poor must occasionally submit to the lacerations of the "icy fangs" of unfeeling Shylocks, let it be as seldom as possible, and let some fair Portia be at hand to weigh the flesh if any be found daring enough to cut it.

We make no application of these remarks as due to the petitioners. We are willing to believe that many of them are influenced by honorable, but mistaken motives. We think them all in error. We think them selfish, though, perhaps, not intending to be so. They ask for a law which would benefit the few and oppress the many. They may deny this as an assumption of the question at issue, but their denial will be of no avail. We know what human nature is,—and we know that they are not above it. That they have not examined the subject in its various bearings is sufficiently obvious from the fact, that all their views are centred in State street and in Wall street. They count a few merchants in the metropolis, as the population of the Commonwealth. They forget the farmer's wants. Although they speak of the mechanic, it is but to impart to him their own errors, and when allusion is made to the interests of the working classes, it is more a figure of speech than any substantial guaranty of good. We do not speculate. We mean what we say. We speak from knowledge, and if it were necessary we could give numerous facts linked with names to illustrate our views. The heartless operations so frequently known to be made in State street and in Wall street, are no fictions of the brain:—

"Where with sad haste, through several ways they run,
Some to undo, and some to be undone."

In seasons of speculation faith becomes a passion. Most men become blinded and self-deceived. All feel that they are rich, or indulge in expectations that soon they will be. Extravagant wants feed extravagant wants, and general poverty is the usual result. What is one man's gain is another's loss, and when purchasers are ruined sellers become poor. The rapacious money lender deems all rates of interest too low, and the dreaming borrower fancies that he can afford to pay them, however high. Thus, mutual deception is practised until all fall together—saving the few who grow in riches, as vegetation thrives upon its own decay.

It is a remark of an intelligent English writer, that, "In times of speculation

we hear much of the fortunate maker of fortunes; we hear little of the numbers who suffer loss, except when some immense failure precipitates hundreds into distress and ruin, or when some pistol shot reveals the mental distraction of a gambler, not less one because he plays with cotton or shares, instead of dice."

We repeat it, money has too much power already, even under rigid restrictions, without permitting its holders to exercise an unlimited power of extension. If connected with labor and objects of industry, it may prove a blessing; but, as an article of mere traffic, it becomes a curse to society.

All laws are violated more or less. So are usury laws. Most money is loaned within the legal rates, and if our penalties for violation are not sufficiently severe to protect the poor man, let their severity be increased. Above all let the laws be executed. The *buyer* of lottery tickets is fined as well as the vender, and let the same law be applied to money buyers as to money lenders, at illegal rates.

Allusions have been made to the laws of Rhode Island, Vermont, and Connecticut. In these States the penalties for violation are light, and hence it has been urged that their adoption would be an improvement upon those of New York, Pennsylvania, &c. This recommendation discovers clearly the motives of the repealers. The petitioners will not hesitate to violate *the law*, provided the penalty be one which they can afford to pay! What excellent citizens! Most people, we trust, obey laws from convictions of duty. This may be said, certainly, of the small States to which we have alluded, and to the country people of all the States. Those who are willing to violate the laws of their own State, or of other States, for gain,—employ Wall street or State street agents. They are ashamed to be known in their acts at home.

The usury laws have been opposed especially because "*they are seldom executed.*" It is said that "*they are useless.*" And yet we have recently seen enumerated among the "*evils of the usury laws,*" so termed, expressions of indignation because some of the violators of the laws have been compelled to pay the penalties of forfeiture.

Nothing can be more shameful, in our opinion, and more indicative of a degraded moral condition, than a deliberate condemnation of the proper and strict execution of the laws. It is the duty of every citizen to aid in upholding the laws of his country, and however great the penalty prescribed for violation, to allow no culprit to escape, whether he be a private individual or the agent of a corporation. If this course were steadily pursued, we should soon see an end to the ruinous and gambling practise of paying and receiving illegal rates for money. If a poor man wants bread for his family, he is required to earn, or to beg it,—not to steal it. If a merchant wants money, let him make his propositions for it according to law. If he has good security he will obtain it. If his securities are doubtful it is the worst species of gambling for any one to lead him into engagements inconsistent with his ability, and which will deprive him in the end of all means to pay his just debts.

THE USURY LAWS.

BY HON. JOHN WHIPPLE, PROVIDENCE, R. I.

THE object of the remarks which I mean to make upon this subject is, not to discuss the subject of the currency, nor to say one-half that may be said upon the subject of the usury laws: but merely to make an attempt to remove the prejudices which prevail (to a limited extent) among some men in trade, on account of the gross misrepresentations which have been made by Mr. Bentham and others of his school. I am satisfied that most men have not given themselves the trouble of investigating the true policy and design of those laws, nor the principles upon which they are founded.

In 1787, Mr. Jeremy Bentham presented the world with a book which he termed "A Defence of Usury, showing the Impolicy of the Present Legal Restraints of the Terms of Pecuniary Bargains." I presume that Mr. Bentham considered himself entitled to the sole credit of the views then taken of the subject, for he begins by declaring that he "does not recollect ever seeing any thing yet offered in behalf of the liberty of making one's own terms in money bargains."

He then proceeds to state the general proposition which he means to establish, which, he says, rather jeeringly, was the result of an odd notion of his. It is in these terms:

"That no man of ripe years and of sound mind, acting freely, and with his eyes open, ought to be hindered, with a view to his advantage, from making such a bargain in the way of obtaining money, as he thinks fit; nor (what is a necessary consequence) any body hindered from supplying him upon any terms he thinks proper to accede to.

"That contracts in general ought to be observed," he says, "is a rule the propriety of which no man was ever yet found wrong-headed enough to deny. If this case is one of the exceptions (for some doubtless there are) which the welfare and safety of society require should be taken out of the general rule, in this case, as in all those others, it lies upon him who alleges the necessity of the exception, to produce a reason for it."

This would have been a fair statement of the question, had the exception contended for been a new one. But after admitting, as he explicitly does, that the exception is as old as the general rule, that it had gone into the legislation of almost all nations, ancient and modern, that it had "taken hold of the imagination and passions of men," and "that custom was the sole basis which either the moralist in his rules and principles, or the legislator in his injunctions, can have to build upon," one would have supposed that he who sought to overthrow an exception practised upon through all

time, by both moralists and legislators, would have had the diffidence to believe that the chance that all the world was right, was tolerably good, until *he* established the contrary. But Mr. Bentham was a theorist in the largest sense of the term, and ought not to be severely censured for believing all the world wrong in this particular instance, inasmuch as he believed they were wrong in almost all others.

Mr. Bentham thus divides the subject. "In favor of the restraint opposed to the species of liberty I contend for, I can imagine but five arguments :

- " 1. Prevention of usury.
- " 2. Prevention of prodigality.
- " 3. Protection of indigence against extortion.
- " 4. Repression of the temerity of projectors.
- " 5. Protection of simplicity against imposition."

He then devotes several chapters of his book to the refutations of these five reasons, which are all that he can "*imagine*" in favor of the restraints proposed upon the loan of money.

The substance of the second chapter consists in a successful attempt to show that there can be no such thing as usury in the absence of all previous legal restraint ;—that usury is the excess over the rates established by law. This proposition might have been taken for granted.

In the third letter Mr. B. proceeds to demolish the second reason which he "*imagines*" to be one of the reasons in favor of usury laws, the prevention of prodigality. He says, what in general is true, "that no man, prodigal or not prodigal, will ever think of borrowing money to spend, so long as he has ready money of his own, or effects which he can turn into ready money without loss." That if he is a prodigal "the usury law will not prevent him from spending what he has." And that after he has spent his all, "and has no security to offer, it will be as difficult to obtain money at an extraordinary rate as at an ordinary rate," and thus, therefore, the usury laws can be no protection to him.

In his fourth letter he undertakes to show that the *indigent* derives no beneficial protection from these laws, because, supposing him of sound understanding, he is a better judge than the legislature what he can afford to pay.

The protection of simplicity forms the subject of the fifth letter, and is the only remaining reason upon which Mr. B. imagines the usury law to rest.

He says, "Here in the first place, I think I am by this time entitled to observe that no simplicity short of absolute idiotism, can cause the individual to make a more groundless *judgment* than the legislature, who, in the circumstances above stated, should pretend to confine him to any given rate of interest, would have made for him."

That even admitting the judgment of the legislature to be better than that of the individual, still the usury laws can be no protection to him, because there are many other ways by which a simple man may ruin himself, which the legislature has not protected him from, such as buying goods at exorbitant prices, buying more than he wants, and other similar cases.

This ends the work of demolishing the five reasons which Mr. Bentham has imagined were the only reasons upon which the usury laws were based.

Mr. Bentham then proceeds to an enumeration of the positive mischiefs of the usury laws.

“The first I shall mention, is that of precluding so many people altogether from getting the money they stand in need of, to answer their respective exigencies. Think what a distress it would produce, were the liberty of borrowing denied to every body.” I confess myself unable clearly to understand what the author means by this mischief. I believe it was never before pretended that usury laws lessened the quantity of money or prevented any one from borrowing.

The second mischief is, that if any man is not permitted to borrow, he must sell his property at a greater loss than the extra interest would occasion. Here, again, he imagines that the usury laws prevent men from borrowing.

But the third and last mischief is somewhat extraordinary, and proves not only how bold a man must be who opposes the deliberate verdict of mankind by novel and unfounded theories, but how deeply he will plunge into error, who draws entirely upon his imagination for information which can be nowhere found, but in the practical business of life. He says—

“The last article I have to mention in the history of mischief, is the *corruptive influence* exercised by these laws on the *morals* of the people, by the pains they take, and cannot but take, to give birth to treachery and ingratitude.

“To purchase a possibility of being enforced, the law neither has found, nor, what is very material, must it ever hope to find in this case, any other expedient, than that of hiring a man to break his engagement, and to crush the hand that *has been reached out to help him.*”

This is too bad even for a writer who draws entirely upon his imagination. Had Mr. Bentham taken the pains to understand and state the reasons upon which these laws really are founded, and to overthrow those reasons as successfully as he has the cob-houses of his own imagination, he might have been entitled to the indulgence of a little sentiment of this sort. But to steer clear from the beginning to the end of his book of the sole questions upon which the policy or expediency of such restraints depend, and then to end with a poetical triumph of this sort, is a liberty which perhaps no other man but Jeremy Bentham would have indulged in ;—I say to end, because I have given the substance of his book. If it had been my object to attempt to overthrow the reasons given to support the propositions advanced, a more detailed statement would have been required in order to give a fair view of his side of the question.

But with this reasoning, (though I by no means assent to some of it,) it is unnecessary to consume time, because I shall endeavor to show that the propositions, to support which that reasoning is employed, have but a remote connection with the usury laws. If the men of Mr. Bentham's days, either by their writings or conversations, induced him to believe that the laws against usury were enacted only for the protection of the prodigal, the indigent, the projector, or the simple, they must have abounded in ignorance, and he in credulity.

The policy and expediency of usury laws must depend mainly, if not entirely, upon two questions.

1st. Supposing the parties to stand on equal terms, and the bargains which they make to be, in general, perfectly fair as between themselves, is it, or is it not for the interest of the public to allow money to be converted into merchandise, and bought and sold at any price the parties may choose to stipulate?

2d. Do the parties in general meet on equal terms, and are the bargains, in the absence of usury laws, as fair as bargains usually are, in relation to merchandise?

These two questions involve substantially all the other questions that relate to the usury laws, for if perfect freedom as to the price of money, neither injures the public nor individual borrowers, any more than the same freedom in relation to merchandise, then Mr. Bentham is right.

If, on the contrary, this freedom would be injurious to the public, or so generally to borrowers, as to call for protection from the law, then it is equally clear that he is wrong. I say it is equally clear that he is wrong, if the latter supposition is true, because no one admits the evils, and complains of the remedy. The complaint is not that usury laws, as they now exist in England, do not constitute the best remedy for the supposed evils, but that the supposed evils have no existence. All that I shall attempt to show, therefore, is, that these evils always have existed, and probably always will, unless checked by some legislation, of some kind or other. If any discovery of a better remedy than that resorted to by nearly all the civilized nations of the world, should be pointed out in this inventive age, let the new remedy be applied. Until such discovery, the old remedy must be deemed the best, if the evils complained of really exist.

The little book of Mr. Bentham on this subject was one of the first, if not the very first that contains a systematical attack upon the whole policy of the usury laws.

No reformer before his day was bold enough to recommend so wide a departure from the legislation which ancient and modern nations have been obliged sooner or later to resort to. Adam Smith dealt pretty freely with many of the usages and much of the legislation of his own and other countries. But, intelligent and fearless as he was, he expressly admits the necessity of the laws in question. When Mr. B. therefore undertook the arduous task of showing that all mankind were wrong in the conclusion to which they had arrived, one would have supposed that at least he would, from a regard to his own reputation, have informed himself upon what questions the policy of those laws depended. At the present day at least, it will be admitted that they mainly depend upon the two which I have stated. Yet, from the beginning to the end, Mr. B. nowhere states, formally or substantially, either of these questions. I have given the substance of his book so far as it relates to the laws against usury. In letter 10, he undertakes to ascertain the grounds of the prejudices against usury. This attempt I shall remark upon by and by. The other letters may have a bearing upon the subject, but so remote that, at my time of life, I am unable to discern it.

Still I hear the advocates of free trade in money matters exultingly refer to Mr. Bentham's book, as settling all the difficulties which surround this intricate and perplexing question. All I ask of the public is to read this

book, after first deciding in their own minds what the questions are upon which the policy of those laws depend, and if they find those questions anywhere stated or discussed, I have been unfortunate enough to overlook the page which contains it.

I shall take but a brief view of the subject, because nothing but brief views on any subject, in this busy age, stand a chance of being read, and also because I hope to provoke a discussion of the important questions which it involves, by those better informed than I pretend to be.

1st. I think I cannot be mistaken in saying that the first question upon which the policy of these laws depends, is, whether it would or would not be injurious to the *public* to allow money to become the subject of unrestrained traffic, like any other article. If such a traffic would not injure the public, then one of the reasons which have been supposed to exist, is removed. If it would, then all will agree that they ought to be reënacted with their original security.

How is it to be decided that such a freedom would injure the public? The answer is a very plain one. If such a freedom from restraint would inevitably increase the average rates of interest, it would be a serious evil to the community. If its tendency should be to reduce the rates below what they formerly were when the usury laws remained in force, it would be a blessing. If, on the other hand, they neither increased nor diminished the rates, then so far as the public is concerned, the restraints ought to be entirely withdrawn, because all penal laws are odious, and when they have no effect of any kind, are also useless.

The advocates of the free trade principle, at least those with whom I have conversed, agree that, so far as the public is concerned, the whole policy of the laws depends upon the questions I have stated. They consequently contend very earnestly that interest would be lower if the restraints were all thrown off, than they now are, under the partial restraints that remain. Those who contend for this effect from a total repeal, are principally money lenders, men who are interested in keeping up the rates as high as possible. I have had some difficulty in discovering what should induce men to wish for the repeal of a law, which, as they say, is sure to lessen the income or interest of their money; still, as I know many of them to be conscientious and upright men, I have never questioned their sincerity, although it is a sincerity very liable to be turned wrong end foremost.

I cannot find that Mr. B. anywhere discusses this question, but he repeatedly states opinions from which others of his school infer, that he thought that the usury laws have a tendency to increase the rates of interest. I draw precisely a contrary inference from all that has a bearing on the subject. For instance, in his second letter, page 13, he states, "And in Hindostan, where there is no rate limited by law, the *lowest* customary rate is 10 or 12." "In Constantinople, in certain cases, as I have been informed, 30 per cent. is a common rate. Now of all these widely different rates, what is there that is intrinsically more proper than another?"

He had previously stated that in Ireland it was six, and in the West Indies eight per cent. If Mr. B. contends that 30 per cent. is intrinsically as proper as 6, he does not agree with most other advocates of the free trade

system, that high rates are injurious to the public—for if they are injurious to the public they are not proper.

But can it be seriously questioned by any practical men that high rates are injurious to the public?

Mr. Bentham, in p. 14, says, “ For him who takes as much as he can get for any other sort of thing, a house for instance, there is no particular appellation, nor any mark of disrepute ; nobody is ashamed of doing so, nor is it usual so much as to profess to do otherwise. Why a man who takes as much as he can get, be it 6 or 7, or 8 or 10 per cent. for the use of his money, should be called usurer, should be loaded with an opprobrious name, any more than if he had bought a house with it, and made a proportionable profit by the house, is more than I can see.”

Why a man always has been, and always will be, loaded with an opprobrious name, who takes as much as he can get for his money, I will consider when I come to remark on the fairness of the bargain between the lender and the borrower. At present I cite this passage as the foundation of the notion that money is to be treated like an article of merchandise, and that, in both cases, it is right to take all that the lender or seller can get. My view of the subject, both as it regards its effects upon the public and upon the borrower, is, that money is *unlike* any other article, and so unlike it that the possessor has neither the legal nor the moral right to take for it all that he can get. Mr. B. seems never to have given a moment's attention to the difference between money and merchandise. I will endeavor to point out what he says he cannot see.

In the first place, all merchandise is, in some form or other, the product of individual labor or skill. The farmer who produces a hundred bushels of wheat, the manufacturer who fabricates his bale of cloths, and the mechanic who constructs a ship, become the *absolute* owners of the products. Their right is unqualified, for they are not produced for any specific purpose, but originating solely in individual labor, they are to be used solely to gratify individual caprice or individual love of gain. When the original producer sells them, he conveys all his right to dominion over them, and all this right and dominion over them passes with the article into whose hands soever it may come. The original or any subsequent owner may destroy them if he pleases, and neither the public nor any other individual has a right to complain. So absolute is his right that even the government cannot take it from him for public use, without making an adequate compensation.

On the other hand, money is not originally the product of individual labor or skill, but is brought into existence by the government. The metallic currency must pass through the mint, or receive in some other way the sanction of the Government before the character of money is impressed upon it. Our paper currency is the creature of State governments, who authorize certain agents of theirs, called banks, to issue certain amounts. Thus the *origin* of the metallic and paper currency is with the government of the country.

2d. The *object* of these products of the Government is as different from the products of individual labor, as is their origin. The object is a specific one, to benefit the common country at large by affording them a medium for facilitating the exchange of all the commodities in which men usually

deal. It is sent out as an *instrument* to represent the value of all other articles.

Its main object was then for the *public good*, as a *currency* to which all men might have access. It was never intended as an article of trade—as an article possessing an inherent value of itself, any further than as a representative or test of the value of all other articles. It undoubtedly admits of private ownership, but of an ownership that is not absolute, like the product of individual industry, but qualified and limited by the special use for which it was designed. The first purchaser from the Mint or the Bank of a portion of this currency, purchased with a knowledge that it was the currency of the country, and that it was designed for that particular purpose. All the title which he acquired by the purchase, was to use it for his own benefit, *provided* he did not interfere with the main object of its creation, to wit, a currency. It is analogous to the use which individuals may make of any other property created for public purposes. A public or navigable river is undoubtedly the property of the public, destined for specific purposes and uses. An individual, one of the public for whose use this public river or other high-way was intended, may acquire a particular kind of property in it. He may use it in any way that does not interfere with the grand object of all high-ways, but if he exceed that object, and undertake to prevent others from using it in the same manner, he exceeds his right. The owners of the land adjoining a high-way, are the owners to the centre. If a mine should be discovered under it, they alone could claim it. But this private right must be so used as not to interfere with the travel of the public. Many other modes of illustrating the limited nature of individual title to the currency of the country, will occur to every one.

Can an individual owner of a portion of the currency use it as he pleases without regard to the object of its creation? The individual producer of the 100 bushels of wheat may throw it into the sea if he pleases, and neither the government nor any individual has a right to complain. But suppose forty or fifty capitalists should buy up all, or nearly all the metallic currency of the country, (which it is in their power to do,) so that all the paper currency must of necessity be withdrawn from circulation, and consequently all the business of the country come to a stand; suppose they should insist upon their right to use it as merchandise, and keep it locked up in their warehouses,—would any lawyer among us say they had either the legal or the moral right so to do?

In a general sense the Government has the right to prevent an individual from using any property, over which, according to common parlance, he has an absolute right, to the injury of the public. But this is a general power, to be exercised by general laws, and in no other manner. It is wholly unlike the case supposed, for until those general laws are enacted, the individual may legally use his property in any way he pleases. But the right which the Government has to the currency is not a general right to pass all laws required by the public good, but a *specific interest* in the thing itself which constitutes the currency. The public is a partner with the individual. It has a joint interest in the thing itself, and an undoubted right to restrain the individual from using it, except for partnership

purposes. The elder right is in the public, and the individual purchased merely the power of using it, subject to the elder right.

Again, the inherent and inseparable qualities of money are different from those of any other article. It possesses a power which no other commodity does or can possess. It is beyond the ability of individuals or of the Government, to confer that power upon land or merchandise. The Government possesses the power of converting lead, or rags, or silks, into a currency, but the moment that is done the lead, or rags, or silks become money, and this superadded character, conferred upon it by the government, clothes it with a power, different in kind, and greater in degree, than *can* exist in any other article without that character.

This power is separate and distinct from its value. One hundred dollars in land possesses as much value as one hundred dollars in gold, but much less power. The land, though of the full value of one hundred dollars, will not, like money, at all times, and in all places, *command* one hundred dollars value, in any of the thousand different commodities which its owner may want. This power to command every thing else, does not exist in the gold, or the silver, or the paper, constituting the materials of money, but arises out of the Act of the Government which impresses the character of money upon it. Should the Government ordain, that certain peculiar shells should constitute the currency, and be a lawful tender in payment of debts, that currency would possess the same power, though probably not the same value as gold and silver. The power of money, then, over every other article, arises out of the artificial character given to it by the state, and not out of the qualities of the material of which it is composed. This power consists mainly in its convertibility, in the facility with which it may be exchanged for any other commodity. If an individual should invent a machine capable of performing what no other machine could perform, not only would the materials of which it might be composed be his property, but its powers and capacities would also be his. The law would protect him in the enjoyment of this latter species of property, and prevent any other individual from constructing or using a similar one, without his consent. This power and capacity being the fruit of individual skill, becomes the subject of individual right and property. In theory, therefore, it would seem that the power of money being the fruit of the industry and skill of the government, would necessarily become the property of the government. But in point of fact, this power was conferred upon it for the *benefit* of the *public*, and becomes the property and right of those for whose benefit it was invented.

In the next place, it must be admitted that the power thus conferred upon the currency by Government, is not only different in kind from the power which the ownership of other commodities confers, but that it is almost unlimited in extent and degree. This extent of power arises out of the fact that money is indispensable to the business of every man, because every man is in the community. It being the representative of the value of all other articles, it is indispensable to the business of all men, because every man must deal in some one or other of those articles. When I say indispensable I do not mean useful, convenient, or desirable, but indispensable in its strictest sense, for a man who is deprived of access to money entirely,

must stop his business. Should he resort to a barter trade he would find so much of his time consumed in making his exchanges, and so many other obstacles to encounter, that a rival in the same business, who could command a sufficiency of money, would undersell him.

Money, then, is the subject of want to *every* man in the community, and of a want so pressing as to be indispensable.

Money is as indispensable to every man, as a license would be in a given case. Suppose, in a case of war or some other exigency, that the government, for purposes of revenue, should find it necessary to enact a law that no business of any kind should be transacted without a license first obtained, and that the price of this license should be governed by the amount of business to be transacted; suppose also that this law should be rigidly enforced; it is easy to see in the case supposed, that without a license *no man* could continue his business; in other terms, that the license would be *indispensable*.

The currency is this license, provided by the government, (not for the purpose of revenue, but) to enable *all* men to transact their business.

No other article can be named which is indispensable to the business of every man, consequently, in this particular, money is totally *unlike* anything else. It is also unlike all other commodities in this, that there is no one article that is made the subject of trade, which *every* man has any occasion for. On the contrary, select any one we please, and we shall find that comparatively *but few* persons are in want of it. The variety of pursuits and occupations is almost as great as the variety of commodities. Each man wants only that in which he deals. Even provisions and clothing consist of a great variety of kinds, and scarcely one can be selected which *all* men want, and no one that is *indispensable*. In case of a scarcity of one, others will be substituted. This difference between all other commodities and money is very material, for money being not only the subject of want, but indispensable to all men, a scarcity is felt by all men: like diseases of the blood, it not only affects the heart and the other vital organs, but the remotest extremities. No portion of the system can escape its contagious influence.

A scarcity then in any one of the subjects of trade, affects but a few, and that few in but a slight degree, because other articles can be substituted. If prices should rise considerably above the market value, in 90 days importations from Europe would supply our wants at least, if not reduce the price. There is always a physician at hand for the diseases of trade. But a scarcity of money cannot be cured by substituting something else. Money and nothing but money will supply the wants of individuals. Nor will a supply from abroad cure a disease of the currency arising from scarcity, as in the case of merchandise, for the owners of the latter article send it wherever prices are highest. But the owner of money is governed by a different rule. In general he keeps it under his own eye. He prefers loaning it to men and upon security, well known to him. He may be willing to invest it in the stocks or lands of a foreign country, but very rarely does a capitalist send his money to a foreign country to loan to individuals. He has to encounter the double risk of the solvency of his agent, as well as that of the borrower. For many years money has commanded from

twenty to thirty per cent. in many of the western states, upon landed security, while it has been abundant in England and Holland at three and four.

There is another point of view in which money is unlike other articles. It is this, that a scarcity in the latter rarely ever occurs, a general scarcity never; I say never, because for the last forty years I never knew a general scarcity of all articles, and but a few instances in any one article. But the scarcity of money has been the theme of general complaint. It has existed (either real or artificial) as long as the oldest of us can remember, and the reason is found in the facts before stated, that it is indispensable to the business of every man.

Another essential difference between the two subjects under consideration, consists in the facility of creating an artificial scarcity of the one, and the difficulty, if not impossibility, of creating such a scarcity in relation to the other.

Money is concentrative in its very nature. Its home is the pockets of the few. Under the free trade system, this concentrative quality would naturally increase. Merchandise, on the other hand, is diffusive. The object of its creation is distribution and consumption. Without this consumption, trade could not exist, and its natural effect is, that merchandise of all kinds is found in great abundance all over the country. When a sale of goods, of any kind, takes place, they part from their owner never to return again. They abide but a short period with no one but the ultimate consumer. Money, on the other hand, is loaned, not sold, and it returns to its owner invigorated with additional power by an increase in its amount. This tendency, in merchandise, of diffusion among the many, and in money, of concentration among the few, prevents an artificial scarcity in the one case, and facilitates it in the other.

There are other facts which increase the difficulty on the one hand, and entirely remove it on the other. The specie currency of the country, if I mistake not, is estimated at about \$40,000,000. The paper at about eight times that amount, or \$320,000,000, while the subjects of trade are supposed to be at least ten times the latter amount, or thirty-two thousand millions of dollars. To attempt to create an artificial scarcity in all the various subjects of trade, therefore, would be little short of madness.

All that the most visionary would deem practicable, would be to effect an artificial scarcity in some one article. Suppose flour should be selected, and a few wealthy capitalists should buy up two or three millions in value of that article. Two hundred thousand dollars in flour cannot well be concealed in a pocket-book or in a vault. The attempt would of course become generally known, and probably never repeated. Nine-tenths of the people, rather than such a combination should succeed in raising the price, would substitute some other article. If there should be a partial advance, the evil would be very limited in duration. But the fact that such combinations do not exist to any extent, and never have, is sufficient proof that they will not exist in future. I suspect that the truth of the case is, that there is more danger of loss, than chance of gain, by such experiments. Flour is a perishable article. Almost all kinds of merchandise are subject to great fluctuations in price. Importations, to supply the quantity hoarded

up by speculators, would soon follow and prevent the occurrence of the threatened evil.

The facilities, however, in the case of money, to produce an artificial scarcity, are much greater. I do not mean to affirm that even in respect to money such a scarcity has ever been produced. All I mean to say is, that it may be produced with much more ease than in relation to any other article. Thus, if a few large capitalists should control \$10,000,000 of the specie currency, the banks would be obliged to withdraw from circulation say \$80,000,000 of the public currency. This of itself would, under the free trade system, at once raise the rates of interest up to 20 or 30 per cent. In fact there seems to be no need of any action on the part of the capitalists. All that is necessary is to pretend that a scarcity exists, and what means have the public of ascertaining the truth? But in the case of merchandise, the fact of a real scarcity or a pretended one, can be much more easily ascertained.

But in relation to the subject of scarcity, money differs essentially from merchandise, not only as it regards the facility of creating it, but in its consequences when created.

Suppose a stranger, upon entering a foreign country, should find a small portion of the people afflicted with a slight disease, of short duration, and which visited them every ten or twenty years—that this disease occasioned but little pain and no deaths; would he consider it among the leading calamities of life, or even as a very serious evil?

Suppose, however, that in the next country which he visited, he found nearly every man, woman and child in deep distress; all writhing under severe pain, some in the agonies of death, and many gone to the tombs of their fathers. Suppose that he should be told that the disease which caused all this suffering, was produced by a want of food; that it visited them nearly every year, and that the want of food was occasioned by the government allowing individuals to buy up all the provisions which had been deposited in the granaries for public use, and to impose such exorbitant prices, that few if any were able to supply themselves with the necessaries of life; would he not be apt to rank this among the real calamities of life?

The difference between the extent and degree of suffering in the two imaginary cases is no greater than between that occasioned by a scarcity (real or pretended) of any one of the articles of merchandise, and a scarcity of money. In the case of a scarcity of merchandise, very few are affected at all; that few in a very slight degree, for a short period, and the disease happens once in ten or twenty years. But in the case of money, it goes home to the business of every man, rich and poor. It pinches all—it ruins many; and what is its worst feature, it is of frequent occurrence. What would be the opinion of any man of common intelligence, of the wisdom of that government, which, after providing a supply of food for the wants of the whole, and at the *expense* of the whole, should, instead of fixing a reasonable price which should enable all to command a portion, convert it into an article of trade and speculation, and thereby defeat the whole object of such an institution? The currency was created by government, at the *expense* of the whole, and for the good of the whole. It is as necessary to

the wants of business, as food to our physical wants. Once allow it to become an article of merchandise, and you effectually starve the business of the country.

It will be perceived that my object thus far has been not so much to sustain the policy of the usury laws, as to show how totally unfounded is the basis of the opposite reasoning, that money is like any other article of merchandise, and therefore any lender has a right to take all that he can get.

I have attempted to show that it is unlike merchandise in the following essential features.

1st. That money is the creation of government, merchandise of individual industry. Its *origin* is therefore different.

2d. That the *object* of government in creating money was as a currency for the convenience of all, whereas the object of the product of individual industry is the advantage of the individual alone.

3d. That the title of an individual to merchandise is absolute, the public having no interest in it. But that his title to a portion of the currency is *qualified*, he having no legal, at least no moral right to pervert the object of its creation.

4th. That money differs from all merchandise in the *power* which is inseparable from it. That this power was conferred upon it by government, and that it is the right and duty of the government to see that a power imparted for the general good shall not be perverted to the injury of the public.

5th. That this power is the necessary consequence of the character imposed upon it by government, money being the only instrument of exchange, and therefore indispensable to the business of all.

6th. That money being generally in the hands of the few, the facilities for creating an artificial scarcity are much greater than for creating an artificial scarcity of merchandise.

There is another argument, used by Say, quite as unusual as the one I have already noticed. It is this, that usury laws have a tendency to keep up the rates of interest, because the lender who violates those laws, will make the borrower pay for the additional risk he incurs. I should not have noticed what I consider is not even a plausible argument, were it not for the fact that I find it in the mouth of every free trade man with whom I converse. This and the one already considered are about all the weapons which their armory contains. The easiest way to dispose of it is, to admit the fact, that when a lender does violate the law, he indemnifies himself for the risk of that violation. Does this prove that usury laws have a tendency to increase the rates of interest? What would not only that individual, but all other individuals, have taken in the absence of usury laws? in the absence of that salutary moral restraint, which comes powerfully to the aid of those laws? This argument makes it a matter of reasoning, whether these laws had that effect or not. The free trade reasoners seem to have a slim opinion of facts and experience. All that the case put by Say proves, is, that in that one case the lender indemnifies himself for the additional risk, but he forgot to state that where there was in England one case of violation of the law, there was ninety-nine of conformity to it. Suppose for a moment

that the fact is, not as I know, but as from my own experience under both systems I believe it to be, that in England and in this country, under those laws, take all the contracts for the loan of money together, there was not one case in a hundred of an excess of the legal rate. In Rhode Island banks are very numerous in town and country. Nearly all our loans were from the banks at the legal rates. No bank, to my knowledge, ever dared to exceed that rate, because a forfeiture of the debt might be the result, and that forfeiture the directors who should have violated the law, would have had no right to have charged to the bank, but would have been obliged to have shouldered themselves. They therefore run a great risk of detection, and in case of escape, they would have made nothing but their portion of the excess as stockholders. The law, therefore, was a perfect protection for all borrowers from the bank. While those laws were in force, therefore, and the banks were obliged to loan at the legal rate, few men borrowed at all from out door lenders, and none in good credit would give more than six per cent., so long as he could hire of the banks at that rate. The consequence was, as I believe it always has been in England, that out of all the contracts made, not one in a hundred exceeded the legal rate. Suppose then that I am correct in this proportion, it follows that if there were one hundred loans, of one hundred dollars each, ninety-nine of them at six, and one at twelve per cent., the average rates in Rhode Island under those laws, was six and one-sixteenth per cent. The question is wholly mis-stated by Say, for instead of inquiring the effect of usury laws upon lenders generally, he inquires what their effect is upon the one man in a hundred, willing to incur the risk of their violation. A fair test of their effect is, to ascertain the rates in general; that is, the average rates upon the whole capital loaned, in countries with and in countries without these laws. Perhaps a still better test is the average rates in the same country, under the different systems. By that test, I am willing that the question shall be decided.

In Rhode Island, a virtual repeal of those laws took place in 1817. From that period to the present time, a gradual increase has taken place. Directors of banks, finding themselves free from the personal responsibility of a forfeiture, began the free trade music by shaving drafts. They were not bold enough to take excessive interest upon notes for a considerable period, but excessive interest by way of charging the difference of exchange upon drafts was so pleasing an employment, that they had but little left for notes. Money became scarcer and scarcer upon notes, but generally abundant upon drafts, till at length the exactions of some few of them (there were several honorable exceptions,) became the subject of universal complaint, and the legislature interfered by a law, which I hope the good sense of the people will second them in enforcing with the utmost strictness. This is the result of the free trade system in Rhode Island. If I have fallen into any error in this statement, there are those around me better informed than I am, able and willing to correct it. What the result has been in Massachusetts I am unable to state, except from information too vague to rely upon.

In New York, a loop-hole just large enough to escape through, had admitted all the evils of the free trade system. No one pretends that since the relaxation of these laws, the rates are lower than formerly.

In these three instances of relaxation, New York, Massachusetts, and Rhode Island, I believe, all business men will agree, that for some reasons or other, interest has increased. No doubt the lenders will attribute it to other causes.

Say informs us, that in ancient times, the more severe the penalties the higher were the rates; but he furnishes no facts to justify his opinion. On the contrary, the only fact he does state, refutes the whole proposition. He says, that letters patent are still extant, authorizing the Jews to loan at eighty-six per cent. per annum. Here then is the customary rates in that reign under the *free trade* system. There was no indemnity for the risk of violating the law, because those rates were authorized by law. Previous to the reign of Henry VIII., the customary rates were forty per cent. The taking any interest was then denominated usury. In the thirty-seventh of Henry VIII., the rates were established at ten per cent. They were reduced from time to time, until the reign of Anne, when they were established at five per cent. and so continued until the present day. An excess of that rate, subjects the lender to the forfeiture of the debt, and an additional forfeiture of *three times* the amount. These penalties are of great severity, and according to Say, ought to have increased the rates of interest. But how is the fact? Why, that the people have conformed to those rates as they were successively reduced, and instead of a general increase—in what country in the world (except, perhaps, Holland) are the rates so low as in England?

Hindustan, Mr. Bentham states, is a *free trade* country; and he explicitly admits that the lowest rates there are from ten to forty per cent. The usual rate, I believe, is about twenty.

China is practically, and I believe legally, under a similar system. A very intelligent merchant, for many years a resident in that country, informs me, "That in China the inhabitants may be classed into the very rich, the middling, and the very lowest. The rich are very few compared to the middling. They usually possess an ensign of office, but are not allowed to exercise any of its duties, so long as they pursue other avocations. This distinction protects them from the impositions of the petty officers of the government. In China there are no laws limiting the interest of money, or none that have any effect. The rate of interest is very high, varying from twelve to thirty per cent. Those who are reputed rich, and can have great influence with government, can borrow at a comparatively low rate; whilst the middling class, comprehending the tradesmen, the mechanics, and the manufacturers, pay a very high rate. A silk manufacturer, wishing to execute an order for one thousand pieces of satin, must borrow in order to pay for coloring, weaving, &c. This will consume about three months, and it is very common to pay two per cent. a month, for such operations. Mechanics and middling class merchants, in general, pay two per cent. a month. For small sums, three per cent. a month is very common. *Money shops*, as they are called, are numerous. It is common for those who do not own shops, to send their money to them to be loaned. There are many lenders who come to Canton from other provinces, and lend money in large sums. They live in a penurious manner, and are called 'blood-suckers.'

"From this description of their system, it may be perceived that the

middling class are always kept in a state of dependence, the profit of trade, manufacturing, and labor, being absorbed by the few who control the property." Here, then, is another tendency of the free trade system, to lower the rates of interest.

Mr. Bentham has written a chapter upon the grounds of the prejudices against usury. These prejudices, according to him, originated in two facts, one the saying of Aristotle, "that money is naturally barren;" and the other the religious prejudices against the Jews. The supposed saying of Aristotle, he chooses to understand in a literal sense, "that notwithstanding the great number of pieces of money that had passed through his (Aristotle's) hands, and notwithstanding the uncommon pains he had bestowed on the subject of generation, he had never been able to discover in any one piece of money, any organs for generating any other such piece." Did Mr. Bentham intend to impose upon his readers a belief that such was Aristotle's meaning? He surely could not have believed it himself. Yet strange as it may seem, this construction has gone into the books of the free trade writers, and some others, and the money lenders profess to believe it. The obvious meaning of this brief sentence is merely to express the common opinion then, and the common opinion now, that the lender of money ought not to be encouraged, because he *produces* nothing, which is literally and substantially true, notwithstanding the labor of the modern theorists to prove the contrary. The hirer, by his own industry, aided by this instrument called money, may produce a ship, or a thousand bushels of wheat, and thereby add to the previous stock. But the lender produces nothing. His money was the instrument which assisted the hirer to produce the ship or the wheat. So would the loan of a plough, a saw, or any other instrument, have been of service to the borrower, but that does not constitute the plough the producer of the wheat, or the saw the producer of the ship. Nor is the loaner of money any better entitled to the merit of being a producer, than would be the loaner of a plough or a saw. The plough is an instrument that aids in but one purpose; the saw an instrument that aids in many purposes, and money an instrument that aids in all. Hence its commanding power.

This was the meaning of the phrase of Aristotle, "that money is naturally barren."

Mr. Bentham is quite as unfortunate in his next attempt, in which he attributes the early usury laws to the prevailing prejudices against the Jews.

Chesterfield informs us, that there is but an inconsiderable few, even among the intelligent, who think for themselves. This is undoubtedly true in relation to what they are not immediately interested in. That but very few men ever thought of this false and absurd statement of Bentham's is undoubtedly true. It has been taken entirely upon trust. I hope the community, before they take more of this Bentham paper, will require as many endorsers as money lenders usually do.

Mr. Bentham is obliged to admit that nearly all the civilized nations of the world, ancient and modern, have passed laws against usury. The existence then of such laws is admitted, and the only question is *why* they were enacted. Mr. Bentham says, on account of the prejudice against the Jews. Now in point of fact, in all or nearly all the nations that ever resorted to

such laws, the free trade system prevailed centuries before usury laws were thought of. What nation ever enacted a penal law, until the evil existed? Penal laws are among the last species of legislation resorted to. The law of Athens, until a pretty late period, was, that "A broker shall demand no more interest money than what *he agreed* for at first." (Lysias Orat. I Themnestum.)

"Let usurer's interest money be moderate." (Ulpianus.)

J. B. Say says, that marine interest in Athens, was sixty per cent., when in ordinary cases it was *commonly* not more than twelve. It is not my purpose to do more on this point, than to show how utterly groundless is the assertion of Bentham that usury laws grew out of prejudices against the Jews. This is accomplished by merely stating what every man must at once perceive the truth of, that the Grecian and Roman laws could not have originated in a prejudice of that kind. They first tried the free trade system, as almost every other nation, ancient and modern did; they found that the money lenders were exorbitant in their demands; that the power of money at thirty and sixty per cent., concentrated all the wealth in the hands of a few, to the ruin of the industrious of every trade and profession. This was the experience of Rome and of Athens, and so severe was that trial and experience, that in the former, the state was convulsed by the revolutions produced by the exactions of the usurers.

Try the same free trade system in this country, and if we do not in twenty years create a war against property generally, then I shall conclude that no reliance is to be placed upon history and experience.

It was not on account of prejudices against the Jews, then, that the Greeks and Romans resorted to these restraining laws, for if I am not very much mistaken, they had few or no Jews among them.

In modern Europe, the Jews were to be found in almost every city, and it is probably true, that a considerable portion of the money was monopolized by them. But what but excessive interest enabled them to monopolize it? What created the prejudices against them, but the very practices now attempted to be legalized in this country.

But upon what authority does the assertion of Mr. Bentham rest, that these prejudices *occasioned* these laws? Upon this point the opinions of ancient judges vary, some of them contending that by the early laws, the Jews were permitted to take usury, (all interest was then considered usury,) and that the prohibition extended only to the Christians. Some of the ancient statutes refer to the Christian brokers. Ord says, "In the time of Edward I., Edward II., and Edward III., many commissions were granted to inquire of Christian usurers, and *many* were indicated," and so forth.

But be the object of the early statutes what they may, both the Jews and Christians *did take* from 40 to 100 per cent., and the natural question is, *what enabled* them to exact such unconscionable rates? Was it the power of the Jews personally? They were a proscribed sect. Even to this sect, the Christian did pay these unchristian rates. The reply is too obvious, it was the *power* of the *money*—and the fact admitted by Bentham proves incontestably, that through all time, money has possessed the power of dictating its own terms. Money was probably as plenty then, in proportion to the amount of business, as at the present time. It was not the scarcity,

it was not the influence of the Jews, but it was the inherent and absorbing power of the money itself that governed and controlled the whole business of those early nations. All Mr. Bentham's facts are directly opposed to his theory.

The statute of Anne, enacted about one hundred and thirty years ago, and now in force is, if I may use the expression, a perfect statute. Its preamble bears upon this question: "Whereas the reducing of interest to ten, and from thence to eight, and thence to six in the hundred, has *by experience*, been found very beneficial to trade, and improvement of lands; and whereas the heavy burden of the late long and expensive war, hath been chiefly borne by the owners of the land of this kingdom, by reason whereof they have been necessitated to contract very large debts, and thereby and by the abatement in the value of their lands, are become greatly impoverished; and whereas by reason of the *great interest and profit* of money made at home, the foreign trade has been neglected," &c.

The practical men of that day found, what we now find, that at six per cent. the lenders of money on the whole become rich faster than any other class.

Mr. B. frequently intimates, that it was a prejudice against the *rich*, which in part occasioned these laws. Then they did get rich. But it is somewhat unlucky as an argument. Have the kings and nobles of England, of France, of Russia, and of nearly all the despotic governments of Europe, ever been accused of passing laws against the rich by any other man than Jeremy Bentham? The real truth is that this feeling, which he calls prejudice, is the result of the moral instinct of mankind. It existed in full force among rich and poor, learned and ignorant, republics and monarchies, wherever a human bosom was found endued with the knowledge of right and wrong. It exists now to this day in this country and in every country on the globe. I appeal to the feelings of every man in the community, whether any man who lives by habitually exacting excessive rates of interest, is not considered an extortioner? Does he stand as well with the community as men in general? Why? The reason is obvious. The borrower is the slave of the lender. Advantage is taken of his necessities. He has no will of his own. The terms are dictated by the lender. It is the poverty or the necessities of the borrower that consents, and not his judgment. So say all the statesmen of ancient and modern days. So say the great mass of lawyers, doctors and clergymen that ever lived. So said the ploughman in the field, the mechanic in his shop, and the merchant at his desk, all over Europe, Asia and Africa, and (with the exception of the advocates of the new light) so say the same classes all over the world to the present day. Let us pause at least before we reverse the verdict of universal mankind. Let us have diffidence enough of our own judgment to examine the grounds of this feeling, before we peril our interests on board this free trade craft, which upon every trial has lined the shore with its wrecks.

I will therefore proceed to examine the reason *why* mankind have thus felt, in relation to this interesting subject. If I mistake not it will be found that the old notion is the true one, that the lender takes advantage of the necessities of the borrower. This brings me to a consideration of the second question—whether the bargain, in the absence of any restraint, is usually *fair* between the parties.

In the consideration of this question I hope it will not be understood that I mean to cast the slightest imputation upon the motives or the general moral character of the lender. On the contrary I have no doubt that many of them really believe that it is right to take all that they can get. They ought to be exempted from blame, because if they are in an error, they have been led into it by writers of acknowledged talent and ability. I speak not of the motives of the men, but the tendency and effect of the practice if once sanctioned by the legislature.

In every case, and among all civilized nations, the law requires, as an indispensable pre-requisite to every valid contract, that the parties should stand on equal grounds. If they do not, but one party (no matter to what cause owing) has an undue advantage over the other, both common law and common sense inform us that the bargain is void. A married woman can make no contract with her husband, on account of the influence he has over her. An infant is not bound, because he has not sufficient discretion. A debtor, illegally imprisoned, cannot bind himself by a contract with his creditor, on account of the influence of his desire to escape from prison. Even if the imprisonment is legal, a Court of Equity will see that the terms of the bargain were fair. For the same reason a Court of Equity will look with great jealousy upon a contract made by a ward, just after arriving of age, with his guardian, on account of the influence of the latter over the former. A female seduced, although she agrees to the dishonor, is not left without protection, and heavy damages are generally given.

In all these cases the parties *agree* to the contract which the law pronounces void, because they do not meet on *equal terms*. No matter whether the subject of the contract is land, or merchandise, or money. All are treated alike, and all set aside, because one party possesses an *undue advantage* over the other. That advantage may arise out of the subject of the contract, or out of the existing relations of the parties; but arise whence it may, if it *actually exists*, the law supposes that it will be exercised, because men generally use all the advantages which they possess. I say, *generally*, because there are some instances in which perfectly fair contracts are made with wards, with minors, married women, and prisoners in jail. There are also some instances of contracts perfectly just, above the legal interest, between creditor and debtor. All legislation must look at the state of things generally, and experience has proved, beyond all doubt, that in all these cases, if the party possessing the advantage was allowed to use it, without restraint, in nine cases out of ten he would have been governed by no other rules than the wants of a greedy avarice. It is quite a new doctrine to me that mankind have approached so near a state of perfectibility that all restraints upon their lusts, their ambition, and their avarice, may safely be removed. If it is so, I am very grateful for the information; but until I have a little experience that men in power, unless curbed by constitutions and written laws, will overlook the interest of the public for their own selfish purposes; that lust, unless checked by salutary, moral, and legal restraints, will spread misery and havoc around it; and that avarice, in the absence of similar restraints, will fill its insatiable maw while millions around are suffering for food, I must be permitted to raise my feeble voice in favor of treating all these selfish and extreme passions alike. Are they not all equally strong?

Does avarice claim for itself a milder character than belongs to the other two? May we not reason as plausibly in favor of abolishing all constitutions and laws restraining the abuse of official power? Is it not for the public good that power should not be abused? And does not the interest of the man in power, in a large sense, consist in advancing the public good? And yet, does not experience prove that when men acquire power, that the passion called ambition prevents their taking and pursuing this large view of the subject? It is equally easy to show, in a broad sense, that the free trade doctrines are the best for the public, if the possessors of money would use it only with a view to the public good. But in comes this blind passion of avarice, and urges its possessor to use all its magic power, for its own aggrandizement.

This I understand to be the *principle* upon which all usury laws are founded, and not the visionary principles "imagined" by Jeremy Bentham. They proceed upon the principle that money possesses a power which no other article ever did or ever can possess. Is not *that* true in point of fact? That the avarice of the lender will urge him on to exact all that he can get,—Is not that true in point of fact? That the wants of the lender are in general so great, that, in nine times out of ten he must have the money at all events,—Is not that true in point of fact? That the avarice of the lender will, in nine times out of ten, induce him to take advantage of those wants,—Is that denied? That the parties do not stand upon equal grounds any more than a prisoner contracting with his creditor,—Is not that true? That in dealing for all other articles men do stand on equal grounds,—That no man can deny.

If these *facts* are denied, I can prove them by volumes of testimony. I would take the depositions of the lenders themselves, all of whom *know* that they are true.

Am I not correct, then, in saying that the usury laws *do* deal with money precisely as the general law deals with all other similar cases? that no law will permit one man to make a valid contract with another, in relation to *any* article, unless the *judgment* and *will* of both are equally free?

The advocates of the free trade system must be driven to take their ground. They must admit that the borrower *is*, in general, a slave to the lender, and under a *necessity* of complying with the terms dictated, and still contend that the law ought to permit such a bargain to stand, or they must *deny* the *fact*. I give them their choice. They must take one or the other. Suppose they deny the fact; I will then bring the general voice of the legislators, writers, and the mass of society, in all civilized nations, ancient and modern, against them. Bentham himself admits that this is the unanimous verdict of the civilized nations of the world, and probably that was the very reason that he contended that it was wrong.

Does not our daily observation demonstrate its literal truth?

Why is the borrower of money the slave of the lender, and why is the purchaser of every other article as free to judge for himself as the seller? Why can the purchaser of goods always purchase upon his individual credit, when the borrower of money is always obliged to give bond and mortgage, or a string of endorsers? Why has money *always* commanded this *preference* over every other article? Because every man wants money and must

have it. His wants make it indispensable. Because it is generally confined to the pockets of the few, and always wanted by the many. Because the constitution and laws render it (and it alone) a tender in payment of debts. No other article can be substituted.

If we open our eyes we cannot avoid seeing the narrow quarters into which the borrower of money is driven, and the freedom with which the purchaser of every other article exercises his judgment. Go into any of our crowded cities, and we see granaries, storehouses, shops, and other spacious buildings crowded with merchandise and goods of every possible variety. In every street, lane or alley, for miles in extent, one uniform abundance is presented to our view. This is *always* the case.

But the money of the city is confined to a single street or a narrow alley. All other articles are abundant and in the hands of the many. Money is frequently scarce and in the hands of the few. In all the trading streets we see the seller bowing to the buyer, and courting his custom by the most enticing manners. In the money alleys we see the borrower bowing to the lender, with the servility of a French dancing master. The purchaser enters a store with the air of a free and independent man. The borrower enters a bank with the subdued and sorrow-stricken countenance of a beggar. This is the case now, always has been, and always must be, because the one is urged on by an irresistible necessity from which there is no escape; the other is a free and independent man, consulting his fancy, rather than gratifying his wants.

If the purchaser is really in want of an article, he goes from store to store, perhaps from city to city. Wherever he goes he finds the seller crowding off his goods upon him from a desire to obtain his custom. If, however, the purchaser is not suited in the article or the price, he can substitute something else; wait a month or two, or forego his wants entirely. In all this dealing the advantage is rather on the side of the purchaser. On the other hand the borrower of money has a note due at the bank on a given day and at a given time, of a thousand or ten thousand dollars. The tender laws compel him to pay in money alone. He must pay at the *time*, or he *must be ruined*. He can substitute no other article; he cannot postpone the payment for a month, until it suits his convenience. It is not a matter of choice or convenience, but of stern necessity. He cannot go to another city where he is not known, nor perhaps to any other bank than the one at which he usually deals.

This bank, or one of its kind friends, will accommodate him at three per cent. a month. His life and death, his bane and antidote, are both before him. On the one hand is thirty-six pr. ct. per year, on the other, bankruptcy, disgrace, and ruin. I now ask any considerate man who is not a money lender, upon whom does the distress operate with the most appalling power, the prisoner of the jail, or the prisoner of the bank? Would it not be inconsistent in the law to set aside a contract with the former, which is only of occasional occurrence, and allow the latter evil to exist, an evil which happens *more than a thousand times every day*?

I affirm it as a fact, then, which cannot be denied, that the lender does take advantage of the necessities of the borrower, that the lender generally knows it at the time, and that many of them do not pretend to deny it, on the

contrary they justify it, and say that it was the folly of the borrower to contract debts which he could not pay. It is the folly of a man to get drunk, but what is the scale of that man's moral feeling who takes advantage of his situation, and obtains from him a deed of the house which shelters his wife and children ?

It makes the matter worse that many of these lenders have been deluded into a belief, that these practices are legal and just. What is done conscientiously and sincerely, is generally done with a corresponding zeal and eagerness. The fanaticism of avarice defends itself with the same arguments as the fanaticism of religion. It inflicts its punishment of fire and fagot with the same coolness and composure. While the puritans of old believed that they were doing God service in hanging and burning the witches, they would naturally look upon the tortures of their victims with philosophy, if not with exultation ; and while the puritans of the counter believe that they are benefiting the state by establishing their favorite system, their tears will not fall very freely at the sight of the misery and distress which the exaction of thirty or forty per cent. is bringing upon some of the most worthy and industrious among us.

In most other countries, there exists a check—a *moral* restraint upon these excesses, which, under a free trade system, would be inefficacious here. *Individuals* have some regard to public feeling, and dread the stigma which such exactions sooner or later fasten upon their characters. To be considered by all mankind an extortioner, is what the moral sensibilities of most men cannot endure. This silent and unseen influence upon individuals, is very extensive and efficacious.

But in this country, nearly all the money is loaned by the banks, and we know that their moral sentiments are generally at low water mark. A corporation has no soul. No one is responsible for its conduct in a moral view. A strong legal restraint is the only one that will reach it, for it is merely a legal being. This power of the creditor, therefore, will be exercised by the banks up to the hilt upon their defenceless victims, in the absence of usury laws. My propositions, then, are these : that nothing but the severest usury laws can keep down the rates of interest ; that whether those laws tend to increase those rates is a matter of *fact*, and that the experiment has been thoroughly tried by other nations, and the free trade system rejected ; that this tendency to increase the general rates arises out of the power of money itself, goaded on by the avarice of its possessors, generally the few, taking advantage of the necessities of the borrowers, generally the many ; that the necessities of the borrower are generally so great that he has *no choice*, is not a freeman, and takes no part in fixing the terms of the contract. Consequently to permit such contracts to be legal, is to allow the lender to make the contract himself ; that as this is allowed in no other cases, relating to lands, merchandise, or any other article, it ought not to be allowed in the case of money.

These are the *facts* which I affirm to exist. The free trade advocates must either deny, or they must *admit* them. If they admit them, they must justify the right of *one* man to *impose* his terms upon *another*. Because these facts have been found to exist in other nations—because they found, by experience, that one of the parties being a slave, had no will of his own to

contract, the governments of those nations have found it necessary to fix the rates for him.

If these facts are still denied, let a committee be appointed by the legislature of New York, to ascertain them. In the course of the ensuing year, let the committee ascertain the rates of interest in all the free trade countries, ancient and modern, and compare those rates with those countries that have lived under usury laws; let them compare the rates at the different periods of the same country, when that country had and had not the benefit of these laws. This will test the free trade doctrine. Let them also *take evidence* and ascertain whether one party to the contract has any will of his own. For one, I am willing that these much misrepresented laws shall stand the test of these facts. They may be easily ascertained. I have a full conviction that they are as I have stated them. But I may be wrong. Other men of great intelligence view the subject in a different light, and therefore I am anxious for a test by an enlightened committee, to inquire into facts. Their report will satisfy the nation. Laws on this subject ought to be uniform through the states, and what state so proper to take the lead as the empire state of New York.

If the advocates of the free trade doctrine, in case these facts should be found *against* them, should still contend that money ought to regulate itself, I should think their trade must have made great inroads upon their moral perceptions. Is that *free* trade where one party is a slave and has no will of his own? I thought a contract, the result of free will and judgment, meant the free will of both parties.

But some of them say, notwithstanding all this, that the "laws of trade" will regulate money without restraint, just as they regulate every thing else. The reason why the prices of every thing else regulate themselves is, that in relation to every thing else, both parties are *free*. We have the means of knowing where there is a scarcity of any other article. We judge for ourselves. We take or we leave it. It is this *equal power* of the *buyer*, to buy or not to buy, that regulates all other articles. When we say, therefore, that trade (or prices) will regulate itself, we always mean that both parties have an equal voice in the contract. But if, in fact, the lender dictates his own terms, *he* regulates the price. If the borrower is in general under a necessity of complying with the terms proposed, what agency has he in regulating the rates of interest?

But, say the apostles of this new light, when money is scarce it will be high, and so the reverse. But who is to judge when it is scarce? Is it not the lender who alone possesses it? Then the power which is asked for the lender is, to allow the rates to be high when there is a scarcity, and to make him the sole judge whether there is a scarcity or not; that is, in substance the sole judge of the price. In other commodities we have the means of judging for ourselves. If the seller says there is a scarcity, and the purchaser opens his eyes and sees that there is not, he will not buy at high prices, and the seller is *obliged* to come down, or the articles will rot on his hands. This *equal* liberty, and *equal* means of judging on both sides, is all that is meant by prices regulating themselves. But what means has the borrower of judging of the scarcity of money? Do we not *know* that there is *money enough* now? That it requires no more money to perform

the business of society at one price than at another? If there is enough at thirty-six per cent., is there not enough at six? Is not the scarcity wholly artificial? And is not the consequence of this artificial scarcity simply this, that the whole profits of many industrious men for the whole of the past year have been transferred to the money lender, by the operation of an artificial scarcity? Is this to be endured? Will it be endured without inquiring into facts? If the free trade writers are correct, that an absence of all usury laws does tend to lower the rates of interest, for one I shall be glad to be convinced; but the fact that the lenders themselves are so anxious for a free trade system, in a jealous or suspicious mind, would not go far to show that they thought so, for why should they wish the rates reduced?

Let them, however, convince us by facts and experience. I object to the whole mass of their theories. Scarcely any two of them agree in those theories. The writers denominate these artificial rules, the *science of political* (that is, national) economy. Why not furnish us with a science of individual economy? The one is quite as necessary and quite as useful as the other. The science of prudence, I suppose, would come next, a subject quite as reducible to rules as economy. The truth is, that literary men of all ages have had some predominate hobby. At one time the science of astrology ruled mankind. Next comes metaphysics, which employed the pens of the ablest men of its age. That science is now generally agreed to deal pretty much in moonshine, and has gone with its fellow science of astrology to the tombs of the Capulets. Next came political economy, which had its day, though a brief one. We now find it low down in the western horizon, phrenology over our heads, and animal magnetism about an hour high in the East. What will come next no one can even guess. Come what will, for one, I shall not abandon the experience and wisdom of mankind very hastily, especially in relation to a question so nearly touching the safety of property in general, as the one before us.

Property holders seem to forget that they are living under a republican government, that the general feeling is already sufficiently radical, without provoking it by exactions which even its best friends cannot justify. The tenure of property is more frail than most men here imagine. It is inexpedient to exercise all its extreme rights, even if we admitted that this is one of them. The moral feeling of the great mass of men is against the right now claimed. That feeling, sooner or later, will prevail and go into our legislation. Is it not better to let it act now, rather than to wait until the high rates shall sour and exasperate the mass of the community. Legislation, under such a feeling, might touch upon some of the necessary and essential rights of property. For one, I had rather come down voluntarily and gracefully from a position which cannot be maintained, than to be obliged to abandon it in a more awkward gait. Let the rates be fixed now while the public mind is cool. Stop up all the little cat-holes in your statute, just large enough for the money lenders to escape through. Take the English statutes of Anne, which cover every thing, and we shall have no trouble about two per cent. a month.

If, however, the free trade system is resorted to, give it a *fair trial*. Remove all the present restraints, and try over again the experiments which

have so many times been tried and failed. I am very sure it would never be tried but once, but I much fear, that in that one trial, the system of extortion, which would be the consequence, would hurry us fast and far down towards that power, which feels no attachment to property, and no sympathy for the sufferings of its possessors.

TOBACCO IN GREAT BRITAIN.

From the London Morning Chronicle.

The following statement shows the quantity of tobacco upon which duty had been paid, at each decennial period since 1801, in Great Britain; together with the rate of duty per pound; the actual aggregate revenue yearly; and the annual consumption per head of the population:

Year.	Lbs. consumed.	Rate of Duty.	Revenue.	Consumption per head.
1801	10,574,998	1s. 7d.	£923,855	15.37 oz.
1811	14,923,243	2s. 2½d.	1,710,848	18.95 "
1821	12,983,198	4s.	2,600,415	14.43 "
1831	15,350,018	3s.	2,338,107	14.84 "
1841*	16,830,563	3s.	2,716,217	14.62 "

The duty of 3s. per lb. on tobacco is exorbitant; it exceeds, in a still greater degree, the just proportion between the value of the commodity and the tax imposed on it. The price of unmanufactured tobacco *in bond* is from 2½ to 6d. per lb. The existing duty of 3s. per lb. is therefore from 600 to 1,400 per cent. upon the value, (and from 1,000 to 2,000 per cent. above the American cost.—Ed. B. M.) As in the case of all excessive duties, the public are enormously taxed in proportion to the amount levied by the Exchequer. The smuggler intercepts a very large share of that which should be paid at the Custom House; and the revenue is mulcted in the heavy cost of those preventive establishments, exceeding half a million sterling per annum, by which the government carries on its ineffectual and watchful contest with the contraband trader. * * *

No less than eight times, between 1789 and 1825, the rate of duty was altered, fluctuating between 1s. 3d. per lb. and 4s. from which point, in the latter year, it was reduced to the present rate. As population increased, the natural progress of consumption was every now and then checked by an augmentation of duty; it rallied again by the effect of a timely mitigation: while the utmost burden that was imposed could not subdue the appetite for the fragrant weed, though it might stint its indulgence or drive it to illicit channels for its gratification. The latter is, no doubt, the true solution of the *apparent* decrease in the use of tobacco which the financial returns of Great Britain indicate—the true reason why, taking into the

* The duty paid for the year 1848 was £4,350,732, viz.:

In England,	£3,183,440
In Scotland,	355,768
In Ireland,	811,524
Equivalent, at §4.85 the pound sterling, to §21,101,050.	

Ed. B. M.

account the increase of population, the consumption of tobacco throughout the United Kingdom is ostensibly less now than it was in 1789, when the duty was 1s. 3d. per lb.

It is, however, in Ireland that the effects of these fiscal alterations have been most striking. The average consumption in that country, in the five years ending 1798, the duty being then 8d., was 7,337,217 lbs. In the five years ending 1842, the consumption of duty-paid tobacco was only 5,312,020 lbs. The population had, in the meantime, more than doubled. The explanation of so startling a fact is to be found in the existence of an enormous amount of smuggling. According to Mr. McCulloch's estimate, half the consumption in Ireland, and one third of that in England, are supposed to be from contraband supply. The late Lord Sydenham, in his speech on taxation, in 1830, stated that it had been proved before a parliamentary committee, that in one year *seventy* cargoes of tobacco, containing 3,664,000 lbs., were smuggled on the coast of Ireland, between the port of Waterford and the Giant's Causeway alone.

The proposal of Lord S., in 1830, was to reduce the duty to 1s. or 1s. 6d. per lb., and little doubt can be entertained, that if such a measure had been adopted at that period, we should long before this time have seen the revenue, not only fully replaced, but augmented in amount. At present this branch of revenue does not keep pace with the general progress of the country—with the consumption of other and more lightly-taxed commodities in general use—nor, we may safely assume, as the taste for it is unabated, with the desires and demands of the public. There cannot be a surer proof that taxation is in excess; when such is the case, the revenue tables never fail to tell the tale. The smuggler is cheating the Exchequer, and the customer is deterred by the price. Cut away, then, the ground from the former, and open the door to the latter by an adequate reduction of the impost.

Whether tobacco be, strictly speaking, a *luxury* or not, we care little to inquire. Enough for us, that it is a practice long and deeply rooted in the habits of the people; that it is one of the very few and scanty indulgences of the industrious poor—not, be it remembered, of the dissolute and intemperate, but of the hard working and the sober. Enough, that it is entirely removed from the imputation of producing demoralizing effects or of leading to social disorder; that it constitutes the solace or enjoyment of a large portion of civilized mankind all over the globe; and that it has resisted, both in this and in other countries, the pressure and discouragement of exorbitant taxation. It is justly said that you cannot make men virtuous by act of Parliament—and equally futile, and still more oppressive, is the attempt to regulate their tastes and inclinations by revenue laws.

A perverse fashion, indeed, may be discontinued, or even extinguished—as in the case of hair powder—by a tax; but whatever articles are the objects of a general and well-established predilection among a large portion of the community, will defy the utmost rigors of fiscal proscription, and will find their way into a country despite all the means that may be used to exclude them. Spain is the country, of all others, whose commercial history most strikingly exemplifies this lesson; but our own legislation—especially with regard to spirits and tobacco—is by no means destitute of similar illus-

trations. Independently of the fallacy of such measures in a fiscal point of view, it will never be the disposition of a wise and liberal-minded government to grudge to the poorer classes of its population the use of some luxuries, or to restrict the expenditure of their earnings to those articles which are the mere necessities of existence. It is well remarked by a writer whose views on social economy are, with few exceptions, just and discerning, that “a population which consumes but few luxuries is always in a very perilous situation; being confined to necessities, it can make few or no retrenchments in bad years, so that if dearth in such cases be not accompanied with all the horror of starvation, it must drive the poor in crowds to the workhouse.”

SUNDAY MAILS IN ENGLAND.—It has been well remarked that the present hubbub raised here presents similar phases to that which sprung up in 1829, in the United States, when it was sought by legislative interference to stop the running of the mails on Sundays, which led to a report on the subject from a committee of Congress. This able and candid document, which exhausts the question by presenting all the arguments that prove the impolicy of the State declaring what is or what is not God’s will in matters of this kind, and which is understood to have silenced the Andrew Agnewites of that day in America, has been reprinted in England, and will be extensively circulated. Nothing could be more germane or pertinent to the present controversy in Great Britain.

FRENCH FINANCE.—The Minister of Finance has framed a bill to authorize the Bank of France to enlarge its issues to the sum of five hundred and twenty-five millions, which is seventy-three beyond the present maximum. The specie in its vault was near the whole paper emission; bank notes are at a premium! This in France, and the notes inconvertible! A wonderful change in the public feeling and habit. The *Journal des Debats* of recent date, remarks: “Specie payments are not resumed by the bank, and the Government does not mean to compel the bank to do so. *Neither see before them six months of assured public order.*” The Minister himself in treating the point, has said: “The future is too uncertain.”

Faith is the principle of life, in politics as well as in religion. Men of the highest order in the State, in politics and administration, go through their tasks, their reports, their discourses, as if stability were sure; but with a melancholy sentiment and private confession. For they really have no trust in the morrow, and all their labors may be, for an indefinite term, lost to themselves and their country.

It is announced by the several departments of the Government—the Ministries—that they retrench for 1850 a total of twenty-seven millions of francs. Thus the ordinary budget is reduced to thirteen hundred and eighty-two millions. On the whole, the aspect of the finances is better than it is represented to be in the London Morning Chronicle and the Times.—*Correspondent National Intelligencer.*

CHRONICLES OF THE STOCK EXCHANGE.

CHAPTER IV.

Charitable Corporation Fraud. — Its Discovery. — Appalling Effects and Remedy. — Marlborough's Victories, their History, and the Loans they brought. — Augmented Importance of the Stock Exchange. — Dislike to the Members. — Increased Loans. — Difficulties in procuring them. — Statement of Sir Robert Walpole. — Gifts of Contractors to Clothiers. — First Payment of Dividends by the Bank. — South-Sea Anecdotes.

In the early part of the eighteenth century, a prospectus was issued to the commercial world and the members of 'Change Alley, in which the wants of the needy and the infamy of the pawnbrokers, the purest philanthropy and a positive five per cent., were skilfully blended. It was shown that then, as now, the poor were compelled to pay a greater interest than the rich; that thirty per cent. was constantly given by the former on a security which the usurer took care should be ample; and it was proposed that the wealthy capitalist should advance, for the benefit of the needy, a sufficient sum to enable the company to lend money at five or six per cent. The proposal proved eminently successful. A capital of £30,000 was immediately subscribed, a charter obtained, and the "Charitable Corporation," the object of whose care was the necessitous and industrious poor, appeared to flourish. For some years the concern answered, the poor received the assistance which they required, and the company was conducted with integrity. In 1719, however, their number was enlarged; their capital increased to £600,000; an augmentation of business was looked for; cash credits were granted to gentlemen of supposed substance; and the importance of the corporation was unhappily recognized by that numerous class of persons compelled to pay in maturity for the excesses of youth. They acted also as bankers, and received deposits from persons of all classes and conditions. Its direction boasted men of rank, its proprietary men of substance, and its executive men of more capacity than character. The cashier of the company was a member of the senate; Sir Robert Sutton, a director, was one of his Majesty's Privy Council; and Sir Archibald Grant, who took a prominent part in the affairs of the corporation, was also a member of the lower house. Every confidence was reposed in such a body, and it was regarded as a rich and prosperous society.

Under these circumstances, the surprise of the public may be conceived when it was first whispered, and then openly announced, that the cashier, with one of the chief officers, had disappeared in company. The alarm spread to the proprietors; the public participated; the poor assembled in crowds; the rich clamored for information; a meeting was called to inquire into the case, when a most pernicious, but scarcely comprehensible, piece of villany was unravelled, and a most disgraceful tissue of fraud discovered. £30,000 alone remained out of half a million. The books were falsified; money was lent to the directors on

fictitious pledges ; men of rank and reputation were implicated ; suspicion and censure followed persons of importance. Some managers were found to have connived at scenes so disgraceful, that their character was lost for ever. Many had concerted active plans of fraud, which ended alike in their own ruin and the ruin of the corporation ; while others were guilty of personally embezzling the funds of the company. Petition after petition was presented to the Commons. A bill was brought in to prevent the defaulters from leaving the kingdom ; and the scorn of all England pointed at the men who, under the guise of charity, had enriched themselves. The interest which was taken in the discovery by the entire country attracted the attention of the Jacobites ; and, as one of the party had fled to Rome with the spoils, the Pretender endeavoured to enlist the sympathy of the nation, through one Signor Belloni, who wrote to the committee, stating that the refugee had been seized and placed in the castle of St. Angelo. The Whig party, ever jealous of the Pretender, voted that the letter should be burned by the hangman at the Royal Exchange.

The distress occasioned by this bankruptcy was appalling, pervading nearly every class of society. Large sums had been borrowed at high interest. The small capitalist was entirely ruined ; and there was scarcely a class in English life which had not its representative and its sufferer. The poor were unable to get their goods ; the rich were robbed of their jewels ; families accustomed to affluence were starving ; delicate women, hitherto irreproachable, were compelled to exchange their persons for bread. Similar evils have been known to exist during sieges ; and, in the public streets of Lisbon, women of unblemished virtue offered themselves for sale during its occupation by the French ; but the writer believes there is no other parallel in commercial history.

All that the wisdom of the senate could devise was attempted to mitigate the evil. The revenge of the losers was appeased by several members being expelled the house ; their fear of loss was reduced by the confiscation of the estates of the offending parties ; a lottery was granted for the advantage of the sufferers ; and though a dividend of nearly ten shillings was eventually paid, the fraud of the Charitable Corporation was remembered long after the evils caused by it had ceased to exist.

The next great increase of debt was through the War of Succession in Spain, to the crown of which several princes laid claim. According to the ordinary rule of inheritance, the Dauphin, by virtue of the marriage of Louis XIV. with the eldest sister of the king, should have succeeded ; but as all right to the throne had been solemnly renounced on the marriage, it was supposed that the claim was vacated ; and the principal powers of Europe, knowing the necessity that so great an inheritance should not descend to any state possessed of territorial importance, formed the celebrated partition treaty.

By this, France, England, and Holland agreed that Spain, the Indies, and the Netherlands should descend to the Archduke Charles, and, in return, that France should be possessed of the rich province of Lorraine. There is no doubt that governments regard treaties in proportion to the physical rather than the moral necessity to abide by them ; and France,

under Louis Quatorze, was no exception to the rule. A succession of cabals in Spain gave the latter the influence he required. His ambassador won the court and city; the Archbishop of Toledo was of his party, and gained the Spanish king, who, sick body and soul, priest-ridden, a prey to mental and physical agony, was, after a succession of intrigues, induced to fix his name to that will which annexed the splendid possession of the empire of Spain to the grandeur of France.

At once Louis violated the partition treaty, accepted the noble legacy for his grandson, and sent the whole court of France to accompany him to the Pyrenees, that frontier which he said in his pride had ceased to exist. When the news reached William, he was at the Hague, but instantly returned to London. Vigorous preparations were made; but he did not live to see the declaration of the war, which began in 1782, agitated Europe for thirteen years, and added so much to the great debt of which this volume treats.

England, Holland, and the Empire were opposed to France, Spain, and Bavaria; and the war thus commenced was a memorable contest. Marlborough and Peterborough, than whom England boasts none greater, made her name a word of dread for many years. The knight-errantry of Peterborough conceived schemes which only his ardent and fiery imagination could achieve. He took towns by storm, under circumstances little less than marvellous; he reduced the largest and strongest cities of Europe with a handful of soldiers; he made forced marches, shared the fatigues of his men, and took entire reinforcements prisoners. With 3,000 troops he harassed a regular army, cut off communications, and raised sieges; he forced towns with horse-soldiers, and chivalrously mortgaged his estates to pay the expenses incurred in the cause of his country.

The victories of John Churchill, Duke of Marlborough, were more important to the nation than those of the adventurous Peterborough; and if his glory was tarnished by the love of gold, yet the name of Marlborough as a captain is unsullied. The battle of Blenheim was his first great achievement in the War of Succession, and it made the people consent to pay the additional taxes imposed upon them. Innumerable trophies, — hundreds of flags and standards, tents, cannon and mortars, casks and barrels filled with the precious metals, — evinced the glory of the contest, and added to the pride of the nation. The thanks of the House were voted to the Duke; medals were struck in his honor; Addison celebrated him in poetry; but dearer far to Marlborough than medal, poetry, or thanks, was the rich manor and the noble mansion of Woodstock, voted to him by the nation. Scarcely had the people recovered from the joy occasioned by the battle of Blenheim, and from the increased taxation which ensued, than another battle — that of Ramilies — seized them with delight. Forgetful of the consequences, men talked of the old days of England, — of the ancient victories of her armies, — of the time when the great Cromwell made the English name terrible, — and, in their excitement, they magnified the grandeur, and diminished the cost. The pride of Louis was indeed humbled. He made proposals for a congress; he tampered with the Dutch; he besought the interposition of the Head of the Church; he offered to cede

Spain, Milan, Naples, or Sicily ; and felt bitterly the consequences of having provoked the vengeance of the island he hated. Ambition had, however, seized upon the nation ; conquest only was thought of ; and, remembering the glory of the past, the English people deemed themselves entitled to some privilege for the blood which was shed. They forgot that a new campaign would bring new costs ; and they forgot, what their successors yet feel, that every fresh victory brought a fresh loan. Oudenarde, the third of that splendid series of victories which has made the name of Marlborough renowned in the land, was followed by Malplaquet, the glory of which was superior to its results, and the blood of which was shed to maintain the court influence of the Duke.

But a change of ministry brought a change of measures ; and a Tory government refused to maintain a Whig policy. The ministers triumphed, and the treaty of Utrecht was concluded. Then arose that war of words which enlisted the pens of Steele, of Addison, of Swift, and of a host of other and lesser spirits. The Tories said the Whigs had sold us to the Dutch, to fill the pockets of Marlborough. The Whigs said the Tories had sold us to the French, to facilitate the return of the Pretender. The waste of life, the suspension of trade, the accumulation of debt, without an adequate return, were so terribly evident, that the Commons remonstrated, and told her Majesty that £ 35,302,107 of the supplies were not accounted for.

It must be evident that every fresh war, every new loan, and every public speculation, increased the importance of the members of the Stock Exchange ; and when men saw the broker and jobber assuming a position the public was unwilling to grant, they mistook the effect for the cause ; and a hundred voices were raised, and a hundred essays written, to prove that the brokers of 'Change Alley were the bane of the nation. A member could hardly make a financial speech, a pamphleteer write a political pamphlet, or a dramatist employ his pen for the public, without dragging in the jobber as an illustration and a cause of the misery of England. Those who had lost their money in the many speculations with which the 'Change abounded, deemed also they had earned a right to decry it. The following is a specimen of their opinion : — “ It is a complete system of knavery, founded in fraud, born of deceit, and nourished by trick, cheat, wheedle, forgeries, falsehoods, and all sorts of delusions ; coining false news, whispering imaginary terrors, and preying upon those they have elevated or depressed.” Archibald Hutcheson, whose life was afterwards endangered from the determined manner in which he opposed the South-Sea bubble, says that the jobbers vied with the first nobility in the kingdom. Pope wrote, —

“ Statesmen and patriots ply alike the Stocks,
Peeress and butler share alike the box ;
And judges job, and bishops bite the town ;
And mighty dukes pack cards for half-a-crown.”

At any rate, it is certain that, if the national glory was aggrandized, the national debt increased in proportion. From 16 millions to 54 was fearfully felt, — thirty-seven millions and a half being raised by loan, besides thirty millions in taxes, during the war of the Spanish succession.

In 1716, great difficulty was experienced in procuring a loan of £ 600,000. The interest offered was four per cent.; and while the propriety of the loan was being debated on the second evening, Mr. Lechmere entered the House hastily, and told them that only £ 45,000 had been subscribed. Sir Robert Walpole instantly rose, and said, "I know that the members of the Stock Exchange have combined not to advance money on the loan. Every one is aware how the administration of this country has been distressed by stock-jobbers." The interest of four per cent. appeared so low to men accustomed to the enormous premiums of a few years previous, that they treated the proposed terms with contempt, and enlisted the sympathy of the public by reporting that it was the first step towards the reduction of the interest on the national debt. When the same minister proposed a loan of £ 1,700,000, to supply a deficiency, the opposition was so great, that, had not Sir Robert appealed to an empty exchequer, and declared that the debt had been incurred by a previous government, he would have been refused. The feelings of the House were greatly incensed by the discovery that the money was jobbed away with unequalled recklessness; and public-spirited men were not wanting to resist, in the name of the country, such shameless expenditure. They protested, because — and the protest drawn in 1729 would do for 1849 — "the national debt ought not to be increased when the taxes are heavily felt in all parts of the country; when our foreign trade is encumbered and diminished; when our manufactures decay; when our poor daily multiply; and when national calamities surround us." The report of the commissioners appointed to inquire into public accounts sanctioned the opposition which such men as Sir John Barnard gave to unjust demands. They proved that colonels received large sums from clothing contractors, as premiums for their favor, and that £ 1,400 had been given for a single contract. "The practice," said the report, "is so notorious and universal, that it wants no representation." Some barefaced practices were related in the same document; nor can there be any wonder that, with such gross mismanagement, it was said, — "The army was in the field, no money in the treasury, — none of the remitters would contract again. The Bank refused to lend £ 100,000 on good security. The navy was 11 millions in debt, and the yearly income greatly deficient."

In 1717 the Bank first undertook the payment of dividends to the national creditors, previous to which they were paid quarterly; when, however, they were undertaken by the Bank, this plan was found inconvenient, and since that period they have been paid half-yearly.

Sir John Blunt was the projector of the South-Sea bubble, which, in 1720, produced such extraordinary effects in England. As the scheme did not at first prove successful, rumors were spread that Gibraltar and Port Mahon would be exchanged for Peru. The stock soon rose to 1,000 per cent., and the excitement lasted till September, by which time it had sunk to 150. Several eminent goldsmiths and bankers were obliged to abscond; and every family in the kingdom felt the shock.

In other works the anecdotes of this memorable period have been presented in proportion to their effects upon commerce; in the present, those

only will be given which either affect the Stock Exchange or possess a general interest.

On May 15th, 1719, the king went abroad, and many who went with him sold all their funds. The Bank of England was accused of assisting the bubble by lending money, for the first time, on the security of its stock; "and this," said Mr. Aislable, "furnished an additional supply of money to gamesters in the Alley." The stories of the period are very widely spread, and prove how all ranks were affected. The Marquis of Chandos embarked £300,000 in it, and the Duke of Newcastle advised him to sell when he could make the tolerable profit of cent. per cent. The Marquis was greedy, hoped to make it half a million, and the advice was declined. The panic came, and the entire investment went in the shock.

Samuel Chandler, the eminent nonconformist divine, risked his whole fortune in the bubble, lost it, and was obliged to serve in a bookseller's shop for two or three years, while he continued to discharge his ministerial duty.

The elder Scraggs gave Gay £1,000 stock, and, as the poet had been a previous purchaser, his gain at one time amounted to £20,000. He consulted Dr. Arbuthnot, who strongly advised him to sell out. The bard doubted, hesitated, and lost all. The doctor who gave such shrewd advice was too irresolute to act on his own opinion, and lost £2,000; but, with an enviable philosophy, comforted himself by saying it would be only 2,000 more pairs of stairs to ascend.

Thomas Hudson, a native of Leeds, came to London, and filled the situation of government clerk. Having been left a large fortune, he retired to the country, where he lived until, tempted to adventure in the scheme, he embarked the whole of his fortune in it. After his loss he came to London, became insane, and Tom of Ten Thousand, as he called himself, wandered through the public streets, a piteous and pitiable object of charity.

One tradesman, who had invested his entire resources in the stock, came to town to dispose of it when it reached 1,000. On his arrival it had fallen to 900, and as he had decided to sell at 1,000, he determined to wait. The stock continued to decline, the tradesman continued to hold, and became, as he deserved, a ruined man.

Others were more fortunate. The fine mansion of Sir Gregory Page, at Blackheath, was made out of the profit made by his guardians; and two maiden sisters, who sold the stock at 970, reinvested their money in navy-bills, at a discount of 25 per cent., which in a very short time were paid off at par.

The wags of the day were not idle. A pretended office was opened in 'Change Alley to receive subscriptions for raising one million. The people flocked in, paid five shillings for every thousand they subscribed, fully believing they would make their fortunes. After a large sum had been subscribed, an advertisement was published, that the people might have their money without any deduction, as it was only a trial to see how many fools might be caught in one day.

Similar anecdotes to these are scattered over the private and the public histories of the period; but they have been rendered too familiar by recent works to narrate them in the present volume.

CHAPTER V.

Life of Thomas Guy. — Imposition in Sailors' Tickets. — Foreign Loan attempted. — Sir John Barnard. — Expresses of the Jobbers. — Foreign Commissions. — Origin of Time-Bargains. — Attempt to stop them. — Its Inadequacy. — Proposal to reduce the Interest on the National Debt. — Opposition of Sir Robert Walpole. — New Mode of raising Loans. — Comparative Interest in Land and Funds. — Punishment of Manasseh Lopez. — The first Reduction of Interest. — Life of Sir John Barnard.

IN 1724 died the founder of Guy's Hospital, and a sketch of this remarkable man's career is a curious picture of the period. The son of a lighterman and member of the senate, — one year the penurious diner on a shop-counter, with a newspaper for a table-cloth, and the next the founder of the finest hospital in England, — at one time a usurious speculator, and at another the dispenser of princely charities, — the wearer of patched garments, but the largest dealer in the Alley, — beginning life with hundreds, and ending it with hundreds of thousands, — Thomas Guy was one of the many remarkable men who, tempted from their legitimate pursuit, entered into competition with the jobbers of the Stock Exchange, and one of the few who devoted their profits to the benefit of a future generation.

His principal dealings were in those tickets with which, from the time of the second Charles, the seamen had been remunerated. After years of great endurance and of greater labor, the defenders of the land were paid with inconvertible paper, and the seamen — too often improvident — were compelled to part with their wages at any discount which the conscience of the usurer would offer. Men who had gone the round of the world, like Drake, or had fought hand to hand with Tromp, were unable to compete with the keen agent of the usurer, who, decoying them into the low haunts of Rotherhithe, purchased their tickets at the lowest possible price; and skilled seamen, the glory of England's navy, were thus robbed, and ruined, and compelled to transfer their services to foreign states.

In these tickets did Thomas Guy deal; and on the wrongs of these men was the vast superstructure of his fortune reared. But jobbing in them was as frequent in the high places of England as in 'Change Alley. The seaman was poor and uninfluential, and the orders which were refused payment to him were paid to the wealthy jobber, who parted with some of his plunder as a premium to the treasury to disgorge the remainder. By these means, and by fortunate speculations during the South-Sea bubble, Mr. Guy realized a fortune of £ 500,000.

It must be borne in mind, that, a century and a quarter ago, half a million was almost a fabulous fortune. It was only to be acquired by speculation in the funds, and by ventures which merely commercial dealings failed to produce. In the literature of the past century, a "plum"

is mentioned as the great prize of a lifetime, and as the extent of mercantile ambition. The enormous sums lately realized were then almost unknown, or arose from some chivalrous adventure, such as marked the lives of a Robert Clive or a Warren Hastings; and it was left for the present century to witness the achievement of fortunes which in the past would have been beyond credence.

In attaining so great a result, Mr. Guy was doubtless assisted by his penurious habits; but he did not possess a penurious mind. The endower of a princely charity, the founder of alms-houses, the enricher of Christ's Hospital, the support of his relations, and the friend of the poor, must be regarded as one of those contradictory characters which, at all periods and in all portions of the world, have marked the human race. His dealings in the Stock Exchange were continued to a late period of his existence. In 1720, he speculated largely in the South-Sea Stock; and in 1724 he died, at the age of eighty-one, leaving by will £240,000 to the hospital which bears his name. His body lay in state at Mercer's Chapel, was carried with great funeral pomp to St. Thomas's Hospital, and on February 13th, 1734, just ten years after his death, a statue was erected to his memory in the square of that asylum, partially raised by profits from the hard earnings of English seamen.

It was, indeed, to this improvidence in supplying funds to meet the demands for the navy that the South-Sea Company owed its origin. So largely had the unpaid sailors' tickets increased, that nine millions were unprovided for. Cash was scarce, the holders were clamorous, and Parliament, as a premium for forbearance, erected them into that body which ended so disastrously for the commercial interests of England.

In 1730, a loan of £400,000 was attempted for the Emperor of Germany. 'Change Alley was ready to advance it on sufficient interest and sound security; but Sir Robert Walpole brought in a bill to prohibit his Majesty's subjects and others resident in the kingdom from advancing money to any foreign state, without license from the king under his privy seal. The opposition experienced by the minister was very strong. The great city commoner spoke against the bill, and it required all the power of Sir Robert Walpole to counterbalance the influence of Sir John Barnard in a matter pertaining to business.

It was very natural that men's minds should be turned to that portion of the town which, ever and anon, gave signal symptoms of great frauds, great gains, and great gambling; and Sir John Barnard endeavoured, in 1732, to draw the attention of the House of Commons to the dealings and the doings of the Stock Exchange. It had, even at this early period, a complete and organized system. The expresses of its rich members came from every court in Europe, and beat — as the expresses of jobbers always have — the messengers of the government. Sir Robert Walpole not only declared this, but with great *naïveté* added, "It is because they are better paid and better appointed." The very fact that brokers did beat the government despatches was regarded as a crime; and the public continued, year by year, to pour its maledictions on the frequenters of 'Change Alley.

The funds were said to be the nursery of fraud. In the leading com-

panies the interest of the citizen was sacrificed to the jobber. The whole town was converted into a corporation of brokers and usurers, which could lie the government into credit one week and out of it the next. The magistracy of the city encouraged it, and the aristocracy of the city pursued it. 'Change Alley was called a gaming-house publicly set up in the middle of London, towards which the heads of our merchants and tradesmen were turned instead of to their legitimate pursuit; and it was said that £80,000 were paid annually by foreigners in the shape of commissions to the brokers of the Alley. But it was to the bargains for time that public attention was principally pointed by the city member. The origin of these bargains is obvious, and may be traced to the period of six weeks in each quarter, when the bank books were — as it was then thought — necessarily closed to prepare for the payment of the dividend. As no transfer could be made during this period, it naturally enough became a practice to buy and sell for the opening. The habit grew by what it fed on; and, in time, periodical dates for the payment of funds, purchased or sold when it could not be transferred, were fixed on by the Stock Exchange Committee, at intervals of about six weeks. As in these transactions the possession of stock was unnecessary, and the payment of the difference in the price was sufficient, bargains for time became common, and not only English, but foreign capitalists, were attracted by the chance of gain, while the Hebrews flocked to 'Change Alley from every quarter under heaven.

In consequence of the view which Sir John Barnard took of these facts, he succeeded in carrying that enactment which, intended to prevent gambling in the funds, has been utterly and singularly powerless in its effect. It provided that no loss in bargains for time should be recoverable in the courts, and placed without the pale of the law all such speculations. One hundred and sixteen years have passed, the act is still in force, and speculative bargains have not only increased, but form the chief business of the Stock Exchange. The greatest corporation in the world has availed itself of the principle, and the effect of the statute is, not to prevent respectable men from speculating, but to make rogues refuse to pay their losses, knowing that, while the law is inefficient, the blackboard of the Stock Exchange is their only punishment. To such men such punishment is ridiculous; they only feel through the purse, and in that they know they are safe by virtue of an act in which they rejoice.

That a feeling of gambling was encouraged is indisputable, and the attempt of Sir John Barnard was, therefore, honorable. But this propensity seems a natural principle of humanity. The savage in a state of nature, and the peer at the highest point of civilization, alike indulge in it. Every man who trades beyond his power to pay, every merchant who purchases goods on delivery, is, strictly speaking, a gambler; and it is well known to be a common practice of the first merchants to buy goods for arrival without the slightest intention of receiving them, and directly a profit can be gained, or too great a loss averted, they are resold without even the bill of lading being visible to the buyer.

It is these things which lead to disgraceful bankruptcies. The intelligent author of "Partnership en Commandite" says: — "On the banks

of the Danube, the Vistula, the Rhine, and the Tagus, — on the shores of the Baltic and the Mediterranean, — on the plains of Poland, — I have met with men who have asked me for charity, because they had been ruined by connection with some of the first English houses.”

The first effect of Sir John Barnard's Act was serious; and bargains for time, or the “race-horses of 'Change Alley,” as they were termed, were said to have expired. It was soon found, however, that to make the brokers responsible would answer every purpose; and business flourished as gayly as if the father of the city had never had an existence.

Though this measure was with difficulty passed, the wonder is that it passed at all, as the reasoning brought in its favor was very slight; and the following is a fair specimen of the speeches in its behalf: —

“The broker comes to the merchant, talks of the many fatigues and dangers, the great trouble and small profits in the way of trade. He then tells him if he will allow him to dig in the rich mine of 'Change Alley, he could get more in a day than he could by his trade in twelve months. The merchant is persuaded, he engages, goes in for some time, and is quite undone. His just creditors are surprised. ‘What,’ say they, ‘this man had a good stock to begin with, and he has had a good trade for several years; he never lived extravagantly; what is become of his effects and his money?’ They inquire, and find that the whole was gamed away in 'Change Alley.”

The fears of the brokers outran their discretion as soon as the bill passed into law; and the maledictions poured upon Sir John were loud, deep, and frequent. They thought that the principal and most profitable part of their trade was departed; and it was declared — how truly, time has since shown — that it would be only possible to get an estate by the slow, dull way of commerce. Every effort was made to ruin his reputation and his character; but both were too firmly established to receive any injury from the malevolent stories which were currently circulated.

A proposition was made in 1737, by the same gentleman, to reduce the interest on the national debt from four to three per cent. Nothing could be more just than this, as the public might either receive their principal in full, or one per cent. less interest. The House was at first disposed to entertain the proposal with the fairness it merited; but the moneyed men rose in a body, and Sir Robert Walpole, fearing to disoblige them, fearing to lose those votes on which he had hitherto relied, and envying also the popularity Sir John might acquire, determined to crush the scheme. He interested the king and queen; he employed his ministerial power; he intimidated some, he bribed others, he puzzled and persuaded more; until, his purpose being effected, the bill — than which nothing could be more reasonable — was rejected. The popular feeling attributed this opposition to the royal family, who possessed great funded property; but to popular feeling, unless it rose to a storm, as with the Excise Bill, Sir Robert Walpole was very indifferent.

In the same year, an inquiry being instituted into the books of the Bank of England, it was calculated that ten millions were held by foreigners in the English funds; a remarkable proportion of the amount at which the national debt then stood.

In the reign of George II. a new mode of raising loans was adopted. Instead of varying the interest according to the state of the money-market, the rate was fixed from three to five per cent., and the subscribers remunerated by an additional amount of stock. It was the first public announcement that the debt was perpetual; and has made the present principal two fifths more than the sum originally advanced. In the earlier history of borrowing, the government named its own terms; and as this generally afforded a profit, the loan was soon filled. If, however, the ministerial proposals were not sufficiently liberal, the executive altered the terms to the real value of money; and it is by no means an uninteresting fact, that it was found in 1748, after a close calculation, that for thirty previous years land had produced a higher interest than the funds.

Although an act had been passed by which it was declared illegal for one individual to have more than twenty lottery-tickets allowed him, it soon became notorious that the rule was flagrantly and frequently violated. Manasseh Lopez, whose dealings on the Stock Exchange entitled him to be termed a leader, had bribed the commissioners to permit an indirect violation of the law, by accepting a long list of feigned names as candidates for tickets. He was prosecuted by the Attorney-General, and sued in the Court of King's Bench. A fine of one thousand pounds was awarded as punishment; but as he had made more than fifty times the amount, it might be regarded as a very successful speculation.

The first reduction in the interest of the national debt — from four to three per cent. — was effected in 1750, and was received with a storm of indignation similar to that which arose in 1737, on the mere attempt. Sir John Barnard, to whom every thing connected with the funds was of importance, is mentioned as having proposed it to Mr. Pelham, who brought it forward in the House of Commons. The best men in the city protested against so bold a measure, and the foes of the minister encouraged the opposition of the fundholder; his friends overwhelmed him with entreaties to withdraw the motion; and every engine which could be brought into operation by the moneyed interest was employed. Reasons which time has since repudiated, fallacies which almost repudiated themselves, evils which had no existence save in the brain of the prophet, were freely circulated. It was said that the landed gentry and the noble families of England would be ruined, and their children would become beggars; that the interest of younger sons' portions would not enable them to associate with the cooks and coachmen of their elder brothers; and that merchants, shopkeepers, and tradesmen would be ruined. The farmers would lose their farms; families would be undone; and such a deluge of distress be brought upon all ranks, that the consequences would be fatal to that "free and happy constitution" which has been so often ruined in the brains and in the prophecies of partisans.

Its first reception was so lukewarm by the minister's friends, and the opinions of the people so strong, that, coupled with the previous failure of a similar measure, its miscarriage was confidently calculated. "Mr. Pelham," says the flippant chronicler of the times, "who has flung him-

self entirely into Sir John Barnard's hands, has just miscarried in a scheme for the reduction of interest, by the intrigues of the three great companies and other usurers." Horace Walpole mistook the voice of his little circle for the voice of the country. The scheme did not miscarry; and it is remarkable that this, the first reduction in the interest of the national debt, was planned in a most masterly manner, and reflected great honor upon Sir John Barnard. A loss of one per cent. upon the income of an annuitant is important, and acts prejudicially upon all with limited means. To obviate this evil, if the fundholder declined receiving his capital, the interest was reduced from 1750 to 1757 only one half per cent., $3\frac{1}{2}$ being paid during that period; after 1757 it was reduced the remaining half per cent. The great resources of England have ever been regarded with wonder by foreign nations; and they looked with astonishment on the power of a people which, after a heavy war and an increased debt, enabled the state to repay its creditors or reduce its interest.

The name of Sir John Barnard, the father of the city, its honest representative for six sessions, the remodeller of the Stock Exchange, and the reducer of the interest on the national debt, occupies a prominent place in all questions connected with the funds. Born of the same persuasion as William Penn, he retained during life much of the simple honesty of the creed he originally professed; and even Sir Robert Walpole respected him, although he was constant in his opposition to bad measures, and could never be bought nor bribed. "I address myself to you, Mr. Speaker, and not to your chair," he said, when Sir Robert Walpole, secure in a majority, withdrew the attention of the Speaker; "I will be heard; and I call that gentleman to order." Lord Chatham gave him, half in jest and half in earnest, the proud title which was afterwards appropriated to himself, of "the great Commoner." His pride was indomitable. The members of the Stock Exchange, who were always spoken of with great contempt by Sir John, thoroughly detested him, and greatly helped to fan the unpopularity which fell upon him when he opposed public feeling, as, with a most unbending integrity, he invariably did, if his conscience prompted. "He grew," said Horace Walpole on one occasion, "almost as unpopular as Byng." On commercial subjects his opinion was greatly regarded. When any remarkable feature in financial politics occurred, the town echoed with, "What does Sir John say to this? What is Sir John's opinion?" And he had the honor of refusing the post of Chancellor of the Exchequer in 1746. It is somewhat at variance with the proud character of the man, that, from the time his statue was erected in the Royal Exchange, he never entered the building, but transacted his business in the front. The blood of Sir John Barnard yet flows in the veins of some of the best houses in the commercial world, his son having married the daughter of a gentleman known in contemporary history as "the great banker, Sir Thomas Hankey."

CHAPTER VI.

Origin of New Loans. — Fraud of a Stock-broker. — East India Stock. — Sketch of Sampson Gideon, the great Jew Broker. — East India Company. — Restriction of its Dividends. — Liberality to its Clerks. — Important Decision. — Robbery at Jonathan's. — Curious Calculation concerning the National Debt.

THE Spanish war, and the war of the Austrian succession, was the origin of the next increase of the national debt. It was alleged that the commerce and the merchants of Great Britain were injured by the Spaniards; that the subjects of England were sent to the Spanish mines; and though one remonstrance followed another to the court of Madrid, promises were more plentiful than performances from the haughty Spaniard. The people were excited to believe that their honor was insulted; a dramatic exhibition was made at the bar of the House of Commons; and this war, partly to please the populace, partly to heal the wounded national pride, and partly to secure British subjects from the right of search in American seas, was openly declared in 1739. The heralds were attended in their progress by the chiefs of the opposition, and the Prince of Wales drank success to England at Temple Bar; but Sir Robert Walpole, as he heard the merry peal from the city steeples, muttered, "They may ring their bells now, they will wring their hands before long."

The misfortunes with which the campaign opened justified the minister's prophecy, and the war was violently attacked in the House; but the majority of Sir Robert was an irresistible argument, and calamity continued to mark the progress of the British arms. An armament, with 15,000 sailors, and as many soldiers, completely equipped, failed disgracefully before Carthage. The squadrons of our admirals were dispersed. Fontenoy witnessed a signal defeat, and Tournay was taken. Scotland was entered by a Stuart, under circumstances which promised success. England was threatened with invasion; the vast armies of the English allies, paid by English money, raised by loans through the Stock Exchange, were inactive or defeated; and it was only when a more promising aspect was shed over our efforts, when the assistance of Russia would have assured a supremacy, and British fleets had intercepted the treasures of France and Spain, that the ministry, tired of a war which brought so many reverses, and alarmed at the voice of public opinion, consented to treat for peace.

But their treaty was as disgraceful as their war. The principal cause of the latter, the right of search, was not even alluded to; no equivalent was received for forts restored to the enemy; and, for the last time in English history, the nobles of the land were given as pledges for the country's faith. "The whole treaty," says one historian, "is a lasting memorial of precipitate counsel and English disgrace." It is

melancholy to add, that this unhappy war added £ 31,333,689 to the permanent debt, took £ 15,080,000 in taxes, and, says a pamphleteer of the day, "increased the contemptible crew of 'Change Alley."

The early mode of raising money was somewhat curious. When a new tax was imposed by Parliament, any person might advance any sum not less than £ 100. For this, a tally was given at the Exchequer, with an order for repayment of the principal, and the payment of interest. The sums thus advanced were to be paid off in regular order, as the money arising from the tax was received. But as this was generally found to be insufficient to redeem the loan, it became necessary either to prolong the term, or raise a new loan to pay off the old one.

The interest on loans during the reigns of Anne and William was very uncertain. In the reign of George II. a new principle was adopted. Instead of varying it according to the state of the money-market, the rate was generally fixed at 3 or 3½ per cent., and the necessary variation made in the sum funded. In consequence of this practice having prevailed, the principal of the debt now existing amounts to nearly two fifths more than the sum actually advanced.

As early as 1762, a stock-broker, named John Rice, met the fearful penalty so liberally awarded to crime by the civil code of the eighteenth century. A client of Rice, for whom he was accustomed to receive her dividends, was, under false pretences, induced to grant a power to sell as well as to receive the interest. As the temptation to speculate on the Stock Exchange is great, the temptation to divert property from its legitimate channel is equally so, when confidence or carelessness has granted the power. The stock-broker sold all his client's money, employed it to meet his losses, and kept up his deception by sending her the dividends as usual. The lady, moved by doubt, or by some cogent but unknown cause, intimated to Rice her intention of visiting the city. Unable to restore the money, the conscience of Rice took the alarm, and he fled, leaving with his wife £ 5,000 of the misappropriated property. Ignorant of his evil deeds, and anxious to join her husband, she embarked for Holland. The weather proved rough; the vessel was driven back; and the persons sent in search of the husband apprehended the wife, who yielded the money in her possession, leaving herself entirely destitute; and it is to the credit of the directors of the South-Sea Company, that they settled a small pension on the unhappy woman.

The search continued for Rice, who was discovered in the old town of Cambray, where he had taken up his residence. The English ambassador at Paris applied for his delivery; the misguided man found that Cambray was no city of refuge for him; and the last sad penalty of the law was enacted on the body of John Rice, the stock-broker.

In February, 1674, the jobbers were taken by surprise, and a sudden fall of fourteen per cent. in India Stock occurred, owing to an unexpected war in the East. The incident is only remarkable, that from this period, marked by a fall in their stock to so large an extent, commenced the political greatness of the Company. A violent dispute had arisen between Lord Clive and the directors; but their foreign affairs assumed so serious an aspect, that the latter were forced to yield. Every vessel

brought alarming tidings. The natives, unable to bear the oppressive exactions to which they were subject, arose and defied the government. The directors of the Company grew alarmed. They forgot their feuds, they remembered only their dividends, and called Clive to their rescue. But Clive refused to act so long as one Sullivan, his bitter enemy, occupied the position of chairman; and as the proprietors would have removed the whole court of directors rather than miss the services of Clive, Sullivan not only lost his chairmanship, but was within a single vote of losing his seat as director. During this exciting period, so great was the bustle, that Cornhill and Cheapside were filled with the carriages of the voters; and from this dispute, which commenced with so ominous a fall in their stock, may the territorial dignity of the East India Company be dated.

Sampson Gideon, the great Jew broker, as he was called in the city, and the founder of the house of Eardley, as he is known to genealogists, died in 1762. This name, as the financial friend of Sir Robert Walpole, the oracle and leader of 'Change Alley, and the determined opponent of Sir John Barnard, was as familiar to city circles in the last century as the names of Goldsmid and Rothschild are to the present. A shrewd, sarcastic man, possessing a rich vein of humor, the anecdotes preserved of him are, unhappily, few and far between. "Never grant a life-annuity to an old woman," he would say; "they wither, but they never die." And if the proposed annuitant coughed with a violent asthmatic cough on approaching the room-door, Gideon would call out, "Ay, ay, you may cough, but it sha'n't save you six months' purchase!"

In one of his dealings with Mr. Snow, the banker, — immortalized by Dean Swift, — the latter lent Gideon £20,000. Shortly afterwards, the "forty-five" broke out; the success of the Pretender seemed certain; and Mr. Snow, alarmed for his beloved property, addressed a piteous epistle to the Jew. A run upon his house, a stoppage, and a bankruptcy, were the least the banker's imagination pictured; and the whole concluded with an earnest request for his money. Gideon went to the bank, procured twenty notes, sent for a phial of hartshorn, rolled the phial in the notes, and thus grotesquely Mr. Snow received the money he had lent.

The greatest hit Gideon ever made was when the rebel army approached London; when the king was trembling; when the prime minister was undetermined, and stocks were sold at any price. Unhesitatingly he went to Jonathan's, bought all in the market, advanced every guinea he possessed, pledged his name and reputation for more, and held as much as the remainder of the members held together. When the Pretender retreated, and stocks rose, the Jew experienced the advantage of his foresight.

Like Guy, and most men whose minds are absorbed in one engrossing pursuit, Mr. Gideon was no great regarnder of the outward man. In a humorous essay of the period, the author makes his hero say, "Neither he nor Mr. Sampson Gideon ever regarded dress." He educated his children in the Christian faith, but said he was too old himself to change. Being desirous to know the proficiency of his son in his new creed, he asked, "Who made him?" and the boy replied, "God." He then

asked, "Who redeemed him?" to which the fitting response was given. Not knowing what else to say, he stammered out, "Who— who— who gave you that hat?" when the boy, with parrot-like precision, replied in the third person of the Trinity. The story was related with great unction at the period.

"Gideon is dead," writes one of his contemporaries, in 1762, "worth more than the whole land of Canaan. He has left the reversion of all his milk and honey, after his son and daughter, and their children, to the Duke of Devonshire, without insisting on the Duke taking his name, or being circumcised." That he was a man of liberal views, may be gathered from his annual donation to the Sons of the Clergy, from his legacy of £2,000 to the same charity, and of £1,000 to the London Hospital. He died in the faith of his fathers, leaving £1,000 to the Jewish synagogue, on condition of being interred in the burying-place of the chosen people."

The question of the sinking fund has greatly occupied the attention of financial men, and upon few schemes have so many and such various opinions been given. To view the subject by the light of common sense, it seems palpably absurd that more money than was necessary should be borrowed for the sake of paying it again, or that, while a surplus fund remained in the Exchequer, new loans should be raised. Paine afterwards declared it was like a man with a wooden leg running after a hare, — the more he ran, the farther he was off.

The first sinking fund is usually called Sir Robert Walpole's, because it was adopted by him; but its author was the Earl of Stanhope. The taxes, which had at first been for limited periods, being rendered perpetual, proved greater than the charges they were meant to defray. The surpluses, therefore, were united under the name of the Sinking Fund, and appropriated for the discharge of the national debt.

The opinion which Dr. Price has since so strongly urged was very prevalent; and as much anxiety concerning the debt existed, it was considered important to apply this surplus invariably to the discharge of the great debt, and to borrow by new loans when the public exigencies required it. Thus, although from 1718 to 1731 was a period of peace, the following sums were borrowed:—

1718	£ 505,995	1727	1,750,000
1719	312,737	1728	1,230,000
1720	500,000	1729	550,000
1721	1,000,000	1730	1,200,000
1725	500,000	1731	500,000
1726	370,000		<hr/>
			£ 8,418,732

The money procured by the sinking fund for the discharge of the national debt, from 1716 to 1728, amounted to £6,648,000, being a trifle more than the debt contracted during the same period.

In 1728, it was found that the principle could not be preserved; and the interest of the loan of that and the following year was charged on the fund, while the additional taxes imposed to pay the interest of the loans were applied to increase it. A short time after, the plan of pre-

servicing the sinking fund inviolate was abandoned ; and in 1733, £ 500,000 was taken to meet the expenses of the year ; in 1734, £ 1,200,000 was taken for the same purpose ; and in 1735, it was even anticipated, and the principle, in effect, abandoned. From that time its operations grew feeble, its produce was often devoted to other purposes, and it was found necessary to have recourse to it when the expenses exceeded the revenue, and no new taxes were imposed. In the peace which followed the treaty of Utrecht, — a period of twenty-six years, — £ 7,231,508 was the amount of debt discharged by the sinking fund ; and in war the produce was applied to the expenses of the year, — loans being raised for the additional sums required.

This fund produced at its commencement, in

	1717	£ 323,439
From	1717 to 1726, both inclusive	577,614
"	1727 " 1736 "	1,132,251
"	1737 " 1746 "	1,062,170
"	1747 " 1756 "	1,356,578
"	1757 " 1766 "	2,059,406

The further and feeble operations of this fund are unnecessary to trace, as, although it continued nominally in the accounts of the Exchequer until 1786, when Mr. Pitt's sinking fund was introduced, it did little in peace, and nothing in war. From 1717 to 1772 it produced but twenty millions, being about £ 357,000 annually.

If the increase to the debt last recorded was caused by a disgraceful war and a powerless ministry, that which followed was no less remarkable for the brilliancy of its operations and the greatness of its achievements. Since the treaty of Aix-la-Chapelle, the English and French East India Companies had been fighting for supremacy, and the animosity spread to the colonies. A British force was cut off in America, and some French vessels were taken on the West India seas. War seemed necessary, and, when commenced, proved at first sufficiently humiliating. Hanover was attacked by France, and petty German princes were subsidized to defend it. Minorca, commanded by Blakeney, a superannuated general, was taken by Richelieu, a superannuated fop. Braddock was defeated in America ; Admiral Byng refused to engage the French fleet ; and an outcry arose for his life, which appalled the men who governed the councils of the country. Shops were filled with libels ; walls were covered with satires. The English people, rarely yielding to the thirst for blood, demanded that of the unpopular admiral ; and the prime minister trembled for his neck. Our navy could scarcely keep the sea, and the army was commanded by men desirous only of seeking enolument and avoiding risk. Enterprise and energy were absent. In the West, our power was paralyzed ; in the East it was endangered. From every county in the kingdom, from every town in the empire, vengeance was demanded. The Duke of Newcastle vacated the place of prime minister ; a change was effected ; and from that period a succession of conquests filled the kingdom with pride, and raised the fame of the country. The accession of Mr. Pitt to the post of prime minister was felt in every department. France, attacked on some, and menaced on all points, suf-

ferred disastrous defeats, retired from Germany, and saw her West and East Indian colonies wrested from her. In one action, thirty-six sail of the line, fifty frigates, and forty-five sloops were taken or destroyed, and the sea swept clear of the fleets that had insulted our coasts and our colonies. Triumph after triumph, conquest after conquest, and, it must be added, loan after loan, were witnessed. Goree and Guadeloupe were taken. The Heights of Abraham beheld the fall of Wolfe and of Quebec; Montreal was subdued; and the total cession of Canada followed. The fleet to which the French court had confided its American possessions was destroyed, and captured standards were borne through the streets amidst triumphant shouts, which deadened the roar of the cannon.

The accession of George III. did not interfere with the conduct of the war. Nineteen millions were voted the first year of his reign; and though Mr. Pitt retired from the councils of his Majesty, the contest was carried on with the same energy; while the system of subsidies was continued with a profusion which has been rarely paralleled. Triumphs such as these produced their effects on the opponents of England. Spain and Portugal were anxious for peace; France was impoverished, the plate of her monarch converted into money; and, in 1762, a just and honorable peace was concluded.

It is remarkable, also, that public distress was never less apparent than during this war; and the rare picture was presented of a people supporting without murmurs the trials and the taxes of a wide and costly contest. Prosperity and wealth at home hid the price at which the victories were purchased abroad. London was never more thriving; and the importance of several manufacturing districts dates from the success of the seven years' war. During this period, the whole continent of America fell into our power. Twenty-five islands were captured; twelve great battles won; nine fortified cities, and forty forts and castles, taken. One hundred ships of war and twelve millions of specie acquired; sixty millions added to the national debt, and fifty-two millions raised by taxes.

To produce the peace which followed this contest, bribery was resorted to, and the public money wasted. "The peace of 1763," said John Ross Mackay, private secretary to the Earl of Bute, and afterwards Treasurer to the Ordnance, "was carried through and approved by a pecuniary distribution. Nothing else could have surmounted the difficulty. I was myself the channel through which the money passed. With my own hand I secured above one hundred and twenty votes on that vital question. Eighty thousand pounds were set apart for the purpose. Forty members of the House of Commons received from me a thousand pounds each. To eighty others I paid five hundred pounds apiece."

The continued corruptions produced continued irregularity. George II. said he was the only master who did not see his servants remunerated; adding, to Mr. Pelham, that if the civil list were not paid, he would find another minister. Remonstrances on the injury to the national and individual interest were so frequent, that the king declared he would inspect the accounts himself.

The Duke of Newcastle, then prime minister, bowed, and promised to send the papers; and the following morning, a cart loaded with official

accounts was paraded in the court-yard of the palace. With much violence, the monarch demanded the cause of the display. "They form a portion of the accounts your Majesty desired to inspect," was the reply; "there is another wagon-full on the road."

One specimen of the accounts his Majesty had offered to investigate was, however, quite sufficient; and the public complaint remained unalleviated.

In 1742, £ 1,384,000 6s. 3d. was under the sole direction of the Earl of Orford for secret-service money, of which £ 50,077 18s. went to the newspapers; and the amount of this supply expended in the six weeks preceding the resignation of the Earl of Orford was more than during the three previous years.

In 1766, the House of Commons compelled the East India Company to rescind a vote which the excitement of the time had induced them to pass. The success of Lord Clive, the important commercial consequences to which it led, and the plunder which rewarded the victories of the soldier, had fired the brains of the East India proprietary. The most extravagant reports were promulgated, and half-yearly dividends of fifty per cent. were confidently promised. The value of the stock rose enormously; and the directors divided at the rate of thirteen per cent. per annum. When it was found that the corporation were enabled to divide thus liberally, Parliament, under the pretence that it might lead to a dangerous panic, interposed with a strong hand, directed that the annual dividend of the Company should be limited to ten per cent., and that all accumulations beyond should accrue to the state. Great opposition was evinced. The corporation, having paid liberally for their charter, would not quietly submit to an interference which so materially decreased its value; and, having formerly bribed with success, tried the same process, but without the same result. The changes in the opinion of the "independent" members, as they were bribed by the Company or awed by the minister, were somewhat curious; and the cause of Charles Townshend's tergiversations was probably only a type of many. Having dealt largely in India Stock, he cried up the Company's claims to serve himself. He then sold out at a profit, and cried them down to serve his friends. It was a complete South-Sea year. A third of the House of Commons was deeply engaged in the traffic; and jobbing was the thermometer by which patriots were made or marred. "From the Alley to the House," said Walpole, "is like a path of ants." Most of the members were in Mr. Townshend's position, and the East India Company were, therefore, restricted in their dividends. The result was, that this corporation is worthy the study of others in the liberality with which it rewards the labors of its clerks. Acting on the fine Mosaic principle, that the ox shall not be muzzled which treadeth out the corn, the Company have made their servants' interests their own; they have made them understand that their old age shall be liberally protected if they faithfully serve; they have made them know that their widows and orphans shall not be forsaken; and they have, therefore, made them feel that the service of such a company is a pleasure, and not a pain; a love, and not a labor.

It is the curse of English commerce, of English banking, and of English trading generally, that, while large fortunes are made by the principals, the clerks are often remunerated at a rate inferior to that which the merchant pays his favorite domestic. The small number necessary to produce a great income takes away all excuse for this penury; and as four or five are frequently sufficient to produce annual thousands, it is to be regretted that, while the principal seeks the most luxurious abode which wealth can produce, the clerk goes to some cheap suburban home, in which, with his family, he can scarcely unite respectability with life.

In corporations and in public offices this is peculiarly hard. The additional salary would not be felt, and there is a responsibility on the clerks which demands that their payment should be proportioned to it. It is an honor to them that, with the lax notions entertained of corporate and national property, the frauds should be so rare; but it is a dishonor to commercial nature, that, considering the profits made by merchants, the daily intercourse they hold with their clerks, and the trust they are compelled to place in them, they pay in so small, and work in so great a degree. It is a most suggestive fact, that, where the functionaries are remunerated the worst, the frauds are most numerous.

But there is another evil felt by the stipendiary. His personal treatment is not in accordance with his claims as an educated man. The coldest look and the haughtiest answer are reserved for him. The smallest amount of intercourse necessary to business is awarded him. The common courtesies of life are denied him. The merchant too often enters his counting-house without recognition, and leaves it without an adieu.

In similar establishments abroad, the clerks are treated with care and kindness. They are not made hourly to feel the great gulf between them and their wealthy superiors. They visit the homes of the latter; they are confidentially consulted; they are allowed time to think; they are treated as men, not as animals. And thus it was in England in the olden time. The merchant of that school invited his clerk to his home, took an interest in his affairs, and recognized him as a friend. They worked the fortunes of the house together, and, if the merchant was repaid by his clerk's fidelity, the latter was often admitted into the firm he had served. This is not so now. But the master is the greatest loser; for there is no service so fruitful as that which arises from kindness, or so grateful as that which has its root in affectionate respect.

An important point was decided against the presumed privilege of the city in 1767. Two gentlemen, wishing to purchase stock, employed friends, not brokers, to procure it. The chamberlain, deeming this an invasion of the civic prerogatives, commenced proceedings against them. In both cases, however, the defendants gained the day. "And," says the authority, "it is now settled that every person is at liberty to employ his friends to buy or sell government securities without employing a broker."

Some of the frequenters of Jonathan's were dexterous manipulators, and, however the speculator might congratulate himself on his success in the Alley, it occasionally happened that he found himself lightened of his profit. Thus, in one day in the above year, no fewer than four

brokers were robbed of their pocketbooks, containing large amounts of property. The thief was taken; but, in place of expressing contrition, he gave a voluntary and unexpected opinion, that one man had as much right to rob as another, and that he was only acting as an honorary magistrate, in taking that of which they had cheated their neighbours.

In 1771, a somewhat curious calculation was made, that if the debt of 130 millions were counted in shillings at the rate of 100 a minute, it would occupy one person 49 years, 158 days, and 7 hours. The same person also declared its weight in the same coin to be 41,935,484 troy pounds; and that it would require 279,570 men to carry it.

~~~~~

**GREAT WEALTH A MISFORTUNE.**—Vast fortunes are misfortunes to the State. They confer irresponsible power; and human nature, except in the rarest instances, has proved incapable of wielding irresponsible power without abuse. The feudalism of Capital is not a whit less formidable than the feudalism of Force. The millionaire is as dangerous to the welfare of the community, in our day, as was the baronial lord of the Middle Ages. Both supply the means of shelter and of raiment on the same conditions; both hold their retainers in service by the same tenure,—their necessity for bread; both use their superiority to keep themselves superior. The power of money is as imperial as the power of the sword; and I may as well depend upon another for my head, as for my bread. The day is sure to come, when men will look back upon the prerogatives of Capital, at the present time, with as severe and as just a condemnation as we now look back upon the predatory Chieftians of the Dark Ages. Weighed in the balances of the sanctuary, or even in the clumsy scales of human justice, there is no equity in the allotments which assign to one man but a dollar a day, with working, while another has an income of a dollar a minute, without working. Under the reign of Force, or under the reign of Money, there may be here and there a good man who uses his power for blessing and not for oppressing his race; but all their natural tendencies are exclusively bad. In England, we see the feudalism of Capital approaching its catastrophe. In Ireland we see the catastrophe consummated. Unhappy Ireland! where the objects of human existence and the purposes of human government have all been reversed; where rulers, for centuries, have ruled for the aggrandizement of themselves, and not for the happiness of their subjects; where misgovernment has reigned so long, so supremely, and so atrociously, that, at the present time, the “Three Estates” of the realm are Crime, Famine and Death!—*Horace Mann.*

**USURY.**—But what, it will be asked, is the remedy for this state of things? We answer—free trade in money, the abolition of the usury laws. Let persons be allowed to do with their money as with their other property, and dispose of it on any terms they can. Let there be no laws compelling the money holder to exact enormous rates of interest in order to cover the probable loss and risk of running counter to law, which prevents the recovery of a certain amount of interest; and in case of the exaction of a larger amount decrees a forfeiture of even that which the law permits.—*N. O. Delta.*

## STATE FINANCES.

## FINANCES AND BANKING SYSTEM OF THE STATE OF NEW YORK.

*Extracts from the Annual Report of the Comptroller of the State.*

COMPTROLLER'S OFFICE, ALBANY, December 31, 1849.

*Estimate of the Ordinary Expenses of Government, for the Fiscal Year commencing on the 1st of October, 1849.*

|                                                                                                           |                   |
|-----------------------------------------------------------------------------------------------------------|-------------------|
| Salaries of the Officers of Government, including clerk hire, . . . . .                                   | \$45,000          |
| “ “ Judges of Court of Appeals, and the Judges of Supreme Court, . . . . .                                | 90,000            |
| “ “ Clerk of the Court of Appeals, and clerk hire, . . . . .                                              | 8,000             |
| “ “ Commissioners of the Code, and the Commissioners on Practice<br>and Pleadings, . . . . .              | 12,000            |
| Legislature, compensation of members and officers, . . . . .                                              | 73,000            |
| Contingent expenses of the Legislature and the public offices, . . . . .                                  | 16,000            |
| Incidental expenses of Government, and apprehension of criminals, . . . . .                               | 2,000             |
| Expenses of the Capitol, . . . . .                                                                        | 5,000             |
| “ “ State Hall, . . . . .                                                                                 | 3,000             |
| “ “ State Lunatic Asylum, and support of insane convicts, . . . . .                                       | 7,800             |
| “ “ Old State Hall, . . . . .                                                                             | 1,000             |
| “ “ State Cabinet of Natural History, . . . . .                                                           | 1,800             |
| “ “ State Library, . . . . .                                                                              | 8,000             |
| “ “ State Prisons, exclusive of appropriations for erection, &c., . . . . .                               | 70,000            |
| Commissary's Department, . . . . .                                                                        | 14,500            |
| Printing, including binding of the Session Laws, Documents, &c., . . . . .                                | 75,000            |
| Deaf and Dumb, . . . . .                                                                                  | 25,800            |
| Blind, . . . . .                                                                                          | 17,480            |
| Hospital, New York, . . . . .                                                                             | 22,500            |
| Foreign poor, New York, . . . . .                                                                         | 10,000            |
| Orphan Asylum, New York, . . . . .                                                                        | 1,000             |
| Agricultural Societies, . . . . .                                                                         | 7,000             |
| College of Physicians and Surgeons, New York, . . . . .                                                   | 500               |
| Postage of official letters, . . . . .                                                                    | 2,500             |
| Rent and taxes of the house occupied by the Governor, . . . . .                                           | 1,150             |
| Apprehension of fugitives from justice, . . . . .                                                         | 4,500             |
| Committee to examine the accounts of the Treasurer, and the Canal and Bank-<br>ing Departments, . . . . . | 1,100             |
| Contingent expenses of the Court of Appeals and Supreme Court, . . . . .                                  | 3,200             |
| Support of foreign poor in sundry counties, . . . . .                                                     | 5,000             |
| “ &c., of the Western House of Refuge, . . . . .                                                          | 6,000             |
| Buffalo Hospital of the Sisters of Charity, . . . . .                                                     | 4,000             |
| New York Dispensaries, . . . . .                                                                          | 4,500             |
| “ Eye and Ear Infirmary, . . . . .                                                                        | 1,000             |
| Improving the upper waters of the Hudson River, . . . . .                                                 | 3,000             |
| Colored Orphan Asylum, New York, . . . . .                                                                | 500               |
| Miscellaneous, . . . . .                                                                                  | 40,000            |
| <b>Total Expenses of 1849-50, . . . . .</b>                                                               | <b>\$592,830.</b> |

The Comptroller, in obedience to law, has the honor to submit to the Legislature the following Report :

The financial condition of the State is, in a high degree, prosperous and encouraging. The public credit is untarnished, and our securities command an unusual premium at home and abroad. Our internal improvements continue to yield a rich and increasing income. The funds devoted to education are productive, and amply sufficient to ensure a free dissemination of knowledge among the people, during all coming time. The other sources of revenue, relied on for the ordinary expenditures of the State, are flourishing, and have produced a larger return during the past year than was required to meet the demands upon the treasury.

*State of the Treasury.*

|                                                                                                                          |              |                     |
|--------------------------------------------------------------------------------------------------------------------------|--------------|---------------------|
| Balance in the Treasury on the 30th September, 1848, . . .                                                               | \$305,009.70 |                     |
| Amount received into the Treasury on account of all the funds, during the year ending 30th September, 1849, . . .        | 2,243,321.55 |                     |
|                                                                                                                          |              | <u>2,548,331.25</u> |
| Amount of warrants drawn on the Treasury on account of all the funds, during the year ending 30th September, 1849, . . . | 2,076,754.42 |                     |
| Amount of warrants drawn on the Treasury, remaining unpaid on the 30th September, 1848, . . . . .                        | 87.57        |                     |
|                                                                                                                          |              | <u>2,076,841.99</u> |
| Less amount of warrants drawn on the Treasury, remaining unpaid on the 30th September, 1849, . . .                       | \$148.73     |                     |
| Amount of warrants erroneously drawn and cancelled, . . . . .                                                            | 87.58        |                     |
|                                                                                                                          |              | <u>236.31</u>       |
| Balance in the Treasury on the 30th of September, 1849, . . . . .                                                        |              | <u>\$471,725.57</u> |

THE CANAL FUND.

The public works of the State upon which this fund is predicated, are to be considered in two aspects :

*First*, Their money value, as an investment of capital, to be ascertained by their average income, for a series of years.

*Second*, Their utility to the people, as channels of trade and commerce, affording cheap and easy access to markets, imparting additional value to property and labor, and creating new elements of public and private prosperity.

It must now be conceded that the construction of the canals was a judicious and profitable investment of the public funds and credit, when regarded as a mere financial question, having reference only to the return of revenues yielded to the treasury. The most sanguine anticipations of the early friends of our system of internal improvements, have been surpassed by the actual increase of business and tolls. The estimates presented to the Legislature of 1838, in the celebrated report of that year, framed by one of the most enlightened and efficient supporters of a liberal State policy, have been confirmed and more than realized by positive results. In the calculations of that report, it was assumed that, if the Erie Canal should be enlarged, as speedily as an economical expenditure of the money would permit, and the

rates of toll maintained upon the basis then established, the revenues for the year of navigation, 1849, would reach the sum of \$3,000,000. It will be seen from the statements herewith submitted, that the actual revenue received during the last season of navigation sustains the estimate of Mr. Ruggles in 1838.

In the meantime, there has been a reduction of tolls equal to 10 per cent. ; the work of enlargement, on which more than thirteen millions have been expended, has not yet been brought into use ; and it should not be forgotten that the tolls, during the summer months, were considerably impaired by a calamity, which gave a temporary check to the business pursuits of the whole country. The gross revenue of the canals, during the last fiscal year, ending September 30th, was \$3,442,906.62, and after deducting \$685,803.91 for the expenses of collection, superintendence and repairs, there remains a clear income of \$2,757,102.71.

Adopting the last year as a criterion, it will be observed that the value of the canals is equal to a capital of \$45,951,711.83, invested at six per cent. interest. The average net income, for the last five years, is \$2,370,916.78, which is equal to a capital of \$39,515,279.66, at six per cent. interest.

The entire cost of all the canals, including the expenditure on the Erie enlargement, the Genesee Valley and Black River Canals, to 30th September last, as exhibited by the accompanying statement, was \$33,214,158.62.

No instance can be found in the history of States, ancient or modern, where a government expenditure has yielded such rich returns, and produced such triumphant results. By the enlightened use of its means and credit, the State has opened a fountain of revenue which may be deemed inexhaustible. Our present system of finance, predicated upon the productiveness of the canals, contemplates the payment of the entire debt of the State, including the cost of the canals themselves, within a period of less than twenty years. During the same period, a munificent contribution is to be made from the canals, yearly, to the general treasury, for the ordinary expenses of government. After paying these ample appropriations, amounting to \$1,850,000 per annum, to provide for the debts and wants of the treasury, there will remain nearly a million of dollars per annum, set apart by the Constitution, for the completion of the unfinished portion of the public works. The surplus for the last fiscal year applicable to the latter object amounts to \$907,102.71. \* \* \* \* \*

#### *The Banking System.*

Among the varied public interests to be affected by legislative action, there is none more complex in its nature, or more important in its bearing upon the general prosperity, than the currency created by our banking institutions. The subject is intimately connected with the trade, property and business pursuits of the people ; and every citizen is directly concerned in having the circulating medium established on a solid basis and regulated by correct principles of finance. Our past legislation shows, that while no public question has attracted a larger share of attention, public opinion in regard to it has been peculiarly conflicting and variable. Enlightened statesmen and experienced financiers have advocated theories the most dis-

similar; the experience of every country has been adduced in support of favorite systems, but as yet, none has been presented which commands universal assent. To create a circulating medium sufficient to sustain and facilitate the legitimate business of the community, and at the same time to insure its safety and convertibility amid all the fluctuations of trade, was the uniform motive of our changing State policy on the subject of banking. It was believed, for a series of years, that this result had been attained by the successful working of the Safety Fund system. But the Safety Fund was exhausted, including its future revenues, by a few disastrous failures. Ten banks, in addition to the entire loss of their own capital, amounting to \$2,800,000, imposed a further loss upon the fund of more than two and a half millions. The degree of bankruptcy exhibited by these institutions was astounding and almost inconceivable. Yet it has been shown that the Safety Fund would have proved sufficient to fulfil the original design of insuring the redemption of the bank note circulation, if it had been devoted exclusively to that purpose. The destruction of the fund should be attributed to the fact, that all the liabilities of the banks, however illegitimate or extraordinary, were made chargeable upon it, and an unnatural credit was thereby given to unsound and speculative institutions, which enabled them to expand their affairs to an inordinate extent, without reference to their intrinsic resources.

The Safety Fund system was virtually abandoned by the creation of the Free Banking system which has grown up under the act of 1838.

The distinguishing feature of this new system is its requirement of productive and available securities, to be pledged with a State officer as a guaranty for the redemption of the whole circulation. This principle has been tried and tested by nearly twelve years' experience, and may now be regarded as firmly established in public estimation, as the basis of all future legislation on the subject of banking. The plan originally introduced by the general banking law of 1838, was defective in many of its details, and new legislation has been required from year to year, to reconstruct, strengthen and perfect it. The Legislature aimed, at the outset, to require sufficient and unquestionable security for the entire circulation. It was then conceived impossible that any American State would repudiate its obligations, and no one suspected that any of the States would fail in the prompt payment of interest. The stocks of all the States were admitted, therefore, as a basis of circulation. This error proved disastrous, and was almost fatal to the system during the earlier period of its operation.

In the first year, several States, whose bonds had been deposited with the Comptroller for the protection of the bill-holders, suspended the payment of interest; their stocks depreciated to a point almost nominal; and the result was seen in the failure of many of the banks, in the years 1839 and 1840.

The public sustained a heavy loss, and stockholders were involved in irretrievable ruin. It has been considered a matter of wonder, that the shock thus given to the experiment of free banking did not result in its entire overthrow and abandonment. Such must have been the effect, but for the elastic energy and capacity which our people display in retrieving transient reverses, and guarding against their recurrence. The Legislature of 1840 preserved the system by excluding the stocks of other States after that period,

and requiring the banks to deposit stocks of this State. The basis has been improved by successive acts of legislation, until the security demanded by law is of the highest character in point of value and availability. It is true, that one-half of the amount pledged may consist in bonds and mortgages; but these must be on productive property, for an amount not exceeding two-fifths the appraised value, nor for more than \$5,000 each, and bearing seven per cent. interest. Whilst these securities are not as promptly convertible as stocks, it is impossible that any considerable loss should occur on mortgages of the description now exacted, and it is believed they will prove a sufficient reliance, so long as proper vigilance is exercised in respect to the value and title of the premises. The remaining half of the circulation must be secured by stocks of this State, or an equal proportion of this State and the United States, and this must bear, or be made equal to, at least six per cent. interest. Government stocks of this character command, and there is no reason to doubt they will continue to command, a high premium in the money market. Indeed the rapid advance in the value of New York and United States stocks renders it difficult, even now, for the banks to furnish the requisite deposit, without an investment of funds, which many regard as disadvantageous. This difficulty will increase from the gradual diminution in the supply of these stocks in market, and the steady increase in the demand for banking purposes. The financial policy, established by the Constitution, compels an annual reduction of the State debt, and it will be virtually extinguished before the last of the Safety Fund charters will expire. There is no reason to doubt that the debt of the Federal Government will disappear by gradual reductions, in the next fifteen or twenty years.

A serious question is therefore presented, which cannot be long deferred, as to the species of security which shall form the basis of our circulating medium, in place of the stocks now required, and which of necessity must be withdrawn. On this point the Comptroller does not feel called upon, or authorized, to advance an opinion, although it has been intimated to him that the subject will be presented to the Legislature at this session. He conceives it to be his duty, however, to express a strong conviction that the public interest and safety require the exercise of a rigid and cautious discrimination, in providing a substitute for the superior class of securities now deposited. If the door is to be opened, it should be done with extreme circumspection. No new form of investment should be admitted, which will not readily and certainly command the par value, even in an adverse state of financial affairs. The law of 1849, which authorizes the Safety Fund banks to re-organize as their charters expire, and avail themselves of the privileges created by the general banking law, by a gradual deposit of securities for three years, will greatly facilitate the transition from the one system to the other. Yet it is not to be disguised, that the tendency of this change is to diminish materially the banking facilities enjoyed by the community. To the extent that the chartered banks are required to transform their present capital into permanent securities, as a pledge for the redemption of their bills, they must deprive themselves of the means now employed in the regular operations of banking. But it is hoped that this *vacuum* may be supplied without serious derangement or embarrassment, by the gradual accumulation of surplus capital among the people, which will seek employ-

ment in the banking business. The charters of four of the Safety Fund banks expire with the present year, and it is understood that the stockholders of three of these institutions will continue business under the general banking law. The act of last winter, intended to give effect to the constitutional provision subjecting shareholders to a personal liability in case of failure after the present year, adds a new element of strength and safety to our banking system. It is conceived that the limited liability thus imposed, so far from being detrimental, will prove beneficial to the interests of the stockholders themselves. Its effect must be to induce a more vigilant supervision of the affairs of the banks, by those who are so deeply interested in their present management. Greater care will naturally be exercised in the choice of directors and officers, accompanied by a more rigid accountability of agents. The wisdom of this amendment will, it is confidently predicted, be fully confirmed by experience. It will prove efficacious, as well to the proprietors of the banks as to the public. If this principle had been in force for the last ten years, who can doubt that some of the most flagrant and disastrous failures of banks would have been averted?

Annexed to this report is a copy of a circular addressed by the Comptroller to the several banks in relation to the two acts of the last session above referred to.

The principle of the general banking law, having been established by the deliberate approbation of the public, as the settled policy of the State, new provisions ought not to be engrafted upon it without mature consideration. But some amendments have been and may continue to be found necessary, from year to year, to meet unforeseen contingencies, to prevent abuses, and to simplify the practical operations of the measure. The Comptroller is of opinion, that no essential alteration of the law is needed at the present time. Yet he feels it his duty to call the attention of the Legislature to a branch of the subject which is believed to require some further action. The first section of the act passed April 12, 1848, requires that all banking associations, or individual bankers, organized under the law of 1838, shall be banks of discount and deposit, as well as of circulation, and that their usual business of banking shall be transacted at the place specified in the certificate of location. But as the law fails to prescribe a specific penalty for the violation of this provision, it has been, in some instances, evaded or wholly disregarded with impunity. It appears, from the returns made to this department, that several banks do not pretend to the character of banks of discount and deposit. Whilst some show an entire absence of discounts and deposits, others report a mere nominal amount, intended apparently as a technical compliance with the law. In some instances, it is well known that no business of banking is carried on at the location fixed by the certificate on file, and that no person residing there has any pecuniary interest in the bank, beyond the compensation which may be allowed to some convenient agent to sign reports and powers of attorney. This class of banks generally claim to be located at remote points, not conveniently accessible, while their owners reside in the commercial cities; and their whole business consists in issuing the circulation obtained from the Comptroller. Whilst they are subjected to taxation in the place of their pretended location, the collectors have been unable, in some cases, to find a dollar of

funds or property for the payment of the tax. The Comptroller respectfully submits to the Legislature, whether these operations shall be permitted—or shall the existing prohibition be made effective by adding the necessary guards and penalties?

It may be said, in support of the license now enjoyed by this portion of free bankers, that they deposit undoubted security for the redemption of their bills. It is contended, on the other hand, that they furnish no loans, and afford no facilities, in aid of industry and enterprise; and that as their notes supplant the circulation, they diminish the business and usefulness of those who are engaged in the legitimate pursuits and functions for which banking institutions are designed. Whatever opinion may be adopted in this respect, there can be no doubt that the present prohibition ought either to be repealed or carried into effect. The habitual violation or evasion of a plain law, is too demoralizing to be permitted. If the law is unwise, it should be repealed; if it is deemed worthy of continuance, means should be given for enforcing it. The Comptroller conceives that he has done his duty in presenting the subject to the consideration of the Legislature, for such as their wisdom may suggest.

The act of 1838 is imperfect in another particular, and proper provision should be made, without further delay, to remedy the defect.

Since the passage of the law, thirty-one banks have failed, and were closed by a sale of the securities pledged with the Comptroller. In most of these cases, the proceeds of the securities were insufficient to redeem the entire circulation: therefore a *pro rata* dividend was paid to the bill holders, and certificates issued for the balance, payable out of any additional means which the banks may have possessed. But in every instance, a small portion of the circulating notes are still outstanding. The presumption is that they are mostly lost, and will never be presented. The question is, what shall be done with the funds remaining in the Comptroller's hands for their redemption? The amount thus held is \$32,819.79, belonging to thirty banks, and as a majority of the failures occurred almost ten years ago, there is no probability that this balance will be called for by the bill-holders.

The law omits to prescribe any mode of proceeding for a final settlement and distribution of these funds. The Comptroller respectfully recommends that authority be given to bring the accounts of broken banks to a close after a reasonable period, on just and equitable principles. It is suggested that after the expiration of six years, final notice should be issued to bill-holders, to present the notes by a given day; and that the balance then remaining be divided *pro rata* upon the outstanding certificates. If a further balance shall remain, after a reasonable notice to the certificate holders, it might, with great propriety, be carried to the fund applicable to the ordinary expenses of the Free Bank Department.

#### *Incorporated Bank Department.*

The statement hereto annexed, exhibits the names of several incorporated banks, the capital and circulation of each, the dates at which their respective charters will expire, and the names and residences of their redeeming agents.

It will be seen that the whole number of chartered banks is 77, and two

branches ; the aggregate amount of their capital is \$28,960,860 ; the amount of circulation to which they are entitled by law is \$23,282,400 ; of which they have, in actual circulation or on hand,—including \$699,958.30 of unregistered notes,—the sum of \$21,406,861.30.

This statement includes four banks and one branch, with an aggregate capital of \$1,300,000, whose charters expire Jan. 1, 1850, viz. :—

|                                      |           |
|--------------------------------------|-----------|
| Bank of Utica, and branch, . . . . . | \$600,000 |
| Bank of Auburn, . . . . .            | 200,000   |
| Bank of Ithaca, . . . . .            | 200,000   |
| Bank of Monroe, . . . . .            | 300,000   |

The charter of the Merchants' Exchange Bank, of the city of New York, expired on the first Monday of June last, having a capital of \$750,000, entitled to circulate \$500,000, and having a circulation on that day of \$369,500. The stockholders of this well-managed institution have re-organized the bank, by the same name, under the general banking law, with an increased capital of \$1,250,000. The new bank has deposited with the Comptroller, for the security of its circulating notes, stocks of this State to the amount of \$154,900, and has assumed the redemption of the circulating notes of the old corporation.

The Brooklyn Bank, under the law of the last session authorizing the same, has restored its capital to \$150,000 by cash payments, and is now entitled to a circulation of \$175,000.

No other changes, and, it is gratifying to add, no failures have occurred in the incorporated banks, since the date of the last Annual Report from this office.

The circulation of the Canal Bank of Albany, which failed in 1848, has been provided for by the Receiver from the assets in his hands ; and it is estimated that the surplus will be sufficient to make a dividend of about forty per cent. among the remaining creditors.

There have been received, counted and burned, in this department, during the year ending 15th December instant, 753,312 mutilated bank notes, amounting to \$4,036,833 ; and during the same period there have been countersigned, numbered, and registered, 683,934 new notes, amounting to \$4,530,754, and delivered to the banks entitled to the same. This vast amount of labor has been performed by the principal register, aided by but one clerk during the larger part of the year, with the occasional assistance of the book keeper and one other person employed in numbering. The large increase of business made it necessary to employ an additional clerk, whose term of service commenced in August last. The expenses of the department during the year were \$4,700.35, which amount was refunded to the treasury at the close of the fiscal year, by drawing on each bank for its ratable proportion according to law.

#### *Free Bank Department.*

The whole number of banking associations, doing business under the general banking law, is 58 ; the number of individual bankers, 55, making an aggregate of 113 banks. The whole amount of circulating notes, countersigned in the bank department, and issued to the banks, was, on the 1st

day of December, 1849, \$11,180,675, for the redemption of which, securities have been deposited with the Comptroller, in trust, amounting in the aggregate to the sum of \$11,916,806.39.

|                                                              |  |                        |
|--------------------------------------------------------------|--|------------------------|
| Bonds and Mortgages,                                         |  | \$1,653,044.48         |
| New York State Stocks, 4 $\frac{1}{2}$ per cent.,            |  | 287,376.56             |
| “ “ “ “ 5 “                                                  |  | 4,139,452.39           |
| “ “ “ “ 5 $\frac{1}{2}$ “                                    |  | 963,500.00             |
| “ “ “ “ 6 “                                                  |  | 2,141,816.34           |
| “ “ “ “ 7 “                                                  |  | 7,070.00               |
| United States Stocks, 5 “                                    |  | 642,105.85             |
| “ “ “ 6 “                                                    |  | 590,500.00             |
| Illinois State Stock, 6 “                                    |  | 648,675.44             |
| Michigan “ “ 6 “                                             |  | 229,282.00             |
| Arkansas “ “ 6 “                                             |  | 424,000.00             |
| Indiana “ “ 2 $\frac{1}{2}$ a 5 “                            |  | 6,650.00               |
| Alabama “ “ 5 “                                              |  | 34,000.00              |
| Cash in deposit,                                             |  | 149,333.33             |
|                                                              |  | <u>\$11,916,806.39</u> |
| Total increase of securities the last year,                  |  | \$1,276,623.94         |
| “ amount of circulation, Dec. 1, 1849,                       |  | 11,180,675.00          |
| “ “ “ Dec. 1, 1848,                                          |  | <u>9,993,762.00</u>    |
| Increase of circulation, from Dec. 1, 1848, to Dec. 1, 1849, |  | \$1,186,913.00         |

A statement in detail, of the securities held by the Comptroller, in trust, for each of the banks, and the amount of circulating notes issued to each, is annexed.

There were numbered, registered, and countersigned in this department, during the year ending December 1, 1849, 1,094,461 circulating notes, amounting to \$3,501,573, viz. :—

|                                                                      |                    |
|----------------------------------------------------------------------|--------------------|
| In exchange for mutilated bills, which have been counted and burned, | \$2,314,660        |
| On securities deposited,                                             | 1,186,913          |
|                                                                      | <u>\$3,501,573</u> |

The following new banking associations and individual bankers have commenced business under the general banking law, during the year, viz. :—

*Associations.*

Merchants' Exchange Bank, New York.  
 Broadway Bank, New York.  
 Bank of Pawling, Pawling, Dutchess County.  
 Commercial Bank of Whitehall, Whitehall.  
 Watertown Bank and Loan Company, Watertown.

*Individual Bankers.*

Dutchess County Bank, Amenia.  
 Hartford Bank, Hartford, Washington County.  
 Oswego County Bank, Granby.  
 Putnam Valley Bank, Putnam County.

The Associations have deposited the following securities, viz. :

|                                                  |              |
|--------------------------------------------------|--------------|
| New York State 5 per cent. Stock, . . . . .      | \$27,000.00  |
| " " " 5 1/2 " " . . . . .                        | 11,000.00    |
| " " " 6 " " . . . . .                            | 342,200.00   |
| United States 5 " " . . . . .                    | 77,405 85    |
| " " 6 " " . . . . .                              | 101,500.00   |
| Bonds and Mortgages, . . . . .                   | 49,150.00    |
|                                                  | <hr/>        |
|                                                  | \$608,255.85 |
| Circulating notes issued on the above, . . . . . | 604,021.00   |

The individual bankers have deposited the following securities, viz. :

|                                                  |              |
|--------------------------------------------------|--------------|
| New York State 5 per cent. Stock, . . . . .      | \$56,100.00  |
| " " " 6 " " . . . . .                            | 61,625.00    |
| " " " 7 " " . . . . .                            | 19,000.00    |
| United States 5 " " . . . . .                    | 49,000.00    |
| " " 6 " " . . . . .                              | 55,000.00    |
|                                                  | <hr/>        |
|                                                  | \$240,725 00 |
| Circulating notes issued on the above, . . . . . | 235,749.00   |

Two individual bankers have given notice of their intention to close up their business, and have returned a portion of their circulation, viz. :— Warren County Bank ; Franklin County Bank.

Only one bank failure has occurred during the last year. In the month of November last, Walter Joy's Bank at Buffalo suspended payment, and closed its doors. The amount of its circulation was \$50,000, which was wholly secured by New York stocks. Arrangements were promptly made to redeem the bills from the stock hypothecated with the Comptroller, and they have been paid, without interruption, at the former agency of the bank in this city. The premiums on the stock will yield a surplus of \$2,000 to \$3,000.

In 1848, the canal tolls collected at Black Rock were deposited in this bank. The unusual amount of tolls received at the Black Rock office in that year, created a larger deposit than the canal board originally contemplated. The balance due to the State at the time of the failure was \$60,000. As early as April last, some apprehensions were felt by the Commissioners of the Canal Fund, as to the safety of the bank, and decisive measures were adopted to obtain further security for the payment of the deposit. Collateral securities, which are estimated to be ample, were assigned to the State, and although some delay will be experienced in realizing the funds, no doubt is entertained of the ultimate payment of the whole debt.

The expenses of the Free Bank Department during the last fiscal year, amounted to \$12,930.37, for which drafts are made on the several banks according to law. It will be perceived, from the foregoing statements, that there has been a large increase in the business of the department.

New securities were deposited to the amount of more than two and a half millions ; and the actual increase of circulation was \$1,186,913. The labors devolved upon this branch of the office, are peculiarly arduous and responsible, as may be inferred from the large amount of new notes prepared and issued ; the return of mutilated bills to be examined and destroyed ; the exchange

and withdrawal of old and the deposits of new securities; the superintendence and collection of principal and interest, and the affairs of the insolvent banks, to which may be added the correspondence and accounts resulting from these various transactions. The clerks employed in this service have labored with an efficiency and fidelity worthy of public acknowledgement. In view of the importance of the trust confided to the chief register, who is charged with the principal supervision of the department, the Comptroller has deemed it his duty to increase the salary of that officer to \$1,500 per annum. It is believed, that none of the banks, by which the expenses of the department are paid, will object to this increase of compensation, when they consider the responsibility of the office, its incessant labors and the high qualifications required for the correct and satisfactory discharge of its duties. To the chief register is confided the custody of nearly twelve millions of productive securities, the receipt and transmission of money to an enormous amount, and daily transactions of the utmost importance to the banks and the public. The Comptroller would deem it unwarrantable to commit the affairs of the department to an agent whose time is of less value than the compensation paid to the present capable incumbent.

---

PENNSYLVANIA.

*Extracts from the Governor's Message to the Legislature of the State of Pennsylvania, Dec. 1849.*

The consideration of the Legislature is respectfully invited to the financial condition of the Commonwealth.

The present funded debt is as follows :

|                              |                 |
|------------------------------|-----------------|
| 6 per cent. loans, . . . . . | \$2,041,022.51  |
| 5 " " . . . . .              | 37,336,716.90   |
| 4½ " " . . . . .             | 200,000.00      |
|                              | <hr/>           |
|                              | \$39,577,739.41 |

Unfunded debt, to wit :

|                                                                                                                                                      |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Relief notes in circulation, (without interest,) . . . . .                                                                                           | 653,164.00      |
| Interest certificates outstanding, . . . . .                                                                                                         | 179,422.91      |
| " " unclaimed, . . . . .                                                                                                                             | 4,448.38        |
| " on certificates, to be added when the same shall be funded or paid, . . . . .                                                                      | 11,294.34       |
| Domestic creditors, (on settlement,) . . . . .                                                                                                       | 85,104.88       |
|                                                                                                                                                      | <hr/>           |
|                                                                                                                                                      | 933,434.51      |
| Amount of canal, railroad, and motive power debts, contracted prior to Dec. 1, 1848, and unpaid by the appropriations of the last session, . . . . . | 63,239.53       |
|                                                                                                                                                      | <hr/>           |
| Total indebtedness of the Commonwealth, Dec., 1849, . . . . .                                                                                        | \$40,574,413.45 |

In exhibiting the operations of the Treasury for the last fiscal year, the sum of \$130,000, borrowed on special loan for the avoidance of the Schuylkill Inclined Plane, should be included in the aggregate of the public debt in December, 1849.

|                                                                                                                                                                                         |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Receipts at the Treasury during the year ending Dec. 1, 1849, . . . . .                                                                                                                 | \$4,433,688.65 |
| Expenditures during the same period, . . . . .                                                                                                                                          | 4,084,771.80   |
| Balance in the Treasury, Dec. 1, 1848, . . . . .                                                                                                                                        | 577,290.39     |
| “ “ “ Dec. 1, 1849, . . . . .                                                                                                                                                           | 926,207.24     |
| Amount paid to Commissioners of the Sinking Fund, to January 1, 1850,<br>\$227,513.53, with which was purchased of the funded debt, and trans-<br>ferred to the Commonwealth, . . . . . | 253,500.00     |
| Difference between the indebtedness of the State on the 1st of Dec. 1848,<br>and Dec. 1, 1849, . . . . .                                                                                | 267,965.86     |
| Amount of public debt paid during the year, . . . . .                                                                                                                                   | 521,465.86     |

In addition to the suggestions made to the last Legislature on the subject of the moneyed affairs of the State, it is deemed proper to call your attention to the fact, that a portion of the funded debt is over due;—a part bearing an interest of six per cent.—and a part falling due in the year 1850, as follows:

|                                                                            |                |
|----------------------------------------------------------------------------|----------------|
| Five per cent. funded debt, over due, except bank charter loans, . . . . . | \$354,519.10   |
| Six “ “ “ “ . . . . .                                                      | 1,752,335.06   |
| Five “ “ “ falling due on or before Dec. 1, 1850, . . . . .                | 999,211.15     |
| Unfunded debt, now due, . . . . .                                          | 85,104.88      |
| Amount demandable at the Treasury during the year 1850, . . . . .          | \$3,191,170.19 |

Provision should be made at an early day for arrangements with the creditors holding these claims. To permit them to remain in their present condition, would not only evince an indisposition to pay our just debts, but would also operate injuriously to the holders of the stock, by compelling sales at a price below their par value. The annual demands upon the Treasury, with the present means of the State, will not permit the payment of these loans; and the only practicable mode which suggests itself seems to be the negotiation of new loans, stipulating an extension of the time of payment. It is believed that such loans could be negotiated at a rate of interest not exceeding five per cent. Should authority be given in the arrangements suggested, to stipulate that the said stock shall be exempt from taxation, the inducements to investments therein would create such competition as would be highly advantageous to the Treasury.

Justice and honesty require that these debts should be promptly paid, or arranged to the satisfaction of the parties interested, and any provision which the Legislature may deem proper on the subject, will meet the cordial approbation of the Executive.

The establishment of the sinking fund, by the appreciation of State stocks, and by the consequent increase of confidence in the ability of the State to meet her engagements, with the replacement by a new issue of the old and defaced relief notes, has had the salutary effect of enabling the Treasury Department, with slight expense in the exchange or transmission of means, to meet the payment of interest on the public debt in par money, as also to pay other creditors of the State in good funds. The payment of the public liabilities in the manner aforesaid, and the adoption of a system to extinguish eventually the public debt, must bring to their par value, the stocks of the Commonwealth. It is estimated that \$13,049,000 of public stocks

are held in this country, and the addition in their value, by these simple operations, demanded alike by sound policy and honesty, will increase their marketable worth in the hands of the citizens \$1,950,000. To the efficiency of the State Treasurer, the Auditor General, and other officers charged with the collection and disbursement of the public moneys during the past year, is justly attributable in a high degree these favorable results.

The beneficial results of the sinking fund cannot be doubted. The payments from various sources to the Commissioners, during the past year have been as follows :

|                                                                 |                     |
|-----------------------------------------------------------------|---------------------|
| From collateral inheritance tax, . . . . .                      | \$180,212.41        |
| From premiums on charters, . . . . .                            | 35,969.40           |
| From eating and oyster houses and restaurants, . . . . .        | 5,867.20            |
| From billiard and bowling saloons and ten-pin alleys, . . . . . | 2,985.50            |
| From theatre, circus, and menagerie licenses, . . . . .         | 2,210.00            |
| From distillery and brewery licenses, . . . . .                 | 384.50              |
| Amount received for the year ending Dec. 1, 1849. . . . .       | <u>\$227,629.01</u> |

The estimated payments for the same purpose, for the year ending Dec. 1, 1850, are as follows :

|                                                                                  |                     |
|----------------------------------------------------------------------------------|---------------------|
| From collateral inheritance tax, . . . . .                                       | \$200,000.00        |
| From interest on stocks purchased, . . . . .                                     | 15,000.00           |
| From premiums on charters, . . . . .                                             | 40,000.00           |
| From theatre, circus and menagerie licenses, . . . . .                           | 3,000.00            |
| From distillery and brewery licenses, . . . . .                                  | 1,500.00            |
| From billiard and bowling saloons and ten-pin alleys, . . . . .                  | 5,000.00            |
| From eating and oyster houses and restaurants, . . . . .                         | 15,000.00           |
| Balance in Treasury after deducting appropriations before recommended, . . . . . | 91,500.00           |
|                                                                                  | <u>\$371,000.00</u> |

Every consideration that can impose itself on a government demands the payment of the public debt. The local advantages of our Commonwealth; the salubrity of our climate,—the vastness of our mineral deposits,—the fertility of our soil,—and the prosperity and happiness of the people, alike require the repeal of a system of laws, which compel emigration,—prevent the settlement of uncultivated lands,—drive capital from our borders, and paralyze the industry of every class of our citizens! Should these balances remain in the Treasury, unappropriated to the said fund, the history of the past will remind us that prodigal expenditures will be made to objects of diminished importance.

While money borrowed by citizens, boroughs, and incorporated districts, is subject, by existing laws, to taxation, it is not perceived why money borrowed by incorporated companies should be exempt from similar assessment. To make an equitable distribution of the public burthens, should be the special object of the Legislature, and care should be taken that no exemption should be allowed to one class of citizens over another where the property employed is the same. Attention to the foregoing objects of taxation will not only increase the revenue, but is demanded alike by justice and sound policy.

Next in importance to the public debt, and the equalization of the taxes, is the management of the public improvements. The vast expenditures annually made for the repair and supervision of these works, and the amount of revenue derived therefrom, so materially affecting the condition of the Treasury, render them objects of particular interest. It is believed that an increased amount of net revenue should be derived from these works. The enormous appropriations of the last year, for their maintenance in repairs, and towards the payment of debts heretofore contracted, should have placed them in a sound condition, and would authorize the conclusion that a small expenditure during the present season would be sufficient. In the absence of the annual report of the Canal Commissioners, no specific amount for these objects can be given by the Executive.

The system for the management of these improvements, invites unnecessary expenditures, and removes responsibility from the proper department. Were the number of Canal Commissioners increased to five,—the State divided into districts for the election and supervision of each Commissioner,—the direct and immediate charge and control of the district imposed upon one of these officers, requiring of him the performance of the duties now executed by superintendents and supervisors, and stipulating for the annual alternation of the said Commissioners,—much practical information of interest to the State would be acquired, a direct responsibility for the well ordered condition of the public works and the economy of expenses would be secured, and the large discretionary powers now vested in superintendents and supervisors, in the adoption of plans and payment of money for repairs, would be placed in officers directly accountable to the people. In relation to this subject, legislation should be clear and specific, as discretionary power over the money of the citizen must be deprecated by right-thinking men.

The method adopted in the management of the public works is evidently defective. Repairs on the canals and railroads are made in a way to prevent all competition. Were the several services performed by contract, and awarded to the lowest bidder, giving the required security, can there exist a doubt of favorable results to the public interests?

The State does not derive an adequate share of profits arising from the use of the Columbia Railroad. The construction of the road,—its maintenance and supervision, and the supply of the motive power, involving great expense and risk, demand from the profits of the road a larger return than finds its way to the Treasury. An evil so detrimental to the public interests calls for a speedy remedy.

It is suggested that the Canal Commissioners should be required to invite proposals for furnishing the motive power on the said road, stipulating in detail the services to be performed, and the nature of the security to be given. The object being to procure competition in the supply of the motive power, encouragement should be given to individuals, willing to undertake the duty of running one or more locomotives on the road, whether belonging to the State or the individual bidder. Should the locomotives belonging to the State be furnished to the bidders, the contract should stipulate the terms on which they should be used.

The transportation of passengers should be done by contract with the lowest bidder. In the agreement it would be necessary that the Canal

Commissioners should fix the kind of cars, and such other details as would secure the accommodation of the passengers, and faithfully guard the public interest.

In the transmission of burden cars, an arrangement might well be made with their owners, by which the State would receive instead of the present tolls, a portion of the freight charges. The consequence would be advantageous to both parties.

These changes in the present system, would, it is believed, largely diminish the expenses of the motive power; would authorize a reduction in the rate of tolls; produce an increase of business upon the road; furnish with profitable labor many citizens now refused employment, by reason of the monopoly held by the State over the motive power on the road; prevent the expenditure necessary for new locomotives; save to the State the immense sacrifices in the old engines; accommodate the travelling public by a lower rate of fare; and would advance the public interests by lessening the annual outlays, and increasing the income from the road more than \$200,000.

Discriminations in the tolls on the public works, against portions of our citizens, by means of a system of drawbacks and maximum rates of tolls, are unjust and improper. Their labor and property, in common with others, were incumbered in the construction of the improvements; their industry and wealth have for years assisted, and continue to assist to sustain them; and it is difficult to perceive upon what principle of public policy, a tariff of tolls is maintained discriminating against their interests. The demands of trade cannot excuse a palpable wrong of this character, while a reduction of tolls on the whole line of improvements would produce an increase of business and secure the desired foreign trade.

The intimate connection existing between the industry of the citizen and the currency of his country, demands for that question the serious attention of the statesman and lawgiver. In authorizing banking or other institutions, to create a currency other than gold and silver, it would be unfaithful to our trusts to permit them, for want of proper checks and guards, to allow it to become less valuable than the coin it is intended to represent. The views expressed in the last message in favor of the restriction of the number of these institutions, to the real business wants of the people, and refusing a renewal of bank charters until a thorough examination of their affairs had demonstrated their entire solvency, remain unchanged. The tax on banking capital, exacted by the last Legislature in the granting of charters, and applied to the payment of the public debt, has resulted in securing to that object a sum exceeding one hundred thousand dollars. While this tax should not be increased to an extent which would cripple the resources of these institutions, the present amount cannot be considered an unfair equivalent for the privileges conferred, and should therefore continue to be imposed as a legitimate source of revenue.

The laws to prevent the circulation of notes of a less denomination than five dollars, are practically disregarded by the citizens. In a government founded on popular opinion, experience should teach the impolicy of continuing in force statutory provisions which are generally inoperative. The violation, with impunity, of laws, however unimportant, will lead to a disregard of others, indispensable to the security of society. It is, indeed, to be

regretted that this circulation has not been prevented, as much evil has been experienced by the community from the reception of this irresponsible paper. The amount in circulation within the State, supplied by institutions of adjoining States, is estimated at no less than five millions of dollars, and is valueless, except in localities near the banks by which it is issued. To the extent of this circulation, the constitutional currency and the notes of sound specie paying banks of the Commonwealth are displaced. The solvency of the institutions issuing this paper, cannot be known to the citizens, and it passes from hand to hand, the representative of a value it may not possess, and over which our laws can have no control.

In endeavoring to eradicate an acknowledged evil, the practical statesman will frequently find a necessity for yielding to popular inclination, and will consult the welfare of his constituents by striving to mitigate what cannot be removed. If, as is alleged, the business operations of the community require a circulating medium, other than gold and silver, of a less denomination than five dollars, a supply under the regulations and restrictions of our laws, would not be open to the objections of the existing method. Were the banks of the Commonwealth authorized to establish agencies in one or more places, and permission given such branches to issue said notes, upon a statement in detail by the parent institution being made to the Auditor General, satisfactory to the said officer, of the entire solvency of the said bank, exhibiting its whole assets and liabilities,—designating the proportion of its capital stock to be employed at the said agency or branch, which in no case should exceed a graduated percentage of the said capital stock, and should deposit with the Auditor General an amount of State stocks equal to the amount of notes to be issued; the Auditor General thereupon required to grant a license to said bank to establish said agency or branch, and to issue said notes, marked by the said officer as the issue of the said branch and redeemable at the counter of the parent institution, a sound convertible currency would soon displace the present irresponsible paper of foreign institutions, and would afford security to the citizen, without a withdrawal of the necessary circulation. Notes issued under the foregoing restrictions, having their redemption secured in the manner herein pointed out, would necessarily receive the confidence of the people, from the fact that the stocks pledged, would, under every condition of things, ensure their eventual payment. In times of commercial convulsions the specie might be drawn from the vaults of the bank,—the means of stockholders might fail,—speculative value might be affixed to property,—and shrewd men, watching the signs of the times, could release themselves from individual liability;—but the stocks of the Commonwealth would remain valuable and available for their certain redemption. Had the notes now in circulation from the banks of the State a basis of this character, even to a small proportion of the capital stock of these institutions, the losses resulting from a failure to pay their liabilities would be largely diminished. These views are presented to the Legislature for the purpose of urging upon it the necessity of devising means to protect our citizens from the losses incurred in the failure of banking institutions. In any well-digested system it will afford me pleasure to coöperate, particularly in reference to the security of that portion of the currency entering so largely into the business of the producing and laboring classes of the community.

## FINANCES OF PENNSYLVANIA.

EXTRACT OF A LETTER, DATED HARRISBURG, FEB. 1ST., 1850.

In answering your queries in reference to the financial affairs of Pennsylvania I shall present to you what appears to me to be a truthful statement, without reference to the course pursued by the administration, which has been (we cannot help admitting) calculated to promote speculation in our State, rather than to exhibit the facts as they are. Under the administration of Governor Shunk the then existing laws provided for the payment, by the cancellation of the *trashy relief notes*, of two hundred thousand dollars of our debt per annum.

The Legislature of 1849 stopped this mode of paying debt, and created a sinking fund for the purchase of stock, and although the reality is not changed, the mode has produced the speculation. The stock was of the same intrinsic value then as it is now. It is true, the numerous bank charters granted that session, for the period of fifteen years, enabled the Legislature to exact some additional taxes and bonuses, which indeed were but a small consideration for the fifteen years of unlimited privileges granted. The public debt of the state is \$40,500,000, to which must be added nearly \$300,000, being the residue of the inclined plane loan, and about \$130,000 not yet paid of the appropriation to the North Branch Canal, making in all the round sum of forty-one millions of dollars.

The amount of stock purchased for the sinking fund is about equal to the deficiency of the sum necessary to pay the February interest and the unpaid debts on the public works. This forty-one millions of debt would not cause any uneasiness to any citizen of Pennsylvania, if wise counsels would govern the state, and the enormous taxes now levied were equal and upon the wealth of the community; but as it is, the patience of our citizens has nearly ceased, and the farmer, mechanic and laborer, who are compelled to pay taxes for what does not belong to them, and upon their necessity, will make the present Legislature revise the tax laws, and however unfair the speculator in our funds may regard the tax upon the interest of our debt, he will not find ten members of the Legislature who will vote to take it off. It is too well known that they who hold the debt can afford to pay the tax.

Almost every thing is taxed in this state; no part of the stock of the farmer, laborer or mechanic escapes, and his poverty is no excuse; the humblest log cabin with its scanty ground is valued and taxed. The tax laws will be revised, and if the revenue in consequence should be diminished, the sinking fund will be abandoned and much of the tax authorized last year, which gives a direct license to immorality, will be repealed.

Our fiscal year closes on the 30th of November. The Treasurer of the State reported a balance in the Treasury, on the 30th of November, 1849, of \$906,207.24, but truth requires that this should be explained. Of the loan to avoid the inclined plane there was unexpended at that time \$107,000; debts due on the Portage Railroad about \$65,000; on the Columbia Railroad about \$125,000; on other parts of the public works about \$50,000; and say \$20,000 of Berks county, Susquehanna, Towanda and other worthless notes. So the balance may be set down as follows:—

|                                                            |              |
|------------------------------------------------------------|--------------|
| Nov. 30, 1849, reported balance in the Treasury, . . . . . | \$926,207 24 |
| Deduct balance of inclined plane road, . . . . .           | \$107,000    |
| do sinking fund, . . . . .                                 | 127,637      |
| do debts due on the public stocks, about . . . . .         | 240,000      |
| do broken bank notes . . . . .                             | 20,000       |
|                                                            | 494,637 00   |
| The real balance in the Treasury, . . . . .                | \$431,570 24 |

I do not think that the collateral inheritance tax, which you say affects the foreign holders of our funded debt, can be altered in such a manner as to remedy their cause of complaint.—*N. Y. Commercial Advertiser.*

FINANCES OF MARYLAND.

Revenue, Excluding Tobacco and Colonization Funds, for the past two years, with the Treasurer's Estimate for 1850, as per his Report of 1st December, 1849.

| RECEIPTS.                                           | Year ending<br>1 Dec. 1848. | Year ending<br>1 Dec. 1849. | Estimates<br>for 1850. |
|-----------------------------------------------------|-----------------------------|-----------------------------|------------------------|
| Susq. and Tide Water Canal Company,                 | \$66,550                    | \$66,550                    | \$66,550               |
| Same, for arrears of interest due, . . . . .        |                             | 8,450                       | 33,450                 |
| Auction Duties, . . . . .                           | 16,130                      | 16,050                      | 16,000                 |
| Auction Licenses, . . . . .                         | 8,000                       | 8,000                       | 8,000                  |
| Baltimore and Susquehanna R. R. Company,            | 50,000                      | 75,000                      | 75,000                 |
| Dividends on Bank Stocks, . . . . .                 | 36,624                      | 35,311                      | 35,000                 |
| Dividend on Road Stocks, . . . . .                  | 24,965                      | 33,227                      | 33,000                 |
| Direct Taxes, . . . . .                             | 435,645                     | 610,056                     | 549,680                |
| Bonus from Havre de Grace Bank, . . . . .           |                             | 625                         |                        |
| Fines and Forfeitures, . . . . .                    | 1,333                       | 3,083                       | 2,000                  |
| Licences at large, . . . . .                        | 121,902                     | 135,835                     | 130,000                |
| Lottery Licenses, . . . . .                         | 18,500                      | 18,500                      | 18,500                 |
| Lottery Stamps, . . . . .                           | 27,053                      | 35,650                      | 30,000                 |
| Live Stock and Hay Scales, . . . . .                | 13,896                      | 17,390                      | 16,800                 |
| Land Office (escheats) . . . . .                    | 1,315                       | 1,216                       | 1,000                  |
| Interest on personals in collection, &c., . . . . . | 7,877                       | 10,226                      | 6,000                  |
| Stamps on Bills, Promissory Notes, &c.,             | 52,184                      | 43,822                      | 50,000                 |
| Taxes on Plantiffs, . . . . .                       | 4,963                       | 5,499                       | 4,700                  |
| Taxes on Foreign Insurances, . . . . .              | 7,426                       | 9,286                       | 8,900                  |
| Taxes on Protests, . . . . .                        | 5,462                       | 4,958                       | 5,000                  |
| Taxes on Policies of Insurance, . . . . .           | 3,377                       | 3,707                       | 3,000                  |
| Taxes on Trustees and Receivers, . . . . .          | 4,269                       | 5,072                       | 5,000                  |
| Taxes on Executors and Administrators, . . . . .    | 19,846                      | 21,251                      | 20,000                 |
| Taxes on Collateral Inheritances, . . . . .         | 11,734                      | 12,132                      | 10,000                 |
| Taxes on Civil Commissions, . . . . .               | 8,125                       | 976                         | 8,000                  |
| Dividends on Union Cotton Factory Stock,            | 500                         |                             |                        |
| Washington Rail Road, tax on passengers,            | 45,884                      | 52,020                      | 52,000                 |
| Miscellaneous, . . . . .                            | 1,459                       | 2,511                       | 500                    |
| Cash Balance, 1st December, previous, . . . . .     | 307,228                     | 346,308                     | 471,119                |
| <b>Total Means, . . . . .</b>                       | <b>\$1,302,247</b>          | <b>\$1,582,711</b>          | <b>\$1,659,199</b>     |

The expenditures of the State ending 1st December, 1849, were \$1,111,597, and the Treasurer estimates them for 1850, at \$869,277.

|                                                  | Year 1849.         | Year 1850.       |
|--------------------------------------------------|--------------------|------------------|
| Interest on Public Debt, . . . . .               | \$715,556          | \$691,263        |
| Arrears of Funded Interest paid off, . . . . .   | 260,307            | Uncertain.       |
| The Judiciary, . . . . .                         | 38,313             | 39,000           |
| Legislative Expenses, . . . . .                  | 3,237              | 50,000           |
| The Penitentiary, . . . . .                      | 3,750              |                  |
| Pensions, &c., . . . . .                         | 5,420              | 5,292            |
| Colleges, Academies and Schools, . . . . .       | 20,100             | 21,400           |
| Free Schools, . . . . .                          | 34,070             | 34,070           |
| Salaries of State Officers, . . . . .            | 10,008             | 8,450            |
| Indigent Deaf and Dumb, . . . . .                | 1,906              | 3,000            |
| Contingent and Miscellaneous Expenses, . . . . . | 18,930             | 16,802           |
| <b>Total, 1849 and 1850, . . . . .</b>           | <b>\$1,111,597</b> | <b>\$869,277</b> |

## Statement of Funded Debts contracted by Maryland prior to 1 December.

|                                                       | Rate.     | Amount.                | Years.    |
|-------------------------------------------------------|-----------|------------------------|-----------|
| State Tobacco Warehouses in Baltimore,                | 6 per ct. | \$163,689.67           | 1835-8146 |
| Maryland Penitentiary,                                | 6 "       | 97,947.30              | 1821-1836 |
| Medical Department Baltimore University,              | 5 "       | 30,000                 | 1821-     |
| Washington Monument in Baltimore,                     | 5 "       | 3,000                  | 1842-     |
| Baltimore and Ohio Rail Road, (Sterling,)             | 5 "       | 3,200,000              | 1838-     |
| Do Currency,                                          | 5 "       | 497,000                |           |
| Baltimore and Washington Rail Road,                   | 5 "       | 500,000                | 1833-     |
| Chesapeake and Ohio Canal Company,                    | 5 "       | 622,000                | 1827-1833 |
| Do (Sterling,)                                        | 5 "       | 4,537,222.22           | 1838      |
| Do                                                    | 6 "       | 2,035,000              | 1834-1838 |
| Baltimore and Susquehanna Rail Road,                  | 3 to 6 "  | 2,232,045.29           | 1830-1839 |
| Annapolis and Elk Ridge Rail Road,                    | 5 to 6 "  | 220,724.45             | 1338-1839 |
| Susq. and Tide Water Canal Co. (Sterling,)            | 5 "       | 1,000,000              | 1838      |
| Eastern Shore Rail Road,                              | 5 to 6 "  | 152,734.14             | 1838-1841 |
| Arrears of Int. Funded, red'mable at pleas. of State, | 6 "       | 618,621.11             | 1846      |
| <b>Total,</b>                                         |           | <b>\$16,909,984.18</b> |           |

## MARYLAND FINANCES, 1849-1850.

Excluding the Tobacco and Colonization Funds, which are entirely distinct from the State's Funds proper.

## Cash Balances.

|                                                                                                            |           |                    |
|------------------------------------------------------------------------------------------------------------|-----------|--------------------|
| Balance of cash on hand, Dec. 31, 1848, as then estimated and applicable to the public service of 1849,    |           | \$346,306          |
| Receipts into the Treasury in the year 1849,                                                               |           | 1,236,408          |
|                                                                                                            |           | <u>\$1,582,716</u> |
| Payments by the Treasurer in 1849, per report of Treasurer,                                                |           | 1,111,597          |
|                                                                                                            |           | <u>\$471,119</u>   |
| Net Cash Balance in the Treasury, December 1st, 1849, applicable to the service of the year 1850,          |           | 1,188,080          |
| To which add the Treasurer's estimate of receipts for 1850,                                                |           |                    |
| Making,                                                                                                    |           | <u>\$1,659,199</u> |
| Deduct therefrom State Expenses proper, 1850,                                                              | \$178,014 |                    |
| And Interest on the public debt, 1850,                                                                     | 691,263   | 869,277            |
|                                                                                                            |           | <u>\$789,922</u>   |
| Will leave an estimated balance in the Treasury, Dec. 1st, 1850,                                           |           | 618,621            |
| A sum sufficient to pay off the whole deferred debt as exhibited in the Treasury report Dec. 1st, 1849, of |           | <u>\$171,301</u>   |
| Estimated annual receipts hereafter, per Treasurer's report, Dec. 1st, 1849,                               |           | \$1,188,080        |
| The average annual State expenses, averaged, the Legislature being biennial, amount to                     | \$155,000 |                    |
| Interest on the public debt, annually,                                                                     | 655,000   | 810,000            |
|                                                                                                            |           | <u>\$378,080</u>   |
| Thus the annual surplus after 1850, is                                                                     |           | 98,285             |
| To which add income of the sinking fund as at present constituted and annually increasing,                 |           | <u>\$476,365</u>   |
| Increasing said income after 1850, to                                                                      |           |                    |

This sum is by law devoted to the redemption of the otherwise unprovided for debt of the State, and which must consequently extinguish the whole in about sixteen years.

*Sinking Fund — Increase of Capital and Income last year.*

|                               | <i>Capital.</i> | <i>Interest.</i> |
|-------------------------------|-----------------|------------------|
| December 1st, 1849, . . . . . | \$1,895,387     | \$98,285         |
| December 1st, 1848, . . . . . | 1,786,512       | 91,076           |
|                               | <hr/>           | <hr/>            |
| Increase in 1849, . . . . .   | \$108,875       | \$7,209          |

*Capital Funds and Credits of the State.*

|                                                                                                                                                                                   |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Consisting of Bank, Road, and other Stocks, valued at the <i>cash</i> prices of the Board of Brokers in Baltimore, on Saturday, January 1st, 1850, amount to the sum of . . . . . | \$1,352,823      |
| Bonds of the Tide Water and Susquehanna Canals, for loan of Maryland sterling bonds of equal amount, . . . . .                                                                    | 1,000,000        |
| Ditto, for deferred interest due by them funded at 6 per cent., both which series of bonds are preferred creditors over all others, . . . . .                                     | \$192,500        |
| Due by these Companies for unpaid interest unfunded, a prior lien to all others, . . . . .                                                                                        | 56,300           |
|                                                                                                                                                                                   | <hr/>            |
| <b>Making, . . . . .</b>                                                                                                                                                          | <b>2,601,623</b> |
| Which same property was estimated at similar rates in January, 1849, at . . . . .                                                                                                 | 2,278,744        |
|                                                                                                                                                                                   | <hr/>            |
| Showing an enhanced value since then, of . . . . .                                                                                                                                | \$322,879        |
| To which add a payment made by the Tide Water and Susquehanna Canal Companies during the year 1849, beyond their full dues for annual interest accruing in 1849, of . . . . .     | 8,450            |
|                                                                                                                                                                                   | <hr/>            |
| Makes the total increase of the value of the State's investments in 1849, amount to the sum of . . . . .                                                                          | \$331,329        |

*Debt due to the State by Sundry Corporations, of Dec. 1st, 1849.*

|                                                                                              |             |
|----------------------------------------------------------------------------------------------|-------------|
| The Chesapeake and Ohio Canal Company owe for loans and unpaid interest the sum of . . . . . | \$5,645,943 |
| The Baltimore and Susquehanna Rail Road Company owe similarly . . . . .                      | 2,846,986   |
| The Maryland Penitentiary owes for unpaid interest, . . . . .                                | 64,194      |
|                                                                                              | <hr/>       |
| Making a total due the State, of . . . . .                                                   | \$8,557,123 |

*The Funded Debt of Maryland*

|                                                                                                                                         |              |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------|
| As per the Treasurer's report, Dec. 1st, 1849, was . . . . .                                                                            | \$15,909,981 |
| Less, debt of Tobacco fund, <i>self-provided for</i> , . . . . .                                                                        | \$163,689    |
| And the last advance to the Baltimore and Ohio Rail Road Co., for which they are responsible, <i>principal and interest</i> , . . . . . | 3,200,000    |
|                                                                                                                                         | <hr/>        |
| Leaving the debt of the State at . . . . .                                                                                              | \$12,546,292 |
| Of which the sinking fund holds . . . . .                                                                                               | 1,895,387    |
|                                                                                                                                         | <hr/>        |
| Therefore chargeable on the general fund of the State not specially provided for, this amount, . . . . .                                | \$10,650,905 |
| And last year this debt was . . . . .                                                                                                   | 11,047,311   |
|                                                                                                                                         | <hr/>        |
| Showing a reduction of debt in 1849, equal to . . . . .                                                                                 | \$396,406    |

Baltimore, January, 1850. E.

## BANK STATISTICS.

## NEW JERSEY.

*Bank Capital of Towns.*

|                         |           |                      |           |
|-------------------------|-----------|----------------------|-----------|
| Belvidere, . . .        | \$100,000 | New Brunswick, . . . | \$140,000 |
| Bridgeton, . . .        | 52,050    | Newton, . . .        | 128,970   |
| Burlington, . . .       | 50,000    | Orange, . . .        | 102,500   |
| Camden, . . .           | 260,000   | Perth Amboy, . . .   | 60,000    |
| Dover, . . .            | 100,000   | Paterson, . . .      | 75,000    |
| Elizabethtown, . . .    | 200,000   | Princeton, . . .     | 90,000    |
| Medford, . . .          | 70,000    | Rahway, . . .        | 130,000   |
| Mount Holly, . . .      | 100,000   | Salem, . . .         | 75,000    |
| Middletown Point, . . . | 50,000    | Sommerville, . . .   | 44,550    |
| Morristown, . . .       | 50,000    | Trenton, . . .       | 310,000   |
| Newark, . . .           | 1,408,650 |                      |           |

*Liabilities and Resources of the Banks of New Jersey, January 1, 1850.*

Compiled for the Bankers' Magazine from the Annual Report of the State Treasurer to the Legislature, Trenton, January 21, 1850.

| <i>Name and Location.</i>                | <i>Capital.</i>    | <i>Circulation.</i> | <i>Deposits.</i>   | <i>Miscell'ns.</i> |
|------------------------------------------|--------------------|---------------------|--------------------|--------------------|
| Belvidere Bank, Belvidere, . . .         | \$100,000          | \$164,552           | \$17,460           | \$41,923           |
| Cumberland Bank, Bridgeton, . . .        | 52,050             | 69,574              | 32,534             | 33,049             |
| Mechanics Bank, Burlington, . . .        | 50,000             | 73,405              | 66,548             | 30,588             |
| State Bank, Camden, . . .                | 260,000            | 173,744             | 205,750            | 58,910             |
| Union Bank, Dover, . . .                 | 100,000            | 114,857             | 35,791             | 12,016             |
| State Bank, Elizabeth, . . .             | 200,000            | 108,413             | 71,570             | 39,550             |
| Burlington County Bank, Medford, . . .   | 70,000             | 51,494              | 44,784             | 13,746             |
| Farmers Bank, Mt. Holly, . . .           | 100,000            | 44,044              | 49,495             | 41,000             |
| F. and Mechanic's B'k, Middletown P. . . | 50,000             | 48,406              | 45,940             | 11,570             |
| Morris Co. Bank, Morristown, . . .       | 50,000             | 71,219              | 62,580             | 29,964             |
| Mechanics Bank, Newark, . . .            | 500,000            | 140,290             | 246,407            | 81,945             |
| State Bank, " . . .                      | 400,000            | 131,524             | 153,870            | 91,254             |
| Newark Banking and Ins. Co., . . .       | 508,650            | 179,059             | 209,546            | 136,214            |
| State Bank, New Brunswick, . . .         | 140,000            | 162,088             | 123,425            | 46,212             |
| Sussex Bank, Newton, . . .               | 128,970            | 153,780             | 38,495             | 16,092             |
| Orange Bank, Orange, . . .               | 102,500            | 61,332              | 31,902             | 12,938             |
| Commercial Bank, Perth Amboy, . . .      | 60,000             | 108,050             | 19,644             | 8,765              |
| People's Bank, Paterson, . . .           | 75,000             | 142,071             | 15,387             | 9,535              |
| Princeton Bank, Princeton, . . .         | 90,000             | 58,089              | 94,053             | 6,024              |
| Farmers and M. Bank, Rahway, . . .       | 130,000            | 95,572              | 53,840             | 29,833             |
| Salem B. Company, Salem, . . .           | 75,000             | 50,656              | 37,560             | 9,012              |
| Somerset County Bank, Somerville, . . .  | 44,550             | 77,133              | 17,060             | 2,757              |
| Trenton Bank, Trenton, . . .             | 210,000            | 179,657             | 165,370            | 66,496             |
| Mechanics and Manuf. B'k, Trenton, . . . | 100,000            | 89,363              | 49,470             | 29,390             |
| <b>Total Liabilities,</b>                | <b>\$3,596,720</b> | <b>\$2,548,352</b>  | <b>\$1,888,481</b> | <b>\$858,781</b>   |

| <i>Name and Location.</i>          | <i>Loans and Stocks.</i> | <i>Specie.</i>   | <i>Bank Balances and Bank Notes.</i> | <i>Miscell's.</i> |
|------------------------------------|--------------------------|------------------|--------------------------------------|-------------------|
| Belvidere Bank, Belvidere, . . .   | \$201,584                | \$40,471         | \$76,894                             | \$4,986           |
| Cumberland Bank, Bridgeton, . . .  | 127,650                  | 21,664           | 36,603                               | 1,290             |
| Mechanics Bank, Burlington, . . .  | 110,528                  | 21,791           | 75,927                               | 12,296            |
| State Bank, Camden, . . . . .      | 559,112                  | 61,660           | 51,876                               | 35,757            |
| Union Bank, Dover, . . . . .       | 166,313                  | 27,438           | 68,341                               | 10,570            |
| State Bank, Elizabeth, . . . . .   | 321,623                  | 24,354           | 44,422                               | 29,138            |
| Burlington County Bank, Medford,   | 125,930                  | 14,003           | 27,166                               | 12,925            |
| Farmers Bank, Mt. Holly, . . . .   | 138,501                  | 17,572           | 19,190                               | 59,276            |
| Farmers and M. Bank, M. Point,     | 120,252                  | 9,834            | 20,630                               | 5,200             |
| Morris County Bank, Morristown,    | 148,144                  | 9,525            | 48,270                               | 7,824             |
| Mechanics Bank, Newark, . . . . .  | 783,348                  | 38,728           | 117,846                              | 28,720            |
| State Bank, Newark, . . . . .      | 695,172                  | 48,530           | 118,830                              | 14,116            |
| Newark Banking and Ins. Co., . . . | 792,802                  | 39,624           | 175,406                              | 25,637            |
| State Bank, New Brunswick, . . .   | 330,917                  | 35,446           | 89,628                               | 15,736            |
| Sussex Bank, Newton, . . . . .     | 187,986                  | 19,073           | 122,700                              | 7,558             |
| Orange Bank, Orange, . . . . .     | 145,618                  | 10,006           | 27,560                               | 25,488            |
| Commercial Bank, P. Amboy, . . .   | 134,645                  | 26,588           | 29,520                               | 5,706             |
| People's Bank, Paterson, . . . . . | 175,850                  | 14,003           | 52,140                               | . . .             |
| Princeton Bank, Princeton, . . .   | 147,611                  | 10,740           | 69,174                               | 20,641            |
| Farmers and M. Bank, Rahway,       | 237,356                  | 21,330           | 31,236                               | 19,322            |
| Salem Banking Company, Salem,      | 111,140                  | 28,117           | 17,797                               | 15,174            |
| Somerset County Bank, Somerville,  | 81,550                   | 15,138           | 43,090                               | 1,722             |
| Trenton Bank, Trenton, . . . . .   | 486,956                  | 41,759           | 72,445                               | 20,362            |
| Mechanics and Manuf. B'k, Trenton, | 174,855                  | 33,310           | 46,497                               | 13,563            |
| <b>Total Resources,</b> . . . . .  | <b>\$6,395,443</b>       | <b>\$620,704</b> | <b>\$1,483,186</b>                   | <b>\$393,001</b>  |

*Recapitulation of the New Jersey Banks, 1846-1850.*

| <i>Liabilities.</i>                | <i>Jan. 1846.</i>  | <i>Jan. 1848.</i>  | <i>Jan. 1849.</i>  | <i>Jan. 1850.</i>  |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Capital Stock, . . . . .           | \$3,672,700        | \$3,570,700        | \$3,600,700        | \$3,596,720        |
| Individual Deposits, . . . . .     | 1,814,100          | 1,738,400          | 1,640,000          | 2,548,352          |
| Circulation, . . . . .             | 2,394,100          | 2,699,500          | 2,410,000          | 1,888,481          |
| Miscellaneous, . . . . .           | 675,100            | 750,600            | 819,500            | 858,781            |
| <b>Total,</b> . . . . .            | <b>\$8,556,000</b> | <b>\$8,759,200</b> | <b>\$8,470,200</b> | <b>\$8,892,334</b> |
| <i>Resources.</i>                  | <i>Jan. 1846.</i>  | <i>Jan. 1848.</i>  | <i>Jan. 1849.</i>  | <i>Jan. 1850.</i>  |
| Loans, Stock, &c., . . . . .       | \$6,630,000        | \$6,383,500        | \$5,957,000        | \$6,395,443        |
| Bank Balances and Notes, . . . . . | 1,012,100          | 1,334,700          | 1,441,900          | 1,483,186          |
| Specie, . . . . .                  | 594,600            | 636,400            | 615,600            | 620,704            |
| Miscellaneous, . . . . .           | 319,300            | 404,600            | 455,700            | 393,001            |
| <b>Total,</b> . . . . .            | <b>\$8,556,000</b> | <b>\$8,759,200</b> | <b>\$8,470,200</b> | <b>\$8,892,334</b> |

In addition to the above mentioned specie on hand, the banks have balances due them in New York and Philadelphia to double that amount, to meet their circulation and to furnish exchange to their customers.

## KENTUCKY.

*Bank of Kentucky and seven Branches.*

| LIABILITIES.                                                                               | Jan. 1846.         | Jan. 1847.         | Jan. 1848.         | Jan. 1850.         |
|--------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Capital Stock, . . . . .                                                                   | \$3,700,000        | \$3,700,000        | \$3,700,000        | \$3,700,000        |
| Over Issue by Schuylkill Bank, . . . . .                                                   | 470,300            | 338,300            | 52,100             | . . . . .          |
| Circulation, . . . . .                                                                     | 2,586,672          | 2,434,660          | 2,781,706          | 2,716,396          |
| Individual Deposits, . . . . .                                                             | 740,984            | 609,208            | 671,965            | 844,952            |
| Bank Balances, . . . . .                                                                   | 392,814            | 463,163            | 344,144            | 276,837            |
| Funds reserved by Charter, . . . . .                                                       | 100,000            | 100,000            | 100,000            | 100,000            |
| Schuylkill Bank Fund, . . . . .                                                            | . . . . .          | . . . . .          | . . . . .          | 489,000            |
| Fund to purchase Over Issue, . . . . .                                                     | 55,137             | 85,708             | . . . . .          | . . . . .          |
| Contingent Fund, . . . . .                                                                 | 139,480            | 92,471             | 89,785             | 133,286            |
| Due Treasurer of State, . . . . .                                                          | 53,181             | 46,882             | 95,991             | 88,316             |
| Dividends unpaid, . . . . .                                                                | 105,256            | 100,957            | 93,802             | 265,453            |
| <b>Total Liabilities, . . . . .</b>                                                        | <b>\$8,343,824</b> | <b>\$7,971,348</b> | <b>\$7,929,493</b> | <b>\$8,614,240</b> |
| RESOURCES.                                                                                 | Jan. 1846.         | Jan. 1847.         | Jan. 1848.         | Jan. 1850.         |
| Notes Discounted, . . . . .                                                                | \$3,093,840        | \$2,958,060        | \$2,642,215        | \$2,756,912        |
| Bills of Exchange, . . . . .                                                               | 1,850,222          | 1,755,605          | 2,132,721          | 2,619,100          |
| Suspended Debt, &c., . . . . .                                                             | 167,429            | 88,068             | 95,801             | 100,602            |
| Banking Houses, . . . . .                                                                  | 87,534             | 87,534             | 87,534             | 98,398             |
| Other Real Estate, . . . . .                                                               | 164,671            | 140,305            | 123,504            | 93,425             |
| Kentucky State Bonds, . . . . .                                                            | 250,000            | 250,000            | 250,000            | 250,000            |
| Louisville City Bonds, . . . . .                                                           | 200,000            | 200,000            | 200,000            | 200,000            |
| Schuylkill Bank Assets, . . . . .                                                          | . . . . .          | . . . . .          | . . . . .          | 454,069            |
| Bank Balances, . . . . .                                                                   | 445,692            | 676,062            | 560,415            | 625,969            |
| Due from Corporations, . . . . .                                                           | 19,440             | 15,425             | 21,710             | 22,426             |
| Deficiency from Over Issue, . . . . .                                                      | 470,300            | 338,300            | 52,100             | . . . . .          |
| Gold and Silver, . . . . .                                                                 | 1,275,308          | 1,240,305          | 1,371,398          | 1,165,906          |
| Notes of other Banks, . . . . .                                                            | 319,388            | 221,784            | 345,373            | 227,433            |
| Stock Fund, . . . . .                                                                      | . . . . .          | . . . . .          | 46,722             | . . . . .          |
| <b>Total Resources, . . . . .</b>                                                          | <b>\$8,343,824</b> | <b>\$7,971,348</b> | <b>\$7,929,493</b> | <b>\$8,614,240</b> |
| Net Profits of last six months, . . . . .                                                  | . . . . .          | . . . . .          | \$164,752          | \$ . . . .         |
| Balance of Profit and Loss, July 1st, 1849, . . . . .                                      | . . . . .          | . . . . .          | 13,290             | 178,042            |
| Dividend No. 24, January, 1850, 4 per cent., . . . . .                                     | . . . . .          | . . . . .          | . . . . .          | 148,000            |
| Amount of Assets realized from the Schuylkill Bank and assignees of H. J. Levis, . . . . . | . . . . .          | . . . . .          | 145,930            | . . . . .          |
| Extra Dividend of 3 per cent., January, 1850, . . . . .                                    | . . . . .          | . . . . .          | 111,000            | 34,930             |

*Bank of Louisville and two Branches.*

| LIABILITIES.                        | Jan. 1846.         | Jan. 1847.         | Jan. 1848.         | Jan. 1850.         |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Capital Stock, . . . . .            | \$1,082,100        | \$1,082,000        | \$1,080,000        | \$1,080,000        |
| Circulation, . . . . .              | 1,024,227          | 939,822            | 1,126,328          | 1,248,368          |
| Individual Deposits, . . . . .      | 213,783            | 161,380            | 230,898            | 238,148            |
| Bank Balances, . . . . .            | 109,517            | 57,092             | 132,938            | 235,938            |
| Dividends unpaid, . . . . .         | 34,401             | 2,600              | 3,568              | 2,756              |
| Profit and Loss, . . . . .          | 77,231             | 126,829            | 158,166            | 169,268            |
| <b>Total Liabilities, . . . . .</b> | <b>\$2,541,258</b> | <b>\$2,369,723</b> | <b>\$2,780,890</b> | <b>\$2,974,478</b> |

| RESOURCES.                        | Jan. 1846.         | Jan. 1847.         | Jan. 1848.         | Jan. 1850.         |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Notes discounted, . . . .         | \$866,433          | \$736,700          | \$648,060          | \$565,330          |
| Bills of Exchange, . . . .        | 811,570            | 717,987            | 1,136,262          | 1,168,361          |
| Louisville City Bonds, . . .      | 80,000             | 75,000             | 75,000             | 75,000             |
| Bank Balances, . . . . .          | 146,772            | 132,830            | 154,410            | 361,804            |
| Suspended Debt and Costs, . .     | 91,408             | 88,443             | 47,962             | 46,850             |
| Real Estate, . . . . .            | 111,492            | 97,271             | 89,271             | 100,067            |
| Specie on hand, . . . . .         | 351,094            | 445,844            | 510,341            | 579,994            |
| Bank Notes, . . . . .             | 82,489             | 75,650             | 70,592             | 87,072             |
| <b>Total Resources, . . . . .</b> | <b>\$2,541,258</b> | <b>\$2,369,723</b> | <b>\$2,731,898</b> | <b>\$2,974,478</b> |

*Northern Bank of Kentucky and four Branches.*

| LIABILITIES.                        | Jan. 1846.         | Jan. 1847.         | Jan. 1848.         | Jan. 1850.         |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Capital Stock, . . . . .            | \$2,237,600        | \$2,238,900        | \$2,238,900        | \$2,250,000        |
| Circulation, . . . . .              | 2,453,532          | 2,336,513          | 2,576,780          | 2,717,760          |
| Individual Deposits, . . . . .      | 674,503            | 605,320            | 742,806            | 739,252            |
| Bank Balances, . . . . .            | 669,327            | 903,480            | 827,153            | 381,436            |
| Profit and Loss, . . . . .          | 267,058            | 287,158            | 334,542            | 366,064            |
| Dividends unpaid, . . . . .         | 6,491              | 7,748              | 6,388              | 10,844             |
| Deferred Interest, &c., . . . .     | 26,204             | 13,763             | 8,840              | 19,316             |
| <b>Total Liabilities, . . . . .</b> | <b>\$6,334,715</b> | <b>\$6,392,882</b> | <b>\$6,735,409</b> | <b>\$6,484,673</b> |

| RESOURCES.                        | Jan. 1846.         | Jan. 1847.         | Jan. 1848.         | Jan. 1850.         |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Bills discounted, . . . . .       | \$1,849,698        | \$1,845,272        | \$1,785,302        | \$1,826,387        |
| Bills of Exchange, . . . . .      | 2,007,287          | 1,927,466          | 2,156,410          | 2,486,866          |
| Suspended Debt, . . . . .         | 123,268            | 122,005            | 136,910            | 79,161             |
| Bank Balances, . . . . .          | 928,281            | 1,061,265          | 1,111,784          | 613,530            |
| Real Estate, . . . . .            | 179,865            | 135,340            | 123,980            | 125,423            |
| Kentucky State Bonds, . . . .     | 5,000              | 5,000              | 5,000              | 5,000              |
| Lexington City Bonds, . . . .     | 35,000             | 33,000             | 28,000             | 16,000             |
| Gold and Silver, . . . . .        | 909,704            | 931,806            | 1,038,413          | 937,473            |
| Notes of other Banks, . . . . .   | 287,819            | 322,895            | 340,760            | 385,550            |
| Miscellaneous, . . . . .          | 8,793              | 8,833              | 8,850              | 9,283              |
| <b>Total Resources, . . . . .</b> | <b>\$6,334,715</b> | <b>\$6,392,882</b> | <b>\$6,735,409</b> | <b>\$6,484,673</b> |

Dividend January, 1850,  $4\frac{1}{2}$  per cent., leaving a Net Profit and Loss, \$264,490.

NORTH CAROLINA.

*Bank of the State of North Carolina and Branches.*

| LIABILITIES.                        | November, 1844.    | November, 1845.    | 24 Nov. 1848.      |
|-------------------------------------|--------------------|--------------------|--------------------|
| Capital Stock, . . . . .            | \$1,500,000        | \$1,500,000        | \$1,500,000        |
| Circulation, . . . . .              | 1,118,693          | 1,324,413          | 1,525,739          |
| Individual Deposits, . . . . .      | 295,246            | 296,428            | 284,002            |
| Bank Balances, . . . . .            | 21,290             | 5,526              | 12,376             |
| Treasurer of the State and U. S.,   | 39,476             | 49,758             | 93,013             |
| Dividends unpaid, . . . . .         | 2,434              | 2,689              | 1,373              |
| Profits and Loss, . . . . .         | 180,609            | 222,843            | 235,724            |
| Funds in Transitu, . . . . .        | . . . . .          | 10,433             | . . . . .          |
| <b>Total Liabilities, . . . . .</b> | <b>\$3,157,748</b> | <b>\$3,412,090</b> | <b>\$3,702,227</b> |

| RESOURCES.                         | November, 1845.    | November, 1849.    | 24 Nov. 1849.      |
|------------------------------------|--------------------|--------------------|--------------------|
| Notes discounted, . . . . .        | \$1,929,248        | \$2,023,123        | \$2,305,406        |
| Bills of Exchange, . . . . .       | 368,180            | 441,750            | 429,536            |
| Real Estate, . . . . .             | 42,022             | 43,366             | 45,064             |
| Bank Balances, . . . . .           | 136,615            | 186,925            | 169,603            |
| Notes and Checks of other Banks,   | 93,430             | 63,070             | 77,001             |
| Specie on hand, . . . . .          | 676,475            | 653,856            | 664,337            |
| Remittances in Transitu, . . . . . | 11,778             | . . .              | 11,281             |
| <b>Total Resources, . . . . .</b>  | <b>\$3,157,748</b> | <b>\$3,412,090</b> | <b>\$3,702,227</b> |

## BANK OF TENNESSEE.

*Report of the President of the Bank of Tennessee to the General Assembly.*

BANK OF TENNESSEE, Oct. 5th, 1849.

*To the General Assembly of the State of Tennessee :*

The following statement, showing the condition of the Bank of Tennessee and Branches, on the first day of July, 1849, has been prepared in compliance with the 11th section of the charter, and is now respectfully submitted to your honorable body. The statement has been brought down to that period only (instead of the 1st of October, 1849,) because it is the end of the bank year, and because the branch statements for the last quarter will not be received at the principal bank earlier than the middle of the month.

## STATE OF THE BANK OF TENNESSEE AND BRANCHES, JULY 1, 1849.

| LIABILITIES.                                   |                       |
|------------------------------------------------|-----------------------|
| Capital Stock, . . . . .                       | \$3,199,613.57        |
| Treasurer of Tennessee, . . . . .              | \$66,679.53           |
| Certificates of State Revenue, . . . . .       | 3,950.00              |
|                                                | 70,629.53             |
| Internal Improvement Fund, . . . . .           | 11,703.32             |
| Common School Land Districts, . . . . .        | 258,171.25            |
| Commissioners of Common School Fund, . . . . . | 36,213.55             |
|                                                | 306,088.12            |
| Sinking or Contingent Fund, . . . . .          | 307,644.65            |
| Dividend Account, . . . . .                    | 693,788.02            |
| Exchange Account, . . . . .                    | 48,300.52             |
| Discounts Received, . . . . .                  | 58,076.18             |
| Interest Account, . . . . .                    | 36,961.23             |
| Damages, . . . . .                             | 8,604.75              |
| Internal Improvement Dividend, . . . . .       | 5,256.00              |
| Profit and Loss, . . . . .                     | 52,152.97             |
|                                                | 1,210,784.32          |
| Branch Balances, . . . . .                     | 44,820.17             |
| Circulation, . . . . .                         | 1,324,329.00          |
| Certificates of Deposit, . . . . .             | 3,370.00              |
| Individual Depositors, . . . . .               | 382,069.37            |
|                                                | 1,709,768.37          |
| <b>Total Liabilities, . . . . .</b>            | <b>\$6,541,704.08</b> |

| MEANS.                                                     |            |                |
|------------------------------------------------------------|------------|----------------|
| Discounted Notes, . . . . .                                |            | \$1,587,237.86 |
| Domestic Bills, . . . . .                                  |            | 598,588.38     |
| Bills and Notes in suit, . . . . .                         |            | 697,264.36     |
| Protested Bills, . . . . .                                 |            | 191,035.80     |
| State Bonds discounted, . . . . .                          | 374,390.00 |                |
| Discount, . . . . .                                        | *40,494.47 | 333,895.53     |
| Due from State of Tennessee, . . . . .                     |            | 29,750.00      |
|                                                            |            | 3,437,771.93   |
| Real Estate, . . . . .                                     |            | 230,544.84     |
| Protest Account, . . . . .                                 |            | 1,033.57       |
|                                                            |            | 231,578.41     |
| Interest on State Bonds, . . . . .                         |            | 612,400.00     |
| Interest on Internal Improvement Bonds, . . . . .          |            | 736,979.20     |
|                                                            |            | 1,349,379.20   |
| Due from other Banks, (mostly Eastern,) . . . . .          |            | 475,761.74     |
| Appropriation to Improvement of Rivers, . . . . .          |            | 180,716.10     |
| Ocoee School Fund, . . . . .                               |            | 10,680.37      |
| Common School Bonds, . . . . .                             |            | 153,871.05     |
| East Tennessee Railroad Stocks, . . . . .                  |            | 25,000.00      |
|                                                            |            | 370,267.52     |
| CASH ON HAND, VIZ: Bank Notes of State and City, . . . . . |            | 148,051.00     |
| Gold and Silver, . . . . .                                 |            | 528,894.28     |
|                                                            |            | 676,945.28     |
| Total Means, . . . . .                                     |            | \$6,541,704.08 |

You will also find accompanying this report, separate statements showing the condition of the principal bank and each of the branches, on the 1st of July, 1849.

By the tabular statements herewith submitted, in accordance with the resolution of the General Assembly, passed 5th February, 1848, and marked A., B., C., D. and E., it will appear that the capital stock has been reduced by the appropriation to the rivers in the eastern and western divisions of the State; by the payment of interest upon the State bonds; by the amount refunded to Ocoee purchasers; by the defalcation of the former cashier at Columbia; by bad and doubtful debts, and by losses upon real estate, during the eleven years the bank has been in operation, from more than three millions, to \$2,344,652.54, which constitutes now its actual and available capital.

The amount of interest paid annually by the bank, on the bonds of the State outstanding, may be stated thus:

|                                                                                                |              |
|------------------------------------------------------------------------------------------------|--------------|
| On \$1,000,000 of 6 per cent. Bank Bonds, . . . . .                                            | \$60,000.00  |
| On 213,416.66 of 5½ per cent. Internal Improvement Bonds, . . . . .                            | 11,204.37    |
| On 1,664,440 of 5 per cent. Internal Improvement Bonds, . . . . .                              | 83,222.00    |
| 1¼ per cent. premium on \$120,000 of this sum, payable at New York and Philadelphia, . . . . . | 1,800.00     |
| Allowance to agents at New York and Philadelphia for paying Interest, . . . . .                | 600.00       |
| Add annual allowance to Schools and Academies, . . . . .                                       | 118,000.00   |
|                                                                                                | \$274,826.37 |

Which is chargeable against the bank annually.

\* This is the discount on internal improvement bonds purchased by the bank, and will be available when the bonds become due.

The bank has paid in interest upon the bonds of the State, in all, to 1st July last, in the eastern cities, \$1,178,675; the exchange upon which sum, (estimating it at one and a half per cent., which is believed to be under the average rate,) would be \$17,680.12, has been saved to the State, and should be added to the profits of the bank.

The annual profit upon the available capital, including the contingent fund, may be estimated, (after making a fair allowance for expenses and losses by bad debts,) at \$174,826.37. The profits of the bank, however, will depend, in a good degree, upon the amount and value of our exports, and may vary under the best administration of its affairs, from six to eight per cent. Assuming, then, seven per cent., as the average, there will appear an annual deficiency, to be supplied from the Treasury, or by such other mode as the General Assembly may determine, of \$100,000. Should this deficiency be supplied as suggested, the success of the institution, it is believed, will be placed beyond a reasonable doubt.

Upon the other hand, if the bank is to remain subject to its present liabilities, and be compelled annually to pay, as is now the case, about one hundred thousand dollars more than it can be expected to make, with the means at its command, the result *must* be a failure. The capital will be reduced more and more each year, which will cause a corresponding reduction in profits, and before the expiration of the charter (1st January, 1868,) the entire capital will have been absorbed.

It will be remembered that, by the act passed in January, 1844, the cashier of the bank was authorized to draw on the Comptroller for any deficiency that might occur in the dividends to meet its liabilities. Under the operation of the old revenue law it frequently happened that the amount in the treasury was not more than sufficient to meet the current expenses of the government; and, as a consequence of this condition of the treasury, the sum of \$51,860.99 only, has been drawn from that source on account of such deficiency, which sum is included in the bank statement, as part of the contingent fund.

The law of the last session, however, increases the revenue, and will, it is believed, raise a sum sufficient to pay the expenses of the Government, and supply the annual deficiency in the bank; and it is, therefore, respectfully submitted to your honorable body, whether the public interest would not be promoted by requiring the Comptroller of the treasury to pay annually to the bank the deficiency, or half the amount semi-annually, on first of January and first of July, so as to leave the present capital untouched? The propriety of this course will be seen the more readily as the dividends upon the State's stock in the several works of internal improvement, (which, by the charter, constituted a part of the contingent fund) have been taken from the bank by the act of 1846, and are now payable to the treasury.

By reference to the several reports made heretofore to your honorable body, it will be seen, that the suspended debt (or debt in suit) has been steadily increasing in amount until it has reached the sum of \$697,264.36, two hundred and ninety-six thousand five hundred and sixty-two dollars and forty cents of which is regarded as lost. This result is owing to the policy that has been pursued of discounting a large amount of what are called

accommodation notes, to be renewed from time to time, and in some instances running through a series of years; and so long as this policy is pursued, we may expect to see the amount increased from year to year.

But aside from this, it lessens the means and ability of the bank to make fair profits, and creates embarrassment in its exchanges, with the other banking institutions of the State. By way of illustration let us suppose a case:—The three city banks have about the same circulation, and on a given day they discount notes to the amount of \$6,000 each, at four months. How will the account stand between them when these notes mature? The Union Bank requires the whole amount discounted there to be paid, and receives one-third in our notes, \$2,000. The Planters' Bank also requires the whole to be paid, and in like manner receives one-third in our notes, \$2,000. But the State Bank permits the notes discounted by it, to be renewed for two-thirds of the amount, and collects one-third only in its own notes, say \$666. Is it not clear then, taking this day's business alone, that each of the other banks will receive \$1,434 more of our notes than we will of theirs? This, it will be remembered, is the business of a single day, and which, if extended to the end of the year, will present a heavy balance against this institution, that must be paid either in exchange upon the eastern cities, or in specie!

The true interest of the bank requires, and is it not the interest of the country too, that a larger portion of its discounts than has been made heretofore, should be in bills drawn upon the produce of the country, the cotton, tobacco, iron, horses, mules, cattle and hogs, that are to be sent to a distant market, and in real transaction paper, or notes payable at maturity? Several of the branches have been within the last few years, materially benefited by adopting this policy, and none more than the branch at Rogersville. It has made no bad debts for the last four years, and by increasing the discounts in bills during that time, their available means have been increased until it has become one of the strongest branches belonging to the institution. And, in fact, all past experience proves that this is the only way to sustain the institution, and make it answer the purposes for which it was intended.

Under the act, of the last session (ch. 141, sec. 4), the agents appointed to wind up the branches at Athens and Clarksville, have been authorized to use the capital remaining at these branches respectively, in the purchase of bills in their several districts, and in this way they have extended to the country all the aid in their power, whilst their means have been made more available.

The agency at Columbia has been equally well managed. The course of liquidation commenced by the former board, has been carried out for the last two years, and the business of that branch is much nearer wound up than either of the others. The circulation on the 1st of July last, was \$10,274 only.

I beg leave in conclusion to say that it will afford the officers of the bank pleasure to furnish any further information, connected with the bank or its branches that may be desired by your honorable body. All of which is respectfully submitted.

WM. LEDBETTER, *President.*

§ The Legislature of Tennessee has passed a bill authorizing the Treasurer to sell the stock in the Planters' and Union Banks, owned by the State, and with the proceeds to purchase Tennessee five per cent. bonds. The State owns about \$1,000,000 of stock of these two institutions.—*Ed. B. M.*

*Bank of Tennessee and Branches.*

| <i>July, 1849.</i>            | <i>Capital.</i> | <i>Loans.</i> | <i>Circulation.</i> | <i>Specie.</i> |
|-------------------------------|-----------------|---------------|---------------------|----------------|
| Nashville, . . . . .          | \$1,325,916     | \$1,301,188   | \$189,247           | \$131,790      |
| Rogersville Branch, . . . . . | 254,208         | 352,680       | 280,513             | 111,514        |
| Athens, " . . . . .           | 249,150         | 326,432       | 200,795             | 36,093         |
| Sparta, " . . . . .           | 223,931         | 329,962       | 130,932             | 50,583         |
| Shelbyville, " . . . . .      | 223,931         | 311,193       | 147,171             | 99,400         |
| Columbia, " . . . . .         | 190,130         | 69,696        | 10,274              | 146            |
| Clarksville, " . . . . .      | 223,931         | 169,242       | 14,720              | 6,170          |
| Trenton, " . . . . .          | 254,208         | 332,244       | 182,585             | 32,031         |
| Sommerville, " . . . . .      | 254,208         | 344,892       | 247,791             | 61,163         |

*Capital of Bank and Branches, 1839-1849.*

|                        |             |                        |             |
|------------------------|-------------|------------------------|-------------|
| 1 July 1839, . . . . . | \$1,092,393 | 1 July 1845, . . . . . | \$3,169,745 |
| 1 " 1840, . . . . .    | 2,292,757   | 1 " 1846, . . . . .    | 3,192,715   |
| 1 " 1841, . . . . .    | 3,065,043   | 1 " 1847, . . . . .    | 3,180,177   |
| 1 " 1842, . . . . .    | 3,130,646   | 1 " 1848, . . . . .    | 3,188,117   |
| 1 " 1843, . . . . .    | 3,166,155   | 1 " 1849, . . . . .    | *3,199,643  |
| 1 " 1844, . . . . .    | 3,170,470   |                        |             |



## FORMS OF NOTICE OF PROTEST.

The following forms have been prepared after careful investigations of the subject, and with a view to combine all the information required by the latest decisions of the State Courts :

*Form used by the Notary of the Phenix Bank, New York, 1847.*

Please to take notice that a promissory note for \$ . . . . . made by . . . . . endorsed by you, having been duly presented and payment thereof demanded, which was refused, is therefore protested for non-payment, and that the holders look to you for payment thereof.

. . . . . Notary Public,

Office No. 39 Wall Street, New York.

*Form of Notice used by the Notary of the Philadelphia Bank.*

Payment of . . . . . note, in favor of . . . . . and by . . . . . endorsed for \$ . . . . . dated . . . . . delivered to me for protest by the . . . . . Bank of . . . . . Philadelphia, being this day due, demanded and refused, it has been by me duly protested accordingly, and you will be looked to for payment, of which you hereby have notice.

. . . . . Notary Public.

\* From which deduct \$854,961, deficit from bad debts, &c.

*Form used by the Notary of the Bank of Virginia.*

Richmond, Va., . . . . . 185

Take notice that . . . . . note for \$ . . . . . dated the . . . . . day of . . . . . 185 , and payable . . . . . days after date, to the order of . . . . . at the . . . . . Bank of Virginia, and endorsed by . . . . . being due and unpaid, the same was presented by me at said Bank . . . . . and payment thereof then and there demanded, which was refused. Whereupon the said note was dishonored, and I duly protested the same for non-payment, and the holders look to you for payment as endorser thereof, for principal, interest, damages and costs.

Done at the request of the Cashier of the Bank of Virginia.

. . . . . Notary Public.

For form of notice of Bill of Exchange, see page 254.

*Form adopted by the Cayuga County Bank.*

\$ . . . . . Auburn, . . . . . 1850.

SIR:—Take notice that a promissory note, made by . . . . . to the order of . . . . . for . . . . . dollars, dated . . . . . at . . . . . after date, this day due, endorsed by you, was this day presented by me, at the Cayuga County Bank, where the same was made payable, and payment thereof demanded of the . . . . . of said Bank, and by him refused, and is this day protested for non-payment. The holder looks to you for the payment of the same.

To . . . . . Notary Public.

*Form of Notice used in Vermont.*

A promissory note for . . . . . dollars, dated . . . . . payable . . . . . after date, to . . . . . signed by . . . . . endorsed by . . . . . having been duly presented for payment this day, and payment refused, has been protested by me for non-payment. I now hereby give you notice that the holder looks to you for payment, interest, cost and damages.

. . . . . Notary Public.

*Form used by the Notary of the Suffolk Bank, Boston.*

SIR:—A promissory note for \$ . . . . . dated . . . . . signed . . . . . payable to the order of . . . . . at . . . . . endorsed . . . . . having been protested by me this day for non-payment, I hereby notify you that the holder looks to you for payment, interest, cost and damages, payment having been duly demanded and refused.

Done at the request of the Cashier of the . . . . . Bank.

. . . . . Notary Public.

Value of Stocks at Boston on the first of each month of 1859.

From Willis & Co.'s Bank Note List, Boston.

|                                       | Jan. | Feb. | Mar. | April | May  | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---------------------------------------|------|------|------|-------|------|------|------|------|-------|------|------|------|
| <b>GOVERNMENT SECURITIES.</b>         |      |      |      |       |      |      |      |      |       |      |      |      |
| U. S. Loan, 5 s., 1853.               | 95   | 99   | 99   | 97    | 99   | 101  | 104  | 104  | 104   | 100  | 101  | 102  |
| "    6 s., 1852.                      | 106  | 107  | 107  | 107   | 109  | 110  | 111  | 111  | 112   | 109  | 111  | 111  |
| "    6 s., 1850.                      | 103  | 105  | 105  | 104   | 105  | 107  | 107  | 107  | 107   | 107  | 107  | 109  |
| "    6 s., 1865.                      | 107  | 109  | 111  | 112   | 112  | 114  | 117  | 117  | 114   | 111  | 113  | 114  |
| Treasury Notes.                       | 107  | 106  | 110  | 109   | 111  | 117  | 119  | 114  | 110   | 111  | 111  | 111  |
| Land Warrants.                        | 104  | 100  | 103  | 103   | 103  | 102  | 103  | 102  | 120   | 120  | 115  | 115  |
| Mexican Indemnity Script.             | 91   | 95   | 97   | 97    | 97   | 96   | 97   | 96   | 97    | 97   | 97   | 97   |
| <b>STATE SECURITIES.</b>              |      |      |      |       |      |      |      |      |       |      |      |      |
| Massachusetts 5 s., coupon.           | 92   | 92   | 93   | 93    | 94   | 94   | 94   | 95   | 95    | 95   | 94   | 95   |
| "    5 s., sterling.                  | 94   | 94   | 95   | 94    | 96   | 97   | 99   | 99   | 100   | 100  | 100  | 100  |
| Maine, pay at Boston, semi-ann., 5 s. | none | none | none | none  | none | none | none | none | none  | none | none | none |
| "    Augusta, ann'y, 5 s.             | none | none | none | none  | none | none | none | none | none  | none | none | none |
| New York 6 s., 1862.                  | 101  | 107  | 107  | 107   | 108  | 109  | 109  | 109  | 109   | 109  | 110  | 111  |
| Ohio 6 s., 1860.                      | 101  | 103  | 103  | 103   | 106  | 106  | 108  | 108  | 108   | 108  | 107  | 107  |
| Kentucky 6 s.                         | 103  | 101  | 101  | 100   | 102  | 105  | 109  | 109  | 105   | 103  | 103  | 106  |
| Illinois 6 s., special.               | 46   | 48   | 46   | 46    | 46   | 46   | 46   | 44   | 44    | 42   | 42   | 46   |
| Indiana, New State.                   | 55   | 62   | 64   | 64    | 64   | 66   | 69   | 68   | 68    | 68   | 68   | 70   |
| Pennsylvania 5 s.                     | 78   | 79   | 80   | 80    | 81   | 85   | 90   | 89   | 88    | 87   | 87   | 89   |
| <b>CITY SECURITIES.</b>               |      |      |      |       |      |      |      |      |       |      |      |      |
| Albany W. R. R. 6 s.                  | 100  | 100  | 101  | 101   | 101  | 102  | 102  | 102  | 102   | 103  | 103  | 103  |
| Boston 5 s., 1850.                    | 93   | 93   | 94   | 94    | 95   | 95   | 94   | 94   | 94    | 95   | 94   | 95   |
| "    5 s., 1870.                      | 93   | 94   | 93   | 93    | 94   | 94   | 93   | 93   | 93    | 94   | 93   | 94   |
| New York 7 s., 1857.                  | 109  | 109  | 109  | 108   | 108  | 106  | 108  | 109  | 109   | 109  | 109  | 109  |
| "    5 s., 1860.                      | 96   | 98   | 98   | 98    | 94   | 97   | 100  | 100  | 101   | 101  | 98   | 100  |
| United States Bank.                   | 34   | 34   | 35   | 35    | 34   | 3    | 3    | 3    | 2     | 2    | 2    | 2    |
| Winnimmet Co.                         | 70   | 70   | 70   | 70    | 80   | 80   | 81   | 81   | 81    | 81   | 82   | 82   |
| { East Boston Co.                     | 124  | 13   | 13   | 13    | 14   | 14   | 14   | 14   | 13    | 13   | 13   | 14   |
| { Land Dividends, No. 8.              | 6    | 6    | 7    | 7     | 6    | 7    | 6    | 6    | 6     | 6    | 6    | 7    |
| "    "    No. 4.                      | 475  | 42   | 490  | 100   | 490  | 495  | 5    | 490  | 450   | 450  | 425  | 4    |
| Canton Co.                            | 33   | 38   | 41   | 38    | 39   | 38   | 41   | 41   | 40    | 38   | 38   | 38   |
| Reading R. R. Bonds, 1850.            | 57   | 45   | 48   | 53    | 52   | 54   | 66   | 63   | 67    | 69   | 68   | 57   |
| Mortgage, 1860.                       | 62   | 56   | 58   | 61    | 61   | 64   | 67   | 65   | 64    | 63   | 64   | 64   |
| Edgeworth Land Co.                    | 6    | 6    | 6    | 6     | 6    | 6    | 7    | 6    | 6     | 6    | 6    | 6    |
| B. & Pitts'burg Cop. Harb. Min. Co.   | 75   | 75   | 85   | 80    | 63   | 64   | 72   | 85   | 92    | 92   | 99   | 106  |
| <b>BOSTON BANKS.</b>                  |      |      |      |       |      |      |      |      |       |      |      |      |
| Atlantic.                             | 96   | 97   | 99   | 99    | 99   | 99   | 100  | 100  | 102   | 103  | 103  | 102  |
| Atlas.                                | 95   | 96   | 97   | 98    | 98   | 97   | 98   | 98   | 98    | 99   | 98   | 99   |
| Boston.                               | 53   | 53   | 56   | 56    | 54   | 54   | 55   | 56   | 56    | 57   | 55   | 55   |
| Boylston.                             | 98   | 99   | 102  | 103   | 101  | 101  | 102  | 103  | 104   | 104  | 104  | 101  |
| City.                                 | 94   | 95   | 96   | 97    | 97   | 98   | 99   | 98   | 100   | 102  | 100  | 99   |
| Columbian.                            | 95   | 95   | 95   | 95    | 95   | 95   | 96   | 96   | 97    | 100  | 99   | 98   |
| Eagle.                                | 96   | 96   | 97   | 97    | 96   | 97   | 100  | 100  | 100   | 102  | 101  | 101  |
| Exchange.                             | 95   | 95   | 98   | 98    | 96   | 97   | 99   | 100  | 101   | 102  | 99   | 101  |
| Freeman's.                            | 103  | 104  | 104  | 105   | 104  | 104  | 105  | 105  | 107   | 107  | 105  | 107  |
| Globe.                                | 103  | 103  | 103  | 103   | 104  | 104  | 106  | 106  | 106   | 106  | 106  | 107  |
| Granite.                              | 97   | 97   | 100  | 99    | 96   | 98   | 99   | 99   | 99    | 101  | 97   | 97   |
| Grocers.                              | 90   | 90   | 92   | 93    | 91   | 94   | 94   | 95   | 94    | 100  | 96   | 96   |
| Hamilton.                             | 98   | 98   | 99   | 99    | 98   | 99   | 99   | 100  | 100   | 101  | 99   | 99   |
| Market.                               | 75   | 76   | 76   | 78    | 77   | 77   | 78   | 79   | 80    | 81   | 79   | 79   |
| Massachusetts.                        | 93   | 93   | 93   | 95    | 94   | 94   | 96   | 96   | 96    | 97   | 97   | 97   |
| Mechanic's, (S. B.)                   | 100  | 109  | 100  | 100   | 100  | 101  | 101  | 101  | 101   | 101  | 101  | 101  |
| Merchants.                            | 103  | 103  | 103  | 105   | 105  | 103  | 106  | 107  | 106   | 105  | 104  | 105  |
| New England.                          | 100  | 102  | 102  | 104   | 103  | 104  | 105  | 105  | 106   | 107  | 106  | 106  |
| North.                                | 94   | 94   | 94   | 95    | 94   | 92   | 96   | 96   | 95    | 97   | 96   | 95   |
| Shawmut.                              | 94   | 94   | 95   | 97    | 92   | 95   | 96   | 97   | 99    | 100  | 97   | 98   |
| Shoe and Leather Dealers'             | 110  | 111  | 112  | 112   | 108  | 108  | 109  | 109  | 109   | 110  | 109  | 110  |
| State.                                | 57   | 58   | 58   | 59    | 57   | 57   | 60   | 60   | 61    | 61   | 60   | 61   |
| Suffolk.                              | 125  | 125  | 125  | 125   | 125  | 125  | 126  | 125  | 126   | 127  | 127  | 130  |
| Traders.                              | 94   | 95   | 95   | 96    | 94   | 95   | 96   | 97   | 99    | 100  | 97   | 97   |
| Tremont.                              | 95   | 95   | 96   | 96    | 95   | 96   | 97   | 97   | 100   | 102  | 101  | 101  |
| Union.                                | 99   | 99   | 101  | 101   | 99   | 100  | 100  | 102  | 103   | 102  | 101  | 102  |
| Washington.                           | 93   | 94   | 95   | 95    | 94   | 94   | 94   | 94   | 95    | 97   | 94   | 94   |
| <b>MANUFACTURING COMPANIES.</b>       |      |      |      |       |      |      |      |      |       |      |      |      |
| Boston Manufac Co., par \$750.        | 625  | 625  | 625  | 615   | 600  | 600  | 600  | 625  | 625   | 625  | 625  | 600  |
| Bartlett Mills " " 500.               |      |      |      | 350   | 400  | 400  | 410  | 400  | 410   | 400  | 420  | 425  |
| Amoskeg " " 1000.                     | 1010 | 1140 | 1150 | 1150  | 1150 | 1160 | 1160 | 1165 | 1000  | 930  | 935  | 1000 |
| Stark " " 1000.                       | 750  | 809  | 900  | 900   | 910  | 910  | 920  | 925  | 900   | 900  | 825  | 825  |
| Appleton " " 1000.                    | 850  | 850  | 850  | 850   | 820  | 820  | 820  | 810  | 800   | 800  | 800  | 800  |
| Boott Mills " " 1000.                 | 820  | 825  | 900  | 900   | 910  | 900  | 850  | 890  | 950   | 950  | 950  | 950  |
| Hamilton " " 1000.                    | 750  | 750  | 750  | 750   | 760  | 800  | 800  | 810  | 800   | 800  | 800  | 775  |
| Lawrence " " 1000.                    | 850  | 850  | 950  | 950   | 950  | 950  | 950  | 950  | 950   | 950  | 950  | 950  |
| Lowell " " 1000.                      | 710  | 720  | 720  | 720   | 575  | 575  | 550  | 550  | 540   | 540  | 550  | 550  |
| Mass. Mills " " 1000.                 | 850  | 910  | 950  | 950   | 970  | 970  | 970  | 970  | 950   | 900  | 900  | 850  |

[The quotations for Bank Stocks are intended to be "dividend off," in April and October, and for Railroads, Government, State and City Stocks, and generally for Manufacturing Stocks, in July and January. Insurance Stocks we have omitted, as they are of less interest, and have fluctuated but little.]

|                                      | Jan.   | Feb.   | Mar.   | April  | May    | June   | July   | Aug.   | Sept.  | Oct.   | Nov.   | Dec.   |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>MANUFACTURING COMPANIES.</b>      |        |        |        |        |        |        |        |        |        |        |        |        |
| Merrimack Man. Co., par 100.         | 1210   | 1310   | 1400   | 1400   | 1300   | 1140   | 1165   | 1182   | 1200   | 1200   | 1200   | 1195   |
| Middlesex " " " 1000.                | 1150   | 1150   | 950    | 950    | 900    | 900    | 900    | 900    | 850    | 850    | 850    | 900    |
| Buffolk " " " 1000.                  | 900    | 900    | 900    | 900    | 910    | 900    | 900    | 910    | 900    | 900    | 900    | 850    |
| Tremont Mills " " " 1000.            | 800    | 800    | 850    | 850    | 840    | 850    | 850    | 840    | 850    | 850    | 850    | 850    |
| Jackson Man. Co. " " " 800.          | 800    | 800    | 800    | 800    | 810    | 800    | 810    | 810    | 810    | 810    | 810    | 812    |
| Nashua " " " 500.                    | 450    | 440    | 465    | 465    | 465    | 470    | 470    | 460    | 440    | 430    | 480    | 450    |
| Cocheco " " " 500.                   | 475    | 450    | 450    | 500    | 500    | 500    | 500    | 510    | 510    | 500    | 500    | 500    |
| Cabot " " " 1000.                    | 900    | 900    | 900    | 900    | 850    | 850    | 825    | 850    | 900    | 900    | 900    | 755    |
| Chickopee " " " 1000.                | 650    | 600    | 600    | 600    | 550    | 550    | 540    | 550    | 550    | 550    | 550    | 565    |
| Perkins " " " 1000.                  | 800    | 800    | 800    | 800    | 800    | 800    | 850    | 850    | 875    | 850    | 850    | 860    |
| Salisbury " " " 1000.                | 1240   | 1100   | 1010   | 1010   | 1020   | 1050   | 1050   | 1050   | 1020   | 1031   | 1020   | 1020   |
| York " " " 1000.                     | 1010   | 1020   | 1100   | 940    | 940    | 920    | 920    | 900    | 930    | 900    | 910    | 940    |
| N. E. Worsted " " " 100.             | 68     | 68     | 63     | 62     | 67     | 64     | 64     | 65     | 64     | 62     | 62     | 63     |
| G. Falls " " " 200.                  | 194    | 200    | 210    | 210    | 210    | 206    | 200    | 202    | 195    | 190    | 190    | 187    |
| Dwight Man. " " " 1000.              | 850    | 850    | 850    | 850    | 840    | 850    | 850    | 850    | 900    | 850    | 850    | 850    |
| Otis " " " 1000.                     | 1000   | 1000   | 1000   | 1000   | 1010   | 1010   | 1010   | 1010   | 1030   | 1010   | 1070   | 1020   |
| Palmer " " " 1000.                   | 1000   | 1000   | 1000   | 1000   | 950    | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   | 1000   |
| Thorndike " " " 1000.                | 750    | 750    | 750    | 750    | 750    | 840    | 900    | 850    | 750    | 700    | 750    | 700    |
| Uxbridge " " " 500.                  | 495    | 495    | 495    | 495    | 495    | 495    | 495    | 495    | 495    | 495    | 495    | 490    |
| Hamilton Woolen M. Co., 1000.        | 65     | 610    | 600    | 600    | 600    | 600    | 550    | 550    | 550    | 550    | 500    | 500    |
| Laconia Manuf. Co., par 1000.        | 770    | 800    | 800    | 800    | 800    | 900    | 900    | 910    | 900    | 850    | 850    | 850    |
| Lancaster Mills " " " 500.           | 485    | 485    | 485    | 475    | 475    | 450    | 490    | 350    | 310    | 325    | 325    | 325    |
| Manchester " " " 5000.               | 600    | 600    | 600    | 600    | 600    | 680    | 750    | 780    | 770    | 770    | 770    | 800    |
| Bos. & Sandwich Glass Co. 100.       | 85     | 85     | 85     | 84     | 84     | 95     | 86     | 86     | 87     | 87     | 86     | 87     |
| Essex Co. " " " 100.                 | 133    | 130    | 125    | 138    | 138    | 136    | 136    | 130    | 130    | 126    | 125    | 125    |
| Saco Wat. Power, (fr 400 p) 500.     | 420    | 420    | 410    | 410    | 400    | 410    | 405    | 400    | 410    | 400    | 400    | 380    |
| Lowell Exchange Co., par 500.        | 450    | 450    | 440    | 440    | 440    | 430    | 450    | 450    | 450    | 475    | 470    | 475    |
| " Wharf Co., (fr 75 p) 1100.         | 75     | 75     | 75     | 80     | 80     | 80     | 80     | 80     | 75     | 82     | 83     | 83     |
| Lowell Machine Shop, par 500.        | 575    | 575    | 575    | 575    | 575    | 575    | 530    | 530    | 525    | 500    | 500    | 450    |
| <b>RAILROADS.</b>                    |        |        |        |        |        |        |        |        |        |        |        |        |
| Auburn and Syracuse, .....           | 86     | 90     | 80     | 80     | 80     | 81     | 77     | 80     | 77     | 77     | 79     | 75     |
| " " Rochester, .....                 | 90     | 94     | 89     | 79     | 85     | 85     | 88     | 85     | 84     | 84     | 80     | 80     |
| Boston " " Lowell, .....             | 545    | 550    | 565    | 590    | 575    | 580    | 590    | 575    | 580    | 580    | 575    | 575    |
| " " Maine, .....                     | 108    | 105    | 104    | 104    | 104    | 104    | 100    | 105    | 101    | 104    | 105    | 108    |
| " " Providence, .....                | 89     | 88     | 90     | 89     | 89     | 91     | 96     | 92     | 90     | 90     | 90     | 91     |
| " " Worcester, .....                 | 106    | 105    | 105    | 105    | 105    | 108    | 105    | 102    | 95     | 98     | 99     | 97     |
| Cheshire, .....                      | 75     | 76     | 77     | 74     | 75     | 74     | 66     | 69     | 65     | 69     | 67     | 67     |
| Concord, .....                       | 60     | 60     | 60     | 61     | 62     | 61     | 61     | 60     | 60     | 60     | 60     | 57     |
| Connecticut River, .....             | 98     | 99     | 98     | 97     | 98     | 98     | 98     | 97     | 93     | 93     | 90     | 92     |
| Eastern, .....                       | 101    | 100    | 100    | 99     | 90     | 101    | 103    | 103    | 99     | 101    | 101    | 102    |
| " (N. H.) .....                      | 101    | 101    | 101    | 101    | 101    | 101    | 104    | 104    | 101    | 102    | 101    | 108    |
| Erie, .....                          | 64     | 64     | 64     | 64     | 64     | 63     | 63     | 63     | 64     | 64     | 64     | 64     |
| Fall River, .....                    | 85     | 83     | 83     | 81     | 83     | 86     | 88     | 84     | 81     | 82     | 81     | 82     |
| Fitchburg, .....                     | 109    | 108    | 100    | 100    | 111    | 115    | 114    | 109    | 107    | 109    | 108    | 110    |
| Hartford and New Haven, .....        | 62     | 57     | 62     | 58     | 58     | 56     | 53     | 53     | 52     | 51     | 51     | 51     |
| Hartford and New Haven, .....        | 105    | 105    | 105    | 105    | 102    | 107    | 107    | 107    | 107    | 104    | 105    | 105    |
| Housatonic, (Old Stock), .....       | 24     | 24     | 24     | 32     | 31     | 28     | 27     | 25     | 24     | 24     | 24     | 21     |
| " (New) .....                        | 100    | 100    | 100    | 100    | 100    | 87     | 87     | 88     | 85     | 86     | 86     | 81     |
| Lexington and West Cambridge, .....  | no sl. | no sl. | no sl. | no sl. | no sl. | no sl. | no sl. | no sl. | no sl. | no sl. | no sl. | no sl. |
| Long Island, .....                   | 9      | 11     | 13     | 12     | 11     | 11     | 11     | 10     | 9      | 9      | 9      | 8      |
| Michigan Central, .....              | 88     | 88     | 88     | 87     | 87     | 87     | 87     | 87     | 87     | 80     | 80     | 80     |
| Mohawk, .....                        | 76     | 76     | 83     | 80     | 81     | 82     | 82     | 86     | 82     | 82     | 86     | 86     |
| Nashua and Lowell, .....             | 115    | 115    | 115    | 115    | 115    | 119    | 119    | 116    | 116    | 116    | 116    | 116    |
| New Bedford and Taunton, .....       | 110    | 110    | 110    | 110    | 109    | 107    | 105    | 105    | 105    | 104    | 104    | 106    |
| North Adams, .....                   | 95     | 95     | 95     | 95     | 96     | 96     | 96     | 96     | 97     | 97     | 98     | 98     |
| Norwich and Worcester, .....         | 34     | 34     | 37     | 33     | 37     | 38     | 39     | 36     | 36     | 37     | 36     | 36     |
| Northern, .....                      | 90     | 87     | 85     | 81     | 77     | 78     | 75     | 70     | 67     | 66     | 64     | 65     |
| Oakensburg, .....                    | 32     | 32     | 32     | 32     | 29     | 26     | 24     | 24     | 20     | 25     | 27     | 27     |
| Old Colony, .....                    | 81     | 77     | 77     | 75     | 78     | 79     | 75     | 75     | 75     | 77     | 77     | 77     |
| Passumpic, .....                     | 80     | 89     | 88     | 88     | 85     | 81     | 80     | 79     | 78     | 75     | 75     | 74     |
| Phila. Wilmington & Baltimore, ..... | 24     | 27     | 27     | 27     | 27     | 27     | 27     | 27     | 27     | 27     | 26     | 28     |
| Portland, Saco and Portsmouth, ..... | 95     | 94     | 95     | 94     | 95     | 97     | 98     | 100    | 98     | 98     | 96     | 99     |
| Reading, .....                       | 14     | 11     | 14     | 16     | 16     | 15     | 18     | 18     | 17     | 16     | 16     | 16     |
| Rutland, .....                       | 74     | 74     | 72     | 72     | 71     | 72     | 72     | 73     | 67     | 67     | 70     | 74     |
| Stoughton Branch, .....              | 87     | 87     | 87     | 87     | 87     | 86     | 87     | 87     | 87     | 86     | 87     | 87     |
| Stonington, .....                    | 50     | 50     | 55     | 55     | 54     | 52     | 54     | 53     | 51     | 51     | 48     | 48     |
| Syracuse and Utica, .....            | 115    | 116    | 112    | 115    | 116    | 117    | 120    | 122    | 120    | 120    | 122    | 121    |
| Taunton Branch, .....                | 112    | 113    | 113    | 113    | 112    | 110    | 110    | 110    | 110    | 110    | 110    | 110    |
| Troy and Greenbush, .....            | 85     | 85     | 72     | 72     | 71     | 70     | 71     | 71     | 71     | 70     | 72     | 72     |
| Utica and Schenectady, .....         | 115    | 115    | 118    | 117    | 119    | 121    | 124    | 118    | 120    | 120    | 121    | 122    |
| Vermont and Massachusetts, .....     | 49     | 50     | 50     | 49     | 47     | 44     | 41     | 40     | 32     | 30     | 29     | 30     |
| " Central, .....                     | 55     | 56     | 56     | 54     | 56     | 52     | 48     | 47     | 47     | 47     | 45     | 45     |
| Western, .....                       | 103    | 103    | 101    | 103    | 103    | 106    | 102    | 103    | 102    | 101    | 102    | 106    |

# Stocks and Exchanges.

## PHILADELPHIA, 22 FEBRUARY.

|                               |      |        |         |
|-------------------------------|------|--------|---------|
| U. S. 6 per cent.....         | 1856 | 106½   | @ 107   |
| Do. do.....                   | 1862 | 109½   | @ 110   |
| Do. do.....                   | 1867 | 113    | @ 113½  |
| Do. do.....                   | 1868 | 113½   | @ 113¾  |
| Do. 5 per cent.....           | 1853 | 100    | ¾ @ 101 |
| Do. Treasury Notes, 6 p. ct.  | 112  | @ 112½ |         |
| Pennsylvania, 6 pr. ct. 1879  | 102¾ | @ 103  |         |
| Do. 5 per cent....            | 90½  | @ 91   |         |
| Kentucky, 6 per cent.....     | 103  | @ 103½ |         |
| Tennessee, 5 per cent. ....   | 83   | @ 83½  |         |
| Cincinnati, 6, water works, . | 97½  | @ 98½  |         |
| Pittsburgh, 6, .....          | 90   | @ 92   |         |
| St. Louis, 6 per cent. ....   | 90½  | @ 93   |         |
| Bank of Pennsylvania, ..100   | 110  | @ 111  |         |
| Bank of N. America, ...100    | 130  | @ 132  |         |
| Philadelphia Bank,.....100    | 134  | @ 135  |         |
| Farm. and Mechanics', ...30   | 64½  | @ 64¾  |         |
| Commercial Bank,.....50       | 58¾  | @ 59½  |         |
| B. Northern Liberties, ...35  | 51   | @ 53   |         |
| Mechanics' Bank,.....20       | 27¾  | @ 28   |         |
| Southwark Bank,.....50        | 70   | @ 73   |         |
| Kensington Bank,.....50       | 60   | @ 61   |         |
| B. Penn Township,.....22½     | 28¾  | @ 29½  |         |
| Western Bank,.....40          | 63   | @ 64   |         |
| Manuf. and Mechanics', .25    | 27   | @ 27½  |         |
| Bank of Commerce, ....50      | 55   | @ 57   |         |
| Girard Bank,.....50           | 12½  | @ 12¾  |         |
| Bank of Pittsburg,.....50     | 50½  | @ 51   |         |
| Exchange Bank, .....50        | 46   | @ 49   |         |
| Merchants and Manuf....50     | 51   | @ 51½  |         |
| Philadelphia, 6 per cent., .. | 101¾ | @ 102  |         |
| United States Bank,.....      | 2½   | @ 2¾   |         |
| Bank of Louisville,.....100   | 99   | @ 100  |         |
| Northern Bank, Ky.,...100     | 105½ | @ 106½ |         |
| Bank of Kentucky,....100      | 102  | @ 102½ |         |
| Union Bank, Tenn.,...100      | 51½  | @ 52   |         |
| Planters' Bank of Tenn., ..   | 51   | @ 52   |         |
| N. O. Gas Light Bank Co.,     | 110  | @ 110½ |         |
| Morris Canal, .....25         | 13   | @ 13½  |         |
| Reading Rail Road, ....50     | 18¾  | @ 18½  |         |
| Do. Bonds, 6 p. ct. 1870,     | 65½  | @ 65¾  |         |
| Do. Mortgages, 1860,...       | 70¾  | @ 71   |         |
| Com. & Vicks. R. R. B., 100   | 15½  | @ 16   |         |
| Phil. and Trenton R. R. 100   | 117  | @ 118  |         |
| Phil. W. Balto. R. R. ....50  | 25¾  | @ 26½  |         |
| Harrisburgh R. R. ....50      | 46¾  | @ 47   |         |
| Schuylkill Navigation, ...50  | 18   | @ 18½  |         |

## BALTIMORE, 22 FEBRUARY.

|                               |     |      |
|-------------------------------|-----|------|
| Maryland, 6 per cent.,.....   | 102 | 102½ |
| Virginia, 6 per cent.,.....   | 98½ | 99½  |
| Baltimore, 6 per cent., 1890, | 104 | 105  |
| B. and O. R. R. Stock,.....   | 53½ | 54   |
| Do. do. Bonds, 1854,          | 99½ | 100  |
| Do. do. Div. Bonds,           | 92  | 93½  |
| Bank of Baltimore, .....100   | 92½ | 94   |
| Merchants' Bank,.....100      | 95  | 97   |
| Union Bank, .....75           | 66  | 66¾  |
| Mechanics' Bank,.....15       | 16  | 16½  |
| Commerc'l and Farm.,...33½    | 35  | 36   |
| Western Bank, .....20         | 19¾ | 20½  |
| Farmers and Planters'...25    | 26  | 27   |
| Chesapeake Bank, .....25      | 24½ | 26   |
| Marine Bank,.....30           | 28½ | 29   |
| Farmers and Merch'ts',...40   | 34  | 36   |
| Franklin Bank,.....12½        | 10½ | 11½  |
| Farmers' Bank of Md.,...50    | 49  | 50   |
| Patapsco Bank,.....25         | 22  | 23½  |

### UNCURRENT MONEY.

|                             |        |  |
|-----------------------------|--------|--|
| Patapsco Bank, .....        | par.   |  |
| Havre de Grace,.....        | ½ @ 1  |  |
| Cumberland, .....           | ½ @ ¾  |  |
| Maryland, interior, .....   | ½ @ ¾  |  |
| Bank of Virginia, .....     | ½ @ ¾  |  |
| Do. do. Branches,...        | ½ @ ¾  |  |
| Farmers' Bank of Va., ..... | ½ @ ¾  |  |
| Do. do. Branches,           | ½ @ ¾  |  |
| Exchange Bank of Va., ..... | ½ @ ¾  |  |
| Do. do. Branches,           | ½ @ ¾  |  |
| Bank of the Valley, .....   | ½ @ ¾  |  |
| Do. do. Leesburg, ..        | ½ @ ¾  |  |
| Do. do. Romney, ..          | ½ @ ¾  |  |
| Wheeling, .....             | ¾ @ 1  |  |
| New York City, .....        | par.   |  |
| Philadelphia, .....         | par.   |  |
| Pennsylvania, Country,..... | ¾ @ 1  |  |
| New England, Country,.....  | ¼ @ .. |  |
| Ohio, .....                 | 1 @ 1½ |  |
| Indiana, .....              | 1 @ 1½ |  |
| Kentucky, .....             | 1 @ 1½ |  |
| North Carolina, .....       | 1 @ 1½ |  |
| South Carolina, .....       | ½ @ 1  |  |
| Georgia, .....              | ¾ @ 1  |  |
| New Orleans, .....          | ½ @ .. |  |
| Tennessee,.....             | 2 @ 2½ |  |

| NEW YORK, 23 FEBRUARY.               |                | BOSTON, 23 FEBRUARY.                  |                |
|--------------------------------------|----------------|---------------------------------------|----------------|
| New York, 6 per cent., 1860          | 112½ @ 114½    | Albany, W. R. R. 6's, . . . . .       | 104½ @ 105     |
| Do. 6 per cent., 1865                | 112½ @ 115½    | Do. do. 1865                          | 104 @ 104½     |
| Do. 5 per cent., 1862                | 106 @ 107      | Boston 6's, . . . . . 1853            | 100½ @ 101     |
| Do. do. 1858                         | 102½ @ 103     | Boston 5's, . . . . . 1860            | 96 @ 97        |
| N. Y. City, 7 per cent., 1857        | 111 @ 115      | East Boston Co., . . . . .            | 14½ @ . . . .  |
| Do. 5 per cent., 1856                | 100¾ @ 101     | Massachusetts 5's, . . . . . 1859     | 95½ @ 96       |
| Do. Do. W. Ln. 1858                  | 101 @ 102      | Massachusetts Sterlings, . . .        | 100½ @ 101     |
| N. Y. and Erie R.R., new, 6          | 62½ @ 62½      | Atlantic Bank, . . . . .              | 105 @ . . . .  |
| Syracuse and Utica, . . . . . 8      | 130 @ 130½     | Atlas Bank, . . . . .                 | 100 @ . . . .  |
| Auburn and Rochester, . . . 8        | 84 @ 84½       | Boston Bank, . . . . . (par 50)..     | 55 @ 55½       |
| Long Island, . . . . .               | 17½ @ 17½      | Boylston Bank, . . . . .              | 104 @ 105      |
| Providence and Stoning, . . . 5      | 46 @ 47        | City Bank, . . . . .                  | 101 @ 102      |
| Tonawanda, . . . . . Ex. div. . . 20 | 112 @ 115      | Cochituate Bank, . . . . .            | 97½ @ 100      |
| Harlem, . . . . .                    | 54½ @ 54½      | Columbian Bank, . . . . .             | 101 @ . . . .  |
| Mohawk, . . . . .                    | 80 @ 82        | Eagle Bank, . . . . .                 | 103 @ 103½     |
| Utica and Schenectady, . . . . 124½  | @ 125          | Exchange Bank, . . . . .              | 104½ @ 105     |
| Hudson River, . . . . .              | 61 @ 61        | Freeman's Bank, . . . . .             | 109 @ 110      |
| Bank of New York, . . . . . 10       | 136½ @ 137     | Globe Bank, . . . . .                 | 108 @ 109      |
| Manhattan Bank, . . . . . 7          | 106½ @ 106½    | Granite Bank, . . . . .               | 100 @ 100½     |
| Merchants' Bank, . . . . . 8         | 112 @ . . . .  | Grocers' Bank, . . . . .              | 97 @ . . . .   |
| Mechanics' Bank, . . . . . 5         | 118 @ 119      | Hamilton Bank, . . . . .              | 101 @ 102      |
| Union Bank, . . . . . 10             | 127½ @ 128     | Market Bank, . . . . . (par 70)..     | 80 @ 81        |
| Bank of America, . . . . . 7         | 105¾ @ 106     | Massachusetts, . . . . . (par 250)..  | 24½ @ 245      |
| City Bank, . . . . . 8               | 114 @ 116      | Mechanics' Bank, (S. B.)..            | 104 @ 105      |
| Phenix Bank, . . . . . 6             | 99½ @ 99¾      | Merchants' Bank, . . . . .            | 108½ @ . . . . |
| Tradersmen's Bank, . . . . . 15      | 130 @ . . . .  | New England Bank, . . . . .           | 106 @ 106½     |
| Fulton Bank, . . . . . 10            | 118¾ @ 121     | North Bank, . . . . .                 | 97 @ 98        |
| Del. and Hudson C. Co., . . . 24     | 155½ @ . . . . | Shawmut Bank, . . . . .               | 101 @ . . . .  |
| Butchers and Drovers', . . . 10      | 119 @ 125      | Shoe and Leather Dealers', .          | 112 @ 114      |
| National Bank, . . . . . 8           | 110½ @         | State Bank, . . . . . (par 60)..      | 61½ @ . . . .  |
| Merchants' Exchange, . . . . 8       | 109 @ 110      | Suffolk Bank, . . . . .               | 130 @ 135      |
| Leather Manufacturers', . . . 7      | 108½ @ 112     | Traders' Bank, . . . . .              | 100 @ 101      |
| Bank of the State of N.Y., 7         | 99 @ 100       | Tremont Bank, . . . . .               | 104½ @ 105     |
| Bank of Commerce, . . . . . 6½       | 103½ @ 103¾    | Union Bank, . . . . .                 | 103½ @ 104     |
| Mech. Banking Ass'n, . . . . 7       | 98 @ 99        | Washington Bank, . . . . .            | 95½ @ 96       |
| Amer. Exch. Bank, . . . . . 8        | 112 @ 112½     | American Insurance Co., . . .         | 127 @ . . . .  |
| N. Y. L. I. and T. Co., . . . . 8    | 115 @ . . . .  | Boston Ins. Co., . . . . .            | 105 @ 106      |
| Farmers' L. and T. Co., . . . .      | 30¾ @ 30¾      | Boylston Fire and Marine, . .         | 110 @ . . . .  |
| Ohio Life and T. Co., . . . . .      | 99 @ 99        | Fireman's Ins. Co., (par 25)          | 41 pr. ct. adv |
| Canton Co., . . . . .                | 40 @ 40½       | Franklin Ins. Co., . . . . .          | 96 @ 97        |
| Bank of Louisiana, . . . . . 8       | 125½ @ . . . . | Hope Ins. Co., . . . . .              | 106½ @ . . . . |
| Louisiana State Bank, . . . . 6      | 90 @ 95        | Manufacturers' Ins. Co., . . .        | 122 @ . . . .  |
| N. O. Canal and B. Co., . . . . 6    | 74 @ 75        | Mercantile Marine, . . . . .          | 89 @ 90        |
| Mech. and Traders' Bank, 6           | 84 @ 86        | Merchants' Ins. Co., . . . . .        | 125 @ 130      |
| Ohio, 6 per cent., . . . . . 1870    | 107½ @ 107½    | National Ins. Co., . . . . . (par 50) | 64 @ . . . .   |
| Do. 7 per cent., . . . . .           | 103¾ @ 103¾    | Neptune Ins. Co., . . . . .           | 158 @ 160      |
| Ill. Int. Imp. Stock, . . . . . 1847 | 46¾ @ 47       | Suffolk Ins. Co., . . . . .           | 88 @ 90        |
| Indiana Bonds, . . . . .             | 41 @ 45        | Tremont Ins. Co., . . . . .           | 122 @ . . . .  |
| Do. State Fives, . . . . .           | 78½ @ 78½      | United States, . . . . . (par 50)     | 59½ @ . . . .  |
| Arkansas, 6 per cent., . . . .       | 30 @ . . . .   | Warren, . . . . .                     | 70 @ 75        |
| Alabama, 5 per cent., . . . . .      | 76 @ 80        | Washington, . . . . .                 | 91 @ 92        |

**FLUCTUATIONS IN THE PUBLIC FUNDS. NEW YORK, 1849.**  
*Quotations of Sales of prominent Stocks at the New York Stock Board at or about the close of each month in the year 1849.*

|                                            | Jan. | Feb. | March. | April. | May. | June. | July. | August. | Sept. | Oct. | Nov. | Dec. |
|--------------------------------------------|------|------|--------|--------|------|-------|-------|---------|-------|------|------|------|
| Treasury Notes, . . . . .                  | 108½ | 110½ | 107½   | 110½   | 111½ | 117   | 115½  | 112½    | 109½  | 111½ | 111½ | 111  |
| United States sixes, 1867, . . . . .       | 108  | 111½ | 108    | 112½   | 114½ | 117   | 115½  | 113½    | 111½  | 114  | 114  | 111  |
| do do 1868, . . . . .                      | 109½ | 112½ | 109    | 112½   | 115½ | 116½  | 116½  | 114     | 111½  | 114  | 114½ | 111½ |
| do do fives, 1853, . . . . .               | 90½  | 99½  | 98     | 99½    | 101  | 101½  | 101½  | 101     | ....  | 102  | 102  | 100½ |
| Ohio sixes, 1860, . . . . .                | 103  | 103½ | 103½   | 106½   | 107  | 109½  | 109½  | 108½    | 106   | 107  | 107½ | 104  |
| Ohio sevens, . . . . .                     | 102½ | 102½ | 103    | 101    | 102½ | 103½  | 104   | 104     | 104½  | 103  | 102½ | 102½ |
| Pennsylvania fives, . . . . .              | 79½  | 80½  | 78½    | 83     | 85½  | 87½   | 87½   | 87½     | 86½   | 88½  | 89½  | 90   |
| Kentucky sixes, . . . . .                  | 101½ | 101½ | 100½   | 103½   | 105  | 108½  | 105   | 104½    | 102   | 103½ | 105  | 105½ |
| Indiana State fives, . . . . .             | 63   | 64   | 63     | 64½    | 66½  | 69    | 69½   | 69½     | 67½   | 70   | 70½  | 69½  |
| Eric Rail Road sevens, . . . . .           | 96½  | 96½  | 95½    | 100    | 99   | 101½  | 102½  | 102½    | 102½  | 103½ | 100  | 100½ |
| Reading Bonds, . . . . .                   | 46½  | 51   | 53½    | 52½    | 54½  | 65    | 62    | 56½     | 59½   | 58   | 57   | 58½  |
| Manhattan Bank, . . . . .                  | 98   | 94½  | 95½    | 96½    | 102½ | 104½  | 105   | 103     | 102   | 104  | 105½ | 105½ |
| Mechanics' Bank, . . . . .                 | 106½ | 110  | 108    | 105    | 108  | 109½  | 110   | 112     | 113½  | 114  | 113½ | 114  |
| Bank of Commerce, . . . . .                | 98   | 97½  | 97     | 98½    | 102½ | 103½  | 101½  | 100½    | 101½  | 102  | 105  | 106½ |
| Bank of America, . . . . .                 | 97   | 96½  | 94½    | 98     | 100½ | 100   | 100½  | 100     | 100½  | 105  | 105½ | 102  |
| Bank State of New York, . . . . .          | 90   | 86   | 86     | 90     | 90   | 95    | 95    | 95½     | 95    | 96½  | 96½  | 97   |
| Phenix Bank, . . . . .                     | 86   | 85   | 84     | 84     | 89   | 91    | 91    | 90½     | 90    | 97   | 101½ | 103½ |
| Farmers' Trust Company, . . . . .          | 34   | 37   | 34½    | 36½    | 34½  | 39½   | 39½   | 38½     | 36½   | 35½  | 36½  | 35½  |
| Canton Company, . . . . .                  | 38½  | 42½  | 37½    | 38½    | 36½  | 39    | 39½   | 38½     | 38½   | 38½  | 39   | 40½  |
| Morris Canal Company, . . . . .            | 9½   | 9½   | 8½     | 9½     | 8½   | 8½    | 8½    | 8       | 8½    | 8½   | 9    | 9½   |
| Utica and Schenectady Rail Road, . . . . . | 119½ | 118  | 118    | 119½   | 122  | 124½  | 119   | 120½    | 120½  | 122  | 122  | 123  |
| Auburn and Rochester Rail Road, . . . . .  | 84   | 80½  | 82     | 85     | 85   | 86½   | 81    | 84½     | 83½   | 80½  | 80   | 84½  |
| Long Island Rail Road, . . . . .           | 24½  | 26½  | 23½    | 23½    | 22   | 22½   | 20½   | 19½     | 17½   | 17½  | 16½  | 17   |
| Harlem Rail Road, . . . . .                | 66½  | 61½  | 67½    | 68½    | 56   | 54½   | 53½   | 53½     | 53    | 51½  | 52½  | 52½  |
| Eric Rail Road, . . . . .                  | 61½  | 62   | 57½    | 61½    | 62   | 61½   | 60½   | 60½     | 60½   | 61½  | 61½  | 59   |
| Norwich and Worcester, . . . . .           | 34   | 39   | 33     | 37     | 37½  | 36    | 34½   | 35½     | 38½   | 36½  | 36½  | 36½  |
| Reading Rail Road, . . . . .               | 24   | 31   | 32½    | 31½    | 30½  | 35½   | 34    | 32½     | 32½   | 32½  | 32½  | 32½  |
| Mohawk Rail Road, . . . . .                | 78   | 86   | 80     | 82     | 83   | 85    | 86½   | 82½     | 85½   | 87½  | 90   | 91   |

## MISCELLANEOUS.

**BOOKS FOR BANKERS.** *Ten Minutes' Advice to the Middle Class of People about Keeping a Banker.* By J. W. Gilbert, F. R. S., pp. 28. London, R. Tyas, 50 Cheapside. Price one shilling.

*The Banking Almanac, Directory, Year Book and Diary for 1850.* 8 vo. pp. 178. Price five shillings. London, R. Groombridge & Sons, 5 Paternoster Row. This volume contains a list of all the Banks, Private and Joint Stock Banks in England, Ireland and Scotland: Amount of Circulation of each: Private Bankers of London: Bank of England Directors, Officers and Statistics: Life Assurance Directory: Location and Managers of Provincial Banks and their London Agents, with a variety of Useful Information. (Price in New York \$1.50.)

*The British Almanac of the Society for the Diffusion of Useful Knowledge for 1850,* with Lists of the House of Peers and House of Commons, Government Officers, Courts of Law: Banks, Bankers, Directors, Societies in London, with their Directors: The Companion (or Appendix) to the Almanac, forms a *Year Book* of Useful Information, containing, this year, a Sketch of Ancient and Modern Usage in Reckoning: on the British and Irish Fisheries: Public Libraries: Railways: Coal Trade of London: Water Works: Fluctuation of the Funds: Finance, Currency, Trade, Crime and Law, and Miscellaneous Reports and Tables: Sketch of late Metropolitan Improvements; (with engravings of new Churches, Railway Stations, &c.) 12mo. pp. 96 and 264. London, Charles Knight, 90 Fleet Street. Price four shillings. (Price in Boston, \$1.50.) For sale by Little & Brown, Boston.

*The Massachusetts State Record and Year Book of General Information for 1850.* By Nahum Capen. Volume 4. Boston, J. French, 78 Washington St. \$1.

*The Standard Library Cyclopedia of Political, Constitutional, Statistical and Forensic Knowledge.* 4 vols. 12mo. 450 pp. each. Bohn, York Street, Covent Garden, London. 4 shillings per volume. (Price in Boston, \$1.00.) This series embraces the articles of the Penny Cyclopedia on matters of Constitution, Political Economy, Trade and Commerce, Administration and Law, with many valuable additions. The following subjects are ably discussed, Capital, Annuity, National Debt, Demand and Supply, Life Insurance, Money, Savings Banks, Banks, &c. *Volumes sold separately.*

*The London Bankers' Magazine, Journal of the Money Market and Railway Digest.* Monthly, £1 per annum. Groombridge, 5 Paternoster Row, London.

*The Internal Management of a Country Bank.* In a Series of Letters. By Thomas Bullion. Groombridge, Paternoster Row, London.

*Capital, Currency and Banking.* By James Wilson, Esq., M. P., Editor of the London Economist. 8 vo., ten shillings. No. 340 Strand.

*Tate's Modern Cambist,* new edition, 12 shillings. Wilson, 11 Royal Exchange.

*Money and its Vicissitudes in Value.* By Samuel Bailey, Esq. 8vo., 6 shillings. Same.

*The Importance of Life Insurance.* By Alfred Burt, Esq. 8 vo. 7sh. 6d. cloth same.

*An Historical and Statistical Account of the Population, the Law of Mortality, and the Different Systems of Life Insurance;* including the Validity and Nonvalidity of Life Policies. With observations on Friendly Societies and Savings Banks; to which is added a Review of Life Insurance, explanatory of the Nature, Advantages and the Various Purposes to which it may be applied. By Alfred Burt, Esq., Secretary to a Life Office. London, 1849. Effingham Wilson, Publisher.

*Treatise on Banking.* By James William Gilbert, F. R. S., Manager of the London and Westminster Bank, Part I. of Practical Banking. Part II. of Banking Institutions. 2 vols. 8vo. £1, 4s. Longman, Paternoster Row. (Price in New York, \$8 to \$9.)

*A Manual of Gold and Silver Coins of all Nations, struck within the Past Century, showing their History and Legal Basis and their Actual Weight, Fineness and Value, chiefly from Original and Recent Assays, with which are incorporated Treatises on Bullion and Plate, Counterfeit Coins, Specific Gravity of Precious Metals, &c., with Recent Statistics of the Production of Gold and Silver in the World, and sundry Useful Tables,* by Jacob Eckfeldt and Wm. E. Dubois, Assayers of the Mint of the United States; illustrated by Numerous Engravings of Coins, by Joseph Saxton, of U. S. Mint, 1 vol. 4to, half bound. \$5.

*New Varieties of Gold and Silver Coins, Counterfeit Coins and Bullion, with Mint Values.* By Eckfeldt and Dubois, of the Philadelphia Mint, 1 vol. \$1.

*Ancient Coins and Medals,* by Henry Noel Humphreys, illustrated by numerous Fac Simile Examples in Actual Relief and in the Metals of the respective Coins, 1 vol. 8vo., in relieve leather. London. \$7.25.

*Hume and Macaulay.*—Hume's England, in six volumes, 12mo., fine paper and large type, only 62 cts. per vol. Phillips, Sampson & Co., Boston.

*Macaulay's History of England,* uniform with Hume; same paper and type, and elegantly printed, 62 cts. per vol. Phillips, Sampson & Co., Boston.

*Shakspeare's Dramatic Writings.*—Each play in a separate No., printed on superfine and thick paper, large type, with steel engravings. 25 cents per No. Ten Nos. now issued, with one engraving each, viz., Isabella, Julia, Beatrice, Olivia, Titania, Princess of France, Miranda, Portia, Mrs. Ford, and head of Shakspeare. The Nos. can be transmitted per mail at a cost of ten cents per No. Phillips, Sampson & Co.

*Gibbon's Rome:* Edited by Milman, 12mo. uniform with Hume and Macaulay. 6 volumes, 62 cts per vol. (See advertisement on the cover.)

**FRENCH COLONIAL POLICY.**—It will be remembered that the French Constituent Assembly voted the sum of fifty millions of francs for a grand experiment of Colonization in Algeria, to be continued through some years. A commission of members of the present Assembly was deputed to inspect the condition of the agricultural colonists. They have submitted a report to the government. Not more than eight thousand French acres had been brought into cultivation; all was destitution, sickness, despondency. The recruits in this capital were over-numerous and eager; mostly, *proletaires*, the common workmen, the idle and the dissipated, reduced to extreme penury, and a considerable portion, militant politicians; nearly all unfit, in body, mind, and habits, for any agricultural settlement. We used to visit the quays of the Seine, on the days of the departure of the detachments, to enjoy an imposing and lively spectacle, a vast concourse of spectators, military music, republican banners, clerical benediction, solemn and tender *adieux*—and reciprocated shouts from the boats and the banks, of *Vive la Republique*. Nearly twenty-six millions of francs have been expended on these forlorn expeditions.

According to recent official returns, the surface of Algeria is thirty-eight millions seven hundred thousand *hectares* (the hectare is more than two French acres); the whole European population is about a hundred and twenty thousand. There are sixty thousand French troops in garrison. The native population—Arabs and Moors—is estimated at three millions,—*vaincus, mais non soumis*—vanquished, but not subdued—hating, almost universally, the Christian rule. The only real advantage which, as yet, has accrued to France from the conquest, is the formation of able generals and good soldiers;—it has been an excellent theatre for military training—a nursery of regiments that have proved the chief defence of government and society in the mother country, since the Revolution of February.—*Paris Corr. Journal of Commerce.*

**INDIVIDUAL LIABILITIES OF STOCKHOLDERS.**—On the 1st January the clause in the constitution of the State of New York, which attaches individual liability to stockholders in banks, went into operation under the following section :

“Whenever default shall be made in the payment of any debt or liability contracted after the first day of January, 1850, by any corporation or joint stock association for banking purposes, issuing bank notes or any kind of paper credits to circulate as money, after the first of January, 1850, the stockholders of such corporation or association shall be individually responsible, equally and rateably ; such responsibility to be forced as hereafter provided, and in no other manner, for the amount of such debt or liability, with interest, to the extent of their respective shares of stock in any such corporation or association, as *hereinafter provided.*”

The N. Y. Tribune says : “The only bank which thus far has withdrawn its circulation under this enactment is the Bank of Commerce, which has made arrangements to use the circulation of another Wall-street Bank, paying 2 per cent. per annum for the privilege. The circulation of our Free Banks is thus doubly secured, first by the stocks in the hands of the Comptroller, and secondly by the individual liability of the stockholders.”

**ODDENSBURG BANK.**—An attempt was made upon the Ogdensburg Bank, on Thursday morning, February 14, by some daring scoundrels, with the evident intention of committing a robbery. The entrance was effected at the door in the rear of the building. A large iron door was removed from the hinges, and a block bored from the inner door, large enough to admit a person's hand and arm, as it would seem, with the intention of unlocking it from the inside ; but the key having been removed by the officers of the bank, the burglars broke in the glass, and entered the Directors' room.

They then attempted to force the folding doors, which separate the Directors' room from the front or business room, with a bar, but while engaged in this, were probably frightened from their work by some noise in the street. The burglary must have been committed some time after midnight, from the fact that about as much snow was found under the chips which fell from the door, as above them, and the tracks in the snow which fell early in the morning, were quite distinct when the discovery was first made. They succeeded in getting nothing of value. We do not understand that suspicion attaches to any one.—*Ogdens. Sent.*

**ADVANTAGES OF RAIL ROADS.**—Corn, which was difficult of sale at fifteen cents a bushel at Terre Haute before the opening of the canal, will now readily command the market rate of 25 cents for the northern market.—*Report of the Trustees of the Wabash and Erie Canal.*

The fact which is here stated is one which no man finds any difficulty in believing. Nor is there any diversity in opinion, upon the point that the two phenomena, of the rise in the value of the corn, and the furnishing of a cheaper mode of transportation, are connected as cause and effect. Some time last summer we had occasion to remark upon a statement of the *Sangamon Journal*, in speaking of the railroad then recently constructed, from Springfield, Illinois, to the Illinois river. “One week—says that paper—before the railroad was complete, corn could be had here in any quantity at 15 cents a bushel. Not a bushel can now be had for less than 25 cents. This is the effect of the completion of the railroad on the price of one article of the products of our farmers.”—*Buffalo Com. Adv.*

**ANECDOTE.**—In a note to his Life of Chief Justice Mansfield, Lord Campbell tells us that he once heard a judge at Stafford sentencing a prisoner convicted of uttering a forged one-pound note, when, after having pointed out to him the enormity of the offence, and exhorted him to prepare for another world, the dignitary thus concluded :—“And I trust that, through the merits and mediation of our blessed Redeemer, you may there experience that mercy which a due regard to the credit of the paper currency of the country forbids you to hope for here.”

## BANK ITEMS.

**RHODE ISLAND.**—The legislature adjourned on the 16th February.

An act was passed authorizing the Secretary of State to represent the State in all meetings of the stockholders of banks in which the State owns stock. The previous law made the Secretary a director in such banks, but did not authorize him to vote in a stockholders' meeting. The same act authorizes, under certain restrictions, the stockholders of a bank to remove the directors, and the directors to remove any officer appointed by them.

Considerable time was occupied in the House in the discussion of the petitions of banks for liberty to increase their capitals. The Merchants' Bank of Providence asked for liberty to increase its capital from \$500,000 to \$1,000,000 under its present charter, which exempts the stockholders from personal liability, and contains no clause authorizing its amendment or repeal. The committee reported favorably, with the condition that the bank should pay to the State a bonus of three per cent. on the new capital. The House refused to grant the petition unless the bank would accept an amendment placing the institution strictly on the principle of individual liability.

The Arcade Bank, whose charter contains a modified provision of personal liability, asked for a similar increase of capital, but was refused, unless upon the same condition.

The principle of personal liability in banks is so well established in our legislation that no one would think of asking for a charter without it; but when the question arises upon increasing the capital stock of banks already established, it may well be considered, each case upon its own merits. Large as is the banking capital of this city, it is not equal to the legitimate demands of business. Considerable sums which would naturally prefer investment here are continually invested in foreign corporations, or are temporarily employed at home to prey upon the mercantile community at enormous rates of interest. The State, too, requires the bonus which the banks are ready to pay for their charter privileges. —*Providence Journal.*

*AN ACT in amendment of an Act entitled "An Act in relation to Banks."*

*It is enacted by the General Assembly as follows :*

Section 1. The Secretary of State shall, ex-officio, be entitled to be present at the meetings of the stockholders of every bank in which the State is a stockholder, and vote upon the stock owned by the State in all questions before such meetings.

2. No person shall be entitled to vote, at any stockholders' meeting in any bank, upon stock which has been transferred to him within fifteen days of such meeting.

3. A majority, consisting of not less than half the stockholders in interest in any bank, may remove any or all the directors of the bank, at any meeting legally called and notified for that purpose: and vacancies caused by such removals may be filled in the manner prescribed by the charter and by-laws of such bank.

4. The directors of any bank may, by a majority of not less than half of the whole board, remove any officer of the bank appointed by them; provided, that at least ten days' notice of the meeting of the board for such purpose be given to all the members of such board, and to the officer sought to be removed.

**BANK OF FRANCE.**—Accounts from Paris state that a most audacious attempt to rob the Bank of France was made at one o'clock on the afternoon of January 17th. A number of individuals, some dressed as laborers, and others having the appearance of gentlemen, entered the cash office and made a rush at the piles of gold and silver. Quickly as the attack was made, an alarm was raised, and the guard arrived. Three of the robbers were arrested, and turned out to be Englishmen.

**ALABAMA.**—The Legislature of this State adjourned *sine die* on the 13th February, after a session of three months.

Amongst the acts of a general nature that were passed into laws, are the Revenue law; the Free Banking law; an act incorporating the Southern Bank of Mobile; an act allowing the Bank of Mobile to issue three dollars in paper for one in specie on hand; an act appropriating sixty thousand dollars to rebuild the capitol; an act reorganizing the county courts, making them simply courts of probate, and abolishing the common law jurisdiction, and merging the offices of judge and clerk into one; an act appropriating one half the two per cent. fund, and one hundred thousand dollars of the three per cent. fund to the Selma and Tennessee Railroad; and many acts for plank roads, by which some twenty thousand miles of these roads have been chartered.—*Mobile Register*.

**OHIO CIRCULATION.**—The Banks of Ohio with few exceptions, have entered into a combination for the protection of their interest. The combination is termed the Ohio Bank Agency, and commenced business a few weeks since at Cincinnati on a pro-rata capital furnished by each bank which becomes a party to the arrangement. This pro-rata contribution is stated to be about 5 or 10 per cent. on the amount of circulation said bank had at a given date. Whenever a given amount of notes are redeemed at the agency for any bank, by giving for them exchange at  $\frac{3}{4}$  per cent. premium, they are sealed up and returned to the bank, and the amount sent back in Eastern exchanges.

**NEW YORK.**—A bill of considerable interest was reported to the Senate at Albany on 23d of February, and although at present applicable to the Greenwich Savings Bank at New York only, we think might well be made a general law, applicable to all institutions for savings. The bill gives the Directors of the Greenwich Savings Bank the discretion to pay to a married woman, who has deposited her hard-earned savings with the bank, her deposit, and that her receipt shall be a legal discharge for the payment to her of such deposit. The object of the bill, it will be seen, is truly philanthropic, and preserves to a provident mother, from the hands of an imprudent father, the savings of her labor, designed for and in many instances the sole support of a young family.—*Albany Argus*.

**NEW YORK CITY.**—The Mercantile Bank, capital \$300,000, has opened for business at 168 Broadway. Discount days, Wednesdays and Saturdays, but offerings will be acted upon daily. In addition to city funds, bills of banks throughout this State will be received in deposit, at a discount. *Directors*, Isaac N. Phelps, George Merritt, Joseph Stuart, Calvin Burr. *J. C. Bell, Cashier.* *W. B. Douglas, President.*

The Mercantile Bank will receive the notes of the Bank of Ithaca at  $\frac{1}{2}$  of one per cent. discount.

"It is not, as intimated, a branch of the late Bank of Ithaca. The charter of that institution has expired, its business is closed, and a deposit made to redeem its outstanding circulation. A majority in interest in connection with parties in this city, have simply associated themselves for the purpose of banking under the general banking law, with a capital of \$300,000."

"It is not, and has not been contemplated to adopt a system analogous to the Suffolk Bank system, but merely to accommodate our depositing customers, by receiving from them the issues of the banks throughout this State, at as low a discount as circumstances will warrant."

**BROOKLYN.**—The Brooklyn Bank commenced operations under its amended charter, in May, 1849, with a capital of one hundred and fifty thousand dollars. [See pp. 156 and 737 current volume.] The first dividend of three and one half per cent. was declared February 1, 1850. *President*, John Blunt, Esq., *Cashier*, Hector Morrison, Esq.

**SOUTH CAROLINA.**—Robert L. Stewart, Esq., was on the 20th February, elected Cashier of the Bank of Charleston.

**NEW JERSEY LEGISLATURE.**—The General Bank bill has passed the Senate at last, and was sent this afternoon to the House for concurrence, where it was made the order of the day for to-morrow. It has cost the Senate many moments of weary labor and anxiety to perfect it as far as possible, and the Senators were themselves evidently surprised that they had at last succeeded in putting it in so unobjectionable a form that every member present could vote for it with but two exceptions. Mr. Whitehead opposed it at some length, chiefly because it was an experiment which he thought no State in our condition ought to try; because the banking facilities should not be exercised with the freedom which this bill allows, and he was not satisfied that it was necessary to the interests of the State nor that the majority of the people desired it. Mr. Marsh replied to his arguments, endeavoring to show that the bill was perfectly safe, furnishing far better security to bill-holders than our present system; that applications for special charters now before the Legislature, and the movements of the people through the northern part of the State, were sufficient evidence that there was a call for additional banking facilities which must be granted under the insecure system, if this bill did not pass.

The bill, as it stands now, allows any association of persons in this State to transfer to the Treasurer any public stocks of New Jersey, of the United States and of Massachusetts, whereupon they will be entitled to receive an equal amount of notes for circulation, countersigned, registered, &c., as under the New York law. The stocks, however, cannot be taken below their par value, nor unless they are worth 100 cents to the dollar when sold for gold or silver. The bills are to be made payable on demand at their place of business in this State, and not elsewhere.

The associations may, if they choose, deposit one third of their security in bonds and mortgages on "improved productive, unincumbered lands, within this State, worth, independently of any buildings thereon, at least treble the amount for which they shall be so mortgaged, and no mortgage shall be for a greater amount than \$5,000"—the remaining two-thirds of the security however, must be in the stocks as above mentioned.

The stockholders are made "individually responsible, equally and rateably," for the debts and liabilities of the association to the extent of their stock.—*Newark Advertiser*, 19 February.

**GEORGIA.**—A bill has been introduced into the Senate of Georgia for the establishment of the "Cherokee Insurance and Banking Company," at Dalton, with a capital of \$100,000. Also for the incorporation of the "Bank of Savannah" with a capital of \$500,000.

**KENTUCKY.**—William Ernst, Esq., has been elected Cashier of the Branch Northern Bank of Kentucky, at Covington, in place of P. S. Bush, Esq., resigned.

**NEW ORLEANS.**—The Board of Directors of the Bank of Louisiana have declared a dividend of five per cent., out of the profits of the last six months; and an extra dividend also of ten per cent. out of the surplus profits of the institution, which provides for distribution the handsome sum of \$600,000 among the shareholders. The capital of the bank is \$4,000,000.

**TO CORRESPONDENTS.**—"Hancock" and "C. A." are received too late for this month's No., and will receive attention next month.

**BANKS ON BROADWAY.**—The new Mercantile Bank has commenced its operations in Broadway, just below Maiden Lane. The Chemical Bank will soon remove to its elegant new structure near Chamber street; and the recently organized Broadway Bank and Broadway Insurance Company are also in full operation—the former at the corner of Leonard street, in Moffat's new building, and the latter at the corner of Canal street and Broadway.—*Jour. Commerce*.

## Notes on the Money Market.

BOSTON, 28 FEBRUARY, 1850.

There is yet an active demand for money in State Street, above the legal rates. The quantity of paper in the street for sale is, however, lessening, and there is a prospect of a return to legitimate trade by our merchants. Almost every class of men have ventured too largely for the last two or three years. There is sufficient bank capital, and an abundance of banking facilities in Boston, for its ordinary business—but a general expansion, as in 1848–9, created more wants than could be supplied. It is very easy to see that if the merchants and traders, as a body, add ten per cent. to the aggregate transactions of a previous year, the money facilities cannot keep pace with the requirements of the business community.

The discoveries in California gave a great impetus to trade twelve months since; it was felt by the ship builder and ship owner, the merchant, the manufacturer, and the mechanic. Not only was a large amount of property sent out of the country immediately thereafter, but new contracts were made for still larger amounts, and goods have been going out continually since that period. All this new business, sudden and unexpected, has been carried on without a commensurate increase of money or money facilities. There has been no visible increase of currency, and it may be said that all these new transactions have been carried on without any considerable addition of banking facilities.

In fact, so far as our own banks are concerned (Boston), although they exhibit a larger aggregate of capital, their actual accommodations to the public are less now than two years since, and the line of circulation is also reduced. We can better illustrate this by a reference to the figures of the Annual Reports, viz :

| BOSTON BANKS.    |         | Circulation. | Loans.       | Capital.     |
|------------------|---------|--------------|--------------|--------------|
| September, 1847, | . . . . | \$7,200,000  | \$34,000,000 | \$18,800,000 |
| September, 1848, | . . . . | 4,900,000    | 30,000,000   | 18,900,000   |
| October, 1849,   | . . . . | 5,900,000    | 31,000,000   | 19,500,000   |
| MASSACHUSETTS.   |         | Circulation. | Loans.       | Capital.     |
| September, 1845, | . . . . | \$14,300,000 | \$52,600,000 | \$30,900,000 |
| September, 1846, | . . . . | 14,600,000   | 51,300,000   | 31,100,000   |
| September, 1847, | . . . . | 17,100,000   | 57,200,000   | 32,100,000   |
| September, 1848, | . . . . | 13,100,000   | 53,100,000   | 33,000,000   |
| October, 1849,   | . . . . | 15,600,000   | 56,600,000   | 34,600,000   |

From these Returns we can perceive why money is apparently tight. There has been a gradual increase of bank capital, but bank capital is not money. We may add another million to the bank capital of Boston, but it will not necessarily add to the volume of circulation or to the line of discounts. The loans of our city banks at their last Report were thirty-one millions, and the circulation nearly six millions. Two years previously the loans were three millions more, and the circulation twenty per cent. larger; this, too, in the face of increased manufactures, increased shipping, and a general increase of trade throughout the year 1849. The banks are doing all they can for their customers, but they cannot, singly or collectively, add materially to their circulation, because the balance of trade (the extra issues) would re-act upon them. The coin in the banks is less now than for some years past, viz., Oct. 1849, \$2,700,000; in 1847, \$3,900,000; in 1846, \$3,000,000; and in 1845, twenty per cent. more than at present. While the banks evince the best disposition to aid their friends, they are bound to protect themselves, and to maintain a due per-centage of coin as compared with their cash liabilities.

If the Boston merchants and traders had confined their business of 1849 to the limits of 1848, the heavy payments of the last six or nine months would have been, in some measure, obviated; but each class was seized with a desire to add to their previous gains. He whose aggregate operations in 1848 were \$100,000, concluded that ten or twenty thousand more could be safely done under the favorable auspices of the spring of 1849. The larger and the smaller trader likewise opened fresh books, millions went to California, and only a partial return has been made. In the meanwhile, the six eight, and ten months' notes mature. All have gone into speculation; of course none, or few, have *anything over*. The banks are blamed for not meeting all the requisitions of their overtrading customers. [“The banks are corporations without souls,” is daily heard in State Street.]

The banks have a double duty to perform. They must take care of the merchants and traders, and also take care of themselves. If overtrading takes place, (importing \$189,000,000, as in 1836, against \$108,000,000 in 1838,) all rush to the banks for aid. The banks empty their vaults to cancel the balance of foreign trade—the merchants break because their foreign orders were too heavy, and the banks are charged with the whole disarrangement.

What would this country have been at this period without the aid of banks—the combined capital of the few, concentrated for the benefit of the many? This is a curious question for political economists to solve. The governor of Michigan says in his late message, “the losses sustained by the failure of banks, immeasurably exceed any supposed benefit that may have accrued from their institution, (!) and yet, so infatuated are many, that they seek redress, not, as would seem natural, in the suppression of banks, but in their further increase.” “California gold, now so plentiful, and still increasing, coined into eagles and half-eagles, is likely to afford a sufficient and satisfactory circulating medium, and every attempt to furnish a safer or better will signally fail of success.” The absurdity of this tirade against banking will appear from the single fact, that the whole bank circulation of the Union is less than \$150,000,000, while the ordinary *annual* products of the country are estimated (by the Patent office) at 2,000 millions of dollars; and the aggregate property of the country is, by the same authority, stated at eight thousand millions of dollars, (p. 129, vol. iii.) How little of all this property is represented by the bank issues of all the States! We may fairly conclude that the note circulation does not amount to two per cent. of the minimum value of the real and personal property of the States.

Exchange on England has fluctuated between  $7\frac{1}{2}$  and  $9\frac{1}{2}$  prem. during the present month. Bills for the steamer of the 20th inst. were sold at 9 @  $9\frac{1}{2}$ , and the latter may be quoted as the highest rate since our last month's report. Some small shipments of coin have been made to Europe, while upwards of two millions have been received from California.

The principal feature in banking is the increased demand for new banks. A bill for a general banking system will probably pass the New Jersey Legislature. One new bank has been added to those in the city of New York—and several new banks are proposed for Savannah, Baltimore, Cincinnati, Boston, Mobile, &c. Our readers are referred to authentic details, in another page, for information as to the changes in Rhode Island, New Jersey, &c.

#### DEATHS.

At St. Louis, on the 18th of January, Henry S. Coxe, Esq., Cashier of the Branch Bank of the United States at St. Louis, from its commencement to its close.

At Boston, on Sunday, 9th of Dec., Samuel C. Gray, Esq., aged 58 years, President of the Atlas Bank.

At Rochester, on the 12th of February, John T. Talmon, Esq., aged 30, for several years Cashier of the Bank of Rochester and Bank of Monroe.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

~~~~~  
VOL. IV.

APRIL, 1850.

No. X.
~~~~~

ALBERT GALLATIN.

*Personal Recollections of the late Albert Gallatin, read before the New York Historical Society, December 4, 1849, by John Russell Bartlett, Esq., and published in the Proceedings of the Society.*

THE personal history of a man whose life has been so eventful as that of our late distinguished President—whose history, I may say with truth, began with that of our country—should be given by one who had known him in his palmiest days, when the halls of Congress rang with his eloquence, or when, during the most critical period in our history, he saved the country from bankruptcy, or by one who knew him as a commissioner at Ghent, or as an ambassador to the courts of England and France. That which I propose to do is something far less ambitious than an attempt to portray his entire character, or detail in succession the events of his active and useful career; what I intend is merely to present some biographical reminiscences, obtained chiefly from his instructive conversation, and such of the opinions he was wont to express on a variety of topics, as may give some idea of the cast of his mind, and of the subjects which occupied his thoughts in the latter part of his life. Although my acquaintance with Mr. Gallatin embraces little more than ten years, it has been one of close intimacy; for scarce a week has passed, in seven or eight of these years, when it has not been my happiness to spend an evening with him. Besides these visits, the Ethnological Society, of which he was the President, met at his house weekly during the two last years of his life.

On the occasion of these visits, as he was generally alone with his excellent and amiable lady or his daughter, he was very communicative, con-

versing on all subjects. There was scarce a topic that did not bring from him some personal anecdote or illustrative remark which added to the interest of the conversation. Such would naturally be the case with a man who had led so active a life, had filled such important posts, and mingled with the most distinguished men of his day, and who possessed, moreover, a memory of such wonderful tenacity. What I propose this evening is merely to repeat some of the early recollections and anecdotes of my much loved and venerable friend, as he related them to me at various times. Had I noted down all he said, I could have filled volumes; but I at first felt scrupulous as to the propriety of keeping a record of private conversations, and it was not till within five years that I made such notes, and then only occasionally. They form no history of Mr. Gallatin's life, and are merely thrown together in something like chronological order. If they possess any interest it will be that of showing how a great man's character is exemplified in the every-day actions of his private life,—how the statesman, the financier, the scholar, and the philanthropist, are daily exhibited in every thought and every action. These little recollections will also show, incidentally, the happy effects of keeping the mind continually employed, so that when old ago, with a decline of our physical powers, comes upon us, the intellectual faculties may remain unimpaired, and thus contribute to our happiness and social enjoyment at a period when we require them more than at any other.

*De Lolme and Dumont.*—In speaking of his school days, Mr. Gallatin often alluded to such of his companions as had subsequently distinguished themselves. He felt peculiar pride in the many great men to whom his native country had given birth, or who had flourished there; such as Sismondi, the historian, Decandolle, the botanist, Agassiz, the naturalist, now among us, and De Lolme and Dumont, the writers on legislation. Müller, the historian, was his instructor in history. De Lolme, he said, was in the class above him, and possessed a great faculty for languages, which enabled him to write his book on the English Constitution after a residence of only a year in England. Dumont, the disciple and translator of Bentham and friend of Mirabeau, was in the class below him. Dumont, he said, was not remarkable at school for anything but the elegance of his French compositions and his facility in verse-making. He had no original genius, but at the same time had an exact estimate of his own powers; and the task of licking Bentham's lucubrations into shape was one that he was admirably fitted to perform.

*Arrival in the United States.*—The following account of his arrival in this country was communicated to me by Mr. Gallatin himself in February of the present year.

He embarked for Boston, but a fog or bad weather compelled the vessel in which he was passenger to stop at Cape Ann. Here he was glad to set foot on shore, and determined to leave the vessel and proceed to Boston by land. He went to the hotel, whither he was directed by a lad who also accompanied him. The boy recognized him to be a Frenchman, and told him there were some French people at the hotel. Wishing to see them, he sent word to the hostess that he would take tea with them, although he had

not been accustomed to drink tea. At the table he met the French lady alluded to by the lad. She made many inquiries of him, and first of all, as to where he came from. On telling her he was from Switzerland, and then from Geneva, she manifested much interest, as she herself had once lived there. But on asking his name, and learning it was Gallatin, her joy knew no bounds, as she told him she had lived in the family of one of his relatives of the same name; furthermore, that her husband, who was a Swiss, had emigrated, some twenty years previous, to Nova Scotia, where he owned considerable property, but that the revolutionary war had broken up his family, some of his children espousing the cause of the American colonies, while the others adhered to that of the crown. In this dilemma they had been compelled to leave the country—had come to Boston, and were on their way to Maine, where they intended to settle. They took a deep interest in the young Swiss, who, a stranger in a strange land, had also become attached to them. The result was, that he determined to accompany them to Machias, in Maine. This was in July, 1780.

*Joins the American Volunteers in Maine.*—On his arrival at Machias, he learned that Captain John Allen, commander of the fort there, was raising a company of volunteers to march for the defence of Passamaquoddy. This company Mr. Gallatin immediately joined, and accompanied towards the frontier. He was afterwards placed in the command of the fort at Passamaquoddy. But they did not have any action with the enemy, and their greatest hardship was their being compelled to haul a piece of cannon over some wet grounds and muddy roads, a trial of physical strength with which he was not familiar. The enthusiasm of the young Frenchman did not end here. Money was wanted by Col. Allen, to supply the necessities of his troops; and Mr. Gallatin, although far from kindred and friends, and without the means of replenishing his purse, did not hesitate for a moment, but advanced to his commanding officer some six hundred dollars towards relieving his urgent necessities, taking his receipt for the same, and an order on the treasury.

“This sum, though small,” said Mr. Gallatin, “was to me a very large one, as it was nearly all the money I had; but the case was an urgent one, and I felt happy in having it in my power to do this.” In October he left Machias and proceeded to Boston. On presenting the draft of Col. Allen, he found there were no funds to pay it—no money in the treasury! His circumstances were such that there was no alternative left him but to realize the most he could for his government bill, which was about one-third the original sum!

*La Perouse.*—In speaking with Mr. Gallatin on the subject of the Arctic voyages, he related to me the following incident connected with the publication of Hearne's Journey to the Northern Ocean, which is not mentioned in the book. It will be remembered that the Arctic Ocean was first discovered by Hearne, in the year 1771.

While Mr. Gallatin was in Machias, a French frigate of seventy-four guns, commanded by the celebrated navigator La Perouse, arrived there, having in convoy a number of fishing vessels to the banks. An acquaintance

was formed between them, and as they sympathized in their geographical tastes, La Perouse gave Mr. Gallatin an account of his visit to Hudson's Bay, where he was sent by his government in 1781 or '82, when he captured certain forts belonging to the Hudson's Bay Company, among them Fort Albany. At that place he found the manuscript journal of Samuel Hearne, who, ten years before, had performed a journey to the Arctic Sea in search of a Northwest passage. This journey was a most important one, occupying between three and four years, and resulted in many interesting discoveries, particularly of Copper-mine River and the Arctic Sea.

This manuscript, as might readily be supposed, interested this great navigator, who, it is known, was one of the earliest martyrs to geographical discovery. This precious document, which had been so long unnoticed, he took particular care of, with a view to its publication. Subsequently, Fort Albany was surrendered to the British, when La Perouse stipulated, as one of the conditions of the surrender, that *Mr. Hearne's manuscript should be printed*. The Company agreed to the terms of the French officer, and the manuscript was printed in 1795, twenty-five years after the journey was made.

Mr. Gallatin, with others, was hospitably entertained on board the frigate, and the good people of Machias in return felt desirous to reciprocate the civilities of the French officers; but they had no wine or liquors, and little beyond pork, meal, and potatoes to offer them. They succeeded, however, in getting up a very respectable entertainment, by borrowing some wine and other choice things from the ship, to which they invited La Perouse and his officers. Mr. Gallatin said he met this distinguished man, on one occasion after, in Boston.

*Pedestrian Tours to the Highlands near Boston.*—Geography was always a favorite study with Mr. Gallatin. In fact, I am safe in saying that no man living surpassed, and but few equalled him, in this department of science. The geographical features of every region on the globe were familiar to him, and the boundaries of the European States, as they have existed at various periods, were as well known to him as were those of the present day. To show how early a fondness for this study was developed, an anecdote connected with his first visit to Boston, is worthy of being mentioned.

Mr. Gallatin arrived there in the year 1781. He had been in the house but a short time, when he went to the roof to see the features of the country around. From this point (which must have been on some of the heights), he discovered the blue hills of Milton, miles distant, the highest land in sight. He determined to visit them, to see what could be discovered from their tops, and the next day after his arrival, he set out on foot, in company with a young man with whom he had become acquainted, and reached their summit. Here a broader landscape was presented to him, and he attentively noted the peculiarities in the vast area of country around. In a northwesterly direction he discovered other high lands, very far in the distance, and apparently much more elevated than the point on which he stood. These he determined to visit. The next day he returned to Boston, and on the following day set out on foot with his companion for the high grounds seen by

him the previous day. These proved to be in the town of Princeton, about fifty miles from Boston, and north of Worcester. He ascended the highest point and surveyed the country around as heretofore.

The tavern at which he stopped on his journey was kept by a man who partook in a considerable degree of the curiosity even now-a-days manifested by some landlords in the back parts of New England, to know the whole history of their guests. Noticing Mr. Gallatin's French accent, he said, "Just from France, eh! You are a Frenchman, I suppose." "No!" said Mr. G.; "I am not from France." "You can't be from England, I am sure?" "No!" was the reply. "From Spain?" "No!" "From Germany?" "No!" "Well, where on earth are you from, then, or what are you?" eagerly asked the inquisitive landlord. "I am a Swiss," replied Mr. Gallatin. "Swiss, Swiss, Swiss!" exclaimed the landlord in astonishment, "which of the ten tribes are the Swiss?"

When Mr. G. arrived in New York, his first object was to find some maps of the United States and Europe, as he wanted the latter to trace the progress of events then transpiring on that continent. He went to every shop in the city, and all he could find were two maps, one of the world and another of some European state. These were all the city could then produce, and Mr. G. had them still in his possession.

*First Interview with General Washington.*—Mr. Gallatin said he first met General Washington at the office of a land agent, near the Kanawha River, in Northwestern Virginia, where he (Mr. G.) had been engaged in surveying. The office consisted of a log house, fourteen feet square, in which was but one room. In one corner of this was a bed for the use of the agent. General Washington, who owned large tracts of land in this region, was then visiting them in company with his nephew, and at the same time examining the country with a view of opening a road across the Alleghanies. Many of the settlers and hunters familiar with the country, had been invited to meet the General at this place, for the purpose of giving him such information as would enable him to select the most eligible pass for the contemplated road. Mr. Gallatin felt a desire to meet this great man, and determined to await his arrival.

On his arrival General Washington took his seat at a pine table in the log cabin, or rather land agent's office, surrounded by the men who had come to meet him. They all stood up, as there was no room for seats. Some of the more fortunate, however, secured quarters on the bed. They then underwent an examination by the General, who wrote down all the particulars stated by them. He was very inquisitive, questioning one after the other, and noting all they said. Mr. Gallatin stood among the others in the crowd, though quite near the table, and listened attentively to the numerous queries put by the General, and very soon discovered, from the various relations, which was the only practicable pass through which the road could be made. He felt uneasy at the indecision of the General, when the point was so evident to him, and without reflecting on the impropriety of it, suddenly interrupted him, saying, "Oh, it is plain enough, such a place (a spot just mentioned by one of the settlers) is the most practicable." The good people stared at the young surveyor (for they only knew him as such) with surprise,

wondering at his boldness in thrusting his opinion unasked upon the General.

The interruption put a sudden stop to General Washington's inquiries. He laid down his pen, raised his eyes from his paper, and cast a stern look at Mr Gallatin, evidently offended at the intrusion of his opinion, but said not a word. Resuming his former attitude, he continued his interrogations for a few minutes longer, when, suddenly stopping, he threw down his pen, turned to Mr. Gallatin, and said, "You are right, sir."

"It was so on all occasions with General Washington," remarked Mr. Gallatin to me. "He was slow in forming an opinion, and never decided until he knew he was right."

To continue the narrative: The General stayed here all night, occupying the bed alluded to, while his nephew the land agent, and Mr. Gallatin, rolled themselves in blankets and buffalo skins, and laid upon the bare floor. After the examination mentioned, and when the party went out, General Washington inquired who the young man was who had interrupted him, made his acquaintance, and learned all the particulars of his history. They occasionally met afterwards, and the General urged Mr. Gallatin to become his land agent; but as Mr. Gallatin was then, or intended soon to become, the owner of a large tract of land, he was compelled to decline the favorable offer made him by General Washington.

*State of Knowledge in the United States during the Revolution.*—He said, when he arrived in Maine in 1780, he found the people of New England generally well acquainted with English and European affairs; but spoke of Virginia as a country far distant and little known. When he went to Congress in 1795, from Pennsylvania, he had visited most of the States, had made himself familiar with their several histories, and was tolerably acquainted with the peculiarities of each. The other members, however, had travelled but little, and their knowledge of the country was confined to their own States. He found, therefore, to his surprise, that he was better acquainted with the United States than any other member of Congress.

*General Jackson's first Appearance in Congress.*—When Mr. Gallatin was a member of Congress, in the year 1796, Tennessee was admitted as a State into the Union, and sent her first member to Washington. One day, when in his seat in the House, Mr. Gallatin noticed a tall, lank, uncouth looking individual, with long locks of hair hanging over his brows and face, while a queue hung down his back, tied in an eelskin. The dress of this individual was singular—his manner and deportment that of a backwoodsman. The appearance of so singular a character on the floor of the House of Representatives naturally attracted attention, and a member at his side asked who he was. Mr. Gallatin replied it was the member for the new State. "Well," said his friend, "he seems just the sort of a chap one might expect from such an uncivilized region as Tennessee." The individual in question was Andrew Jackson.

*Party Violence in past times.*—Mr. Gallatin once related several anecdotes illustrative of party violence in by-gone times; for instance, how the

house in which he and his colleague lived, in Philadelphia, was at one time, (during an election, I think,) completely invested by a body of men hired by their political opponents, and how they soon raised the siege by playing off the same game against the enemy; how a body of them once came to the house of Commodore Nicholson, at the lower end of Broadway, in New York, his father-in-law, where he was staying, and played the Rogue's March; the old gentleman, his wife's father, who had never heard the tune before, sitting complacently in the porch all the time, under the idea that it was intended as a complimentary serenade, and being on the point of inviting the party in to an entertainment, till the character and meaning of the music were made known to him; and how at Reading, in Pennsylvania, he once walked to his carriage through a mob who were busily engaged in burning him in effigy.

*Thomas Jefferson.*—For Mr. Jefferson, my venerable friend always seemed to have entertained a strong attachment. He kept a small engraved miniature of him on his writing table. It was there, ten years ago, when I first visited his library, and is still preserved in his family. During his last illness, when I was sitting by his bed-side, he said, "I want some of my books renovated a little, and some that I prize very much I want bound." Pointing to a book-case, (for he then lay in his library,) "I want you to go to the third shelf." I did so. "Now move your hand to the left," he continued, "and I will tell you when to stop." I did so till he told me to stop. My hand was then upon Jefferson's works. "There," said he, "I value those books much, and want you to take them, and get them bound for me in full calf binding, in the very best style. I like to see a valuable book with a good coat on." Said I, "there are some other works relating to Mr. Jefferson, such as his life by Tucker, which ought to go with them." "Well," said he, "procure for me this book and any other that relates to Mr. Jefferson, and have them all handsomely bound." He often spoke of Mr. Jefferson, and related many anecdotes of him, but their particulars have escaped my recollection.

*Secretary of the Treasury.*—"The true rule," said Mr. Gallatin, "*is never to suffer your faculties to get rusty, and never to overtusk them.* It is by following this rule," continued he, "that I have preserved myself as you see to my eighty-eighth year. When I was in the Treasury, I labored hard, to be sure, the first year, but afterwards, two hours a day were sufficient to do the work." At a subsequent conversation he said, that when he was in the Treasury, he used to do all his serious work after nine o' clock at night, when he had sent his family to bed.

*Mr. Adams at Ghent.*—Having called one day on Mr. Gallatin when he was busily engaged in writing his paper on the Mexican war, he said to me, in speaking on the subject, that his whole object was to effect a peace. He meant to tell the truth, however, although it might and would be disagreeable to some of his best friends. He desired me to procure certain books and public documents. "A heavy weight," said he, "rests upon my mind, and, to use a term which has been used before, I mean to *disgorge myself.*" In

relation to this he related an anecdote connected with the ratification of the Treaty of Ghent.

The American Commissioners had long been waiting before they could bring the British Commissioners to open negotiations. At length when they assembled, they received from the latter an official communication containing the conditions upon which they proposed to treat. These conditions required so much of the American government, that the commissioners thought it impossible for them to agree. Mr. Adams was much incensed at the preposterous demands of the British, and prepared a laborious and most eloquent reply, which he handed to Mr. Gallatin for perusal. Mr. G. looked it over, and at once saw that it would not answer to present such a reply. It was admirably written, and was just such a paper as would do to read on the floor of Congress, but to present it to the British Commissioners would greatly incense them, probably put an end to further negotiations, and thus prolong the war for years. The other gentlemen also presented opinions or replies. It was then unanimously agreed that the several propositions should be placed in Mr. Gallatin's hands, and that he should prepare a reply, in which the views of the several commissioners should, as far as possible, be carried out. Mr. G. undertook the task, and presented the result for the approval of the commissioners.

In this Mr. G. had omitted all the expressions of Mr. Adams, which he thought would give offence to the British Commissioners, at which Mr. Adams was not well pleased; but the others acquiescing, he was in a manner forced to give his consent, and Mr. Gallatin's reply was adopted. Subsequently, Mr. Adams told Mr. G., that on reflection he was very glad the middle course, suggested by him, had been adopted. He, Mr. Adams, had done all he wanted. He had longed for an opportunity to *disgorge* himself of the wrath and indignation which he felt; and having done so, he was satisfied.

*Jeremy Bentham.*—Mr. Gallatin became acquainted, when in England, with the great champion of Law Reform, Jeremy Bentham, who was then engaged on a code of laws for Russia. He placed in Mr. Gallatin's hands a manuscript Code for Pennsylvania; but being soon afterwards called to Ghent, and much occupied with public business, he had not an opportunity to examine the manuscript till his return to America, when it was too late to take it into consideration. At this Bentham was very much vexed. Mr. Gallatin said he had tried to insinuate to Bentham at the time that his business was to write scientific treatises on the principles of legislation, not to draw up codes for nations living at a distance, and whom he had never seen—but without success.

*Humboldt and La Place.*—Mr. Gallatin said he never had any idea that he possessed abilities or information at all out of the common way, until he went to Europe as ambassador. He had always read a good deal, and felt himself pretty familiar with history; but he found few persons in the United States whose taste and reading had been like his own, with whom he could converse on the topics which had occupied his attention. He had heard and read of the great men of Europe, and had formed the

most exalted opinion of their learning. On meeting some of them in Paris, he felt reluctant to associate with them, supposing that they were so much in advance of him in knowledge. But when he found that he was quite as well versed in most subjects as those for whom he had entertained so high an opinion, and moreover, that in general knowledge some of these great men were lamentably deficient, he then first began to be more conscious of his own abilities.

The great men for whom he, in common with all others, had entertained so much respect, were often deficient on subjects with which every educated or well-read man is here familiar. For Baron Humboldt, Mr. Gallatin always had the highest respect—the most exalted opinion for his varied and profound learning, as well as for the excellence of his heart and simplicity of his manners.

With La Place, Mr. Gallatin was long on terms of intimacy, and esteemed him for his excellent qualities. He was a regular visitor at the soirées, where he met all the great men then residing in Paris.

Speaking of La Place on one occasion, he said the world was greatly deceived as to the extent of his acquirements. He had formed a high opinion of him before he knew him, but Baron Humboldt told him he would be disappointed, and so it proved. "La Place," he said, "was an extraordinary man only in a single department of science, *Mathematics*. With that wonderful machine, the *Calculus*, he was able to accomplish the most splendid discoveries and results, which had immortalized his name. He seemed to possess an intuitive faculty with the calculus, by which he arrived at once at the solution of the grandest problems in the science of celestial mechanics. No man had ever accomplished so much in this field, and with such wonderful facility. But," continued he, "in this consisted his whole mind. Of other things he knew nothing, and would not, among scholars, have passed for a learned man. Napoleon made him Minister of the Interior, and he held the office for but ten days. He was unable to fill the place."

"There was a vast difference," said he, "between the mind of La Place and that of Newton. Newton's discoveries convinced him that there was a great first cause—a Supreme Being who governed all things;—but the philosophy of La Place led to materialism. He rejoiced, too, that he was permitted to live to see the nebulous theory of La Place, the tendency of which, on his mind, was bad, overthrown by the recent discoveries through the telescope of Lord Rosse, which resolved those nebulae into stars." Mr. Gallatin had a great horror of atheism and materialism.

*Mr. Gallatin's Disinterestedness.*—Great as Mr. Gallatin was as a financier, he never seems to have employed his talents for his personal advantage, although opportunities were often presented to him by which he might have enriched himself. One or two anecdotes may be mentioned in proof of this.

While Secretary of the Treasury, it was necessary on one occasion to pay the interest due by the United States on a loan made in Holland. This interest was to be paid in London, and the late Mr. Astor made proposals to Mr. Gallatin to provide the necessary funds in the manner stated in the agreement when the loan was made. Mr. Gallatin stipulated certain conditions to Mr. Astor, which, after due reflection, were accepted. But it

seems that he did not exercise the same sagacity which marked his other financial operations, for, in disposing of it, or in fulfilling his contract, he found himself minus some £10,000 sterling, or about \$50,000. "This loss," Mr. Gallatin observed to me, "did not seem to cause Mr. Astor so much uneasiness as the circumstance that I should have shown more financial knowledge and shrewdness than he, and he ever after expressed the highest confidence in my opinions, and manifested a strong attachment for me. When I left the Treasury in 1816,\* Mr. Astor made me pressing offers to associate myself in business with him, but I declined."

I expressed some surprise to Mr. Gallatin, and said, "Why did you not accept his offer? If you had, you would now have ranked among our millionaires." He replied by that peculiar shrug of his shoulders, which expressed more than words, intimating that wealth was no object with him.

Another circumstance has recently come to my knowledge from a gentleman residing in Europe, which places in a still stronger light the disinterestedness of Mr. Gallatin, in his refusal of all opportunities and offers to avail himself of his financial sagacity and of his position, while serving his country, to enrich himself.

It will be remembered that Mr. Gallatin was Minister of the United States in Paris in 1816, at the time of the second restoration of the Bourbons to the throne of France. A loan was then created by the French government, and the most eminent capitalists assembled at Paris to make tenders for the loan; among them Mr. Alexander Baring. This gentleman had made the acquaintance of Mr. Gallatin when in the United States many years before, and now consulted him as to the proposed loan, believing that his long experience and eminent talents as a financier would be of essential benefit to his house. Mr. Gallatin readily gave his advice in the matter, and Mr. Baring obtained the loan.

From a sense of gratitude to Mr. Gallatin, he then proposed to him, and even insisted, that he should take a part of the loan without advancing any of the funds, by which he would be enabled to realize a handsome fortune. "I thank you," was Mr. Gallatin's reply; "I will not accept your obliging offer, because a man who has had the direction of the finances of the country as long as I have, should not die rich."

This statement was made by Mr. Labouchere, brother-in-law of Mr. Baring, and father to the present Mr. Labouchere, M. P. I have the particulars direct from the gentleman to whom Mr. Labouchere related them.

Rev. Dr. Robinson said that, coming as he did from New England, he was free to say that the odor of Mr. Gallatin's name in that part of the country, as a politician, was not agreeable when he was a boy, and forty years ago he could have had no idea that he would ever become an associate of his, and would be led to revere him in his old age. He had never known a man whose whole conversation and character bore so much the stamp of independent thought. Whatever he knew, was the result of his own examinations, without any regard to authority. Dr. R. had not known Mr. G. personally as a statesman; but had found his name in Europe standing in the highest rank as a financier. Indeed, after the lamented death of Mr.

\* Mr. Gallatin left the Treasury in 1813. He was appointed one of the Commissioners to negotiate a treaty of peace with Great Britain, in March, 1813.—[*Ed. B. M.*]

Huskinson, he was regarded throughout Europe as the leading financier of the age. Mr. G. often spoke of things which he regretted he had not done while he occupied during eleven years the post of Secretary of the Treasury. One was the subject of custom house oaths, which (he said) at one time he could have done away by the stroke of his pen; and which he had since come to look upon as causing far more evil than good. At another time, when the Society addressed Congress on the subject of duties on books, Mr. Gallatin requested him (Dr. R.) to draw up the memorial. He did so; but Mr. Gallatin made interlineations, and took a still stronger ground—that there should be no duty at all on books. Dr. R. asked him why he did not propose something of the kind when he was Secretary of the Treasury. Mr. Gallatin replied that he did not know as much of books then as he did now; and if he were to live his life over again he would act differently. The strong attachment which Mr. G. always exhibited for Mr. Jefferson, may have left the impression on many minds, that he shared also the sceptical views of the latter. Dr. R. said, this was not the case. Mr. Gallatin often spoke upon religious topics; and always expressed a firm belief in the great leading doctrines of Christianity. He once (he said) had been led to read sceptical works; but finding their influence on his mind to be pernicious, he had resolutely broken off, and would read them no more.

---

#### SKETCH OF THE LIFE OF ALBERT GALLATIN.

From the New York Courier and Enquirer.

Another eminent patriot is added to the list of the illustrious dead of 1849. ALBERT GALLATIN, the last survivor of the cabinet of Jefferson and Madison, has followed his venerable consort, whose death it was our province scarce two months since to record. He departed this life on Sunday, August 12th, at the residence of his son-in-law, Mr. B. K. Stevens, at Astoria, L. I. The subject of this notice, though he drew his first breath in a foreign land, (as did also his great rival in the establishment of our financial policy, Alexander Hamilton,) dates as an American from a period anterior to that when the United States, by the acknowledgment of their independence by Great Britain acquired an assured rank among the nations of the earth. Mr. Gallatin was born at Geneva on the 29th January, 1761, and derived his name of Albert from his maternal grandfather, Albert Rolaz, Seigneur du Rosez, of the Pays de Vaud. He was, on the part of both his parents, allied to some of the most distinguished families of Geneva and Switzerland; and among others he was related to Mr. Necker and his celebrated daughter Madame de Stael. His ancestor, John Gallatin, Secretary to the Duke of Savoy, &c., emigrated to Geneva in the early part of the sixteenth century,—embraced the Reformation, and was one of the magistrates of the city in 1535, when, by the expulsion of its Prince Bishop, Geneva became an independent Republic. His descendants have ever since been uninterruptedly connected in the magistracy and government of that Republic; and of the male line, Mr. Gallatin's two sons and their children are now the only survivors. Mr. Gallatin's father, who was himself a Counsellor of State, died when his son was only four years of age. His orphan condition, however, in no wise affected his advantages of education.

Graduating at the University of Geneva, in 1779, Mr. Gallatin, from his zeal for republican institutions, declined the proffered rank of Lieutenant Colonel in the service of one of the German sovereigns, and came to America in 1780, at the age of nineteen. He commenced his career in the service of his adopted country in Maine, then a part of Massachusetts, having had confided to him, in November, 1780, the command of a small fort on Passamaquoddy Bay, garrisoned by volunteers and Indians. After having passed some time at Harvard University, where he officiated as Professor of the French language, he proceeded to Virginia in 1784, and having received his patrimony from Europe, purchased lands in that State. In 1786, he established himself in Pennsylvania, on the banks of the Monongahela. Soon after his settlement there he was brought into public life, having been elected, in 1789, a member of the Convention to amend the Constitution of the State, and in the two succeeding years a member of the Legislature. In the measures suggested by him for the resuscitation of the credit of Pennsylvania he gave an earnest of those financial abilities which afterwards rendered him so eminent in the administration of the National Treasury. In 1793, when he had little more than attained the constitutional age, he was elected a Senator of the United States, where he served during a portion of the session of 1793-4. His eligibility having been assailed on the ground that, though an American anterior to the adoption of the Constitution, and therefore eligible to the Presidency, nine years had not elapsed since his formal naturalization in Virginia, his seat was vacated by a strictly party vote. It was at this time that he formed that happy matrimonial connection—the severance of which he had, in the last moments of his existence, to deplore—with the daughter of Commodore Nicholson, who, as well as his other sons-in-law, Seney and Montgomery, of Maryland, and Few, of Georgia, all three of whom were in Congress, was a prominent member of the great political party to which Mr. Gallatin was attached. Immediately on the decision of the Senate being promulgated, and without his knowledge, Mr. Gallatin was elected a member of the House of Representatives from a district of Pennsylvania, where he did not reside, but which continued to him its confidence during his whole Congressional career. While in the House of Representatives he was confessedly a leader in the republican party, and his speeches, so far from being confined to finance, embraced all the great measures of legislation, especially on foreign relations.

In 1801 Mr. Gallatin was called by Mr. Jefferson, (whose expectation it was that he would succeed Mr. Madison as President of the United States,) to a seat in his cabinet. His services as an Executive Counsellor and as the head of the Treasury, in which Department he continued during the whole of Mr. Jefferson's administration, and till sent abroad by Mr. Madison, are alone sufficient to establish his claims to be regarded among the first of American statesmen. In 1813 he went to St. Petersburg, as one of the Envoys Extraordinary, to negotiate with Great Britain, under the mediation of Russia; and at Ghent, in connection with John Quincy Adams, James A. Bayard, Henry Clay and Jonathan Russell, he, the subsequent year, signed the Treaty of Peace. The limits of this brief notice prevent any allusion to the prominent part which he bore in that negotiation or in the other various diplomatic transactions successively confided to him. At London, in 1815,

Mr. Gallatin, with Mr. Adams and Mr. Clay, concluded the Commercial Convention with Great Britain. In Paris, where by a singular coincidence he met as Minister Plenipotentiary from Wurtemberg his relative, the Count Gallatin, he resided as the Minister of the United States from 1816 to 1823, during which time he was also employed on extraordinary missions to the Netherlands and Great Britain. In his last mission to London, in 1827-8, he obtained full indemnification for the injuries sustained by our Southern fellow-citizens in the violation of the Treaty of Ghent, besides concluding three other Conventions of national importance. In addition to the marks of public confidence already referred to, it is proper to state that Mr. Gallatin declined the office of Secretary of State tendered to him by Mr. Madison, that of Secretary of Navy, proffered to him by Mr. Monroe, as well as the place of Vice President of the United States, to which he was nominated by the democratic party in 1824.

Since 1828, Mr. Gallatin has become identified with our community, and though removed by his age and the course of public honors through which he has passed, from partisan politics, as a citizen of New York, he has taken part in whatever he conceived would promote the literary or commercial interests of our city or of the Union at large. In 1831 he was an efficient member of the Free Trade Convention, and from his pen emanated the memorial to Congress, which embodies the views that are now the recognized principles of the democratic party. As President of the National Bank, which office he held from 1831 till he was succeeded in it by his son, Mr. James Gallatin, in 1839, he gave to the other institutions of the city an illustration, in practice, of the correct principles of banking, while his connection with that establishment afforded him an opportunity of successfully employing his influence, and rendering available his great experience for the restoration of specie payments, temporarily suspended by the memorable financial occurrences of 1837. Indebted as he was to the complete education which he had received at the College and Academy of Geneva, for his ability to render himself useful to his adopted country and society, he was among the earliest advocates of an enlarged system of instruction for the rising generation, and under the expectation that this could be attained by the establishment of the New York University, he became the first President of its council. Mr. Gallatin, in addition to numerous distinctions from literary societies at home and abroad, received, during his residence in this city, from Columbia College, the degree of LL. D. He was, at the time of his death, President of the New York Historical Society, and of the American Ethnological Society, an institution which mainly owes its origin to him. It is only within a few days that his name was announced as among the first elected members of the Smithsonian Institute. Besides Mr Gallatin's numerous writings on Currency and other subjects connected with Finance, and those official papers which constitute no unimportant part of our national archives, he has published some elaborate essays on the Indian languages, a branch of philology to which his attention was, from an early day, directed; and his last intellectual efforts were divided between his investigations of the language and civilization of the Southern and Western tribes of this Continent, and his essays against war, addressed to the interest as well as the moral obligations of nations.

No man's knowledge was more accurate than Mr. Gallatin's, and few men possessed more varied acquirements in all matters connected with the pursuits of a statesman or philosopher. As a diplomatist, no minister from any country, at the great courts to which he was accredited, ever sustained a higher reputation, nor were the United States ever more ably represented, anywhere, than in the person of Albert Gallatin. With history and theology he was thoroughly conversant, while, true to his origin, his religious opinions were those of a Protestant Christian.

Of Mr. Gallatin's relations in the private walks of life, it is unnecessary to speak, so soon after the just appreciation of his character as a husband and a father, elicited by the death of Mrs. Gallatin. His liberality was commensurate with his means, and to him no small number of exiles from Poland and other countries, who have here sought an asylum from tyranny, have been indebted for charity, consisting not merely in the bestowing of pecuniary aid, but in facilitating to them the means of procuring permanent support.

#### THE NATIONAL BANK, NEW YORK.

Communicated for the Bankers' Magazine.

The National Bank in the city of New York was incorporated by an Act of the Legislature of New York, passed 30th April, 1829, with a capital of one million of dollars: said corporation to continue until 1st January, 1857. The first Directors under this act were B. Baily, P. Stagg, W. James, Jr., J. Wilson, J. Magee, H. Andrew, S. Grosvenor, T. Vantine, J. Stewart, Jr., D. Jackson, D. Seldon, M. Van Schaick, J. Mabbett, J. Flack, and A. Bloodgood.

The subscription books for the capital stock were opened by the Commissioners at 33 Wall street, on the 7th October, 1829, and remained open several days, but the stock was not subscribed for. At a meeting of the Directors convened on 31st December, 1829, it was resolved that a petition be presented to the Legislature asking an extension of time to fill up the stock of the bank. On the 7th April, 1830, an act passed the Legislature, extending the time for one year, in addition to that allowed by law, at the same time reducing the capital stock to seven hundred and fifty thousand dollars.

On the 27th April, 1830, Elisha Riggs was elected a director, one of the gentlemen above named having resigned, and the subscription books to the capital stock were again opened on 17th May, 1830; the amount subscribed was not however sufficient, and the several sums were returned to the subscribers. On the 29th November, 1830, another effort was made to obtain subscriptions, several of the directors taking four hundred shares each, but this also was a failure.

On the 21st March, 1831, at a meeting of the directors, Albert Gallatin was unanimously elected a director, and then was unanimously chosen President. The Commissioners then again opened the subscription books at the Merchants' Exchange, on the 25th March, 1831; a great excess of stock was subscribed, and the Commissioners found themselves compelled to

invite the Board of Directors to attend and assist at the distribution of the stock. On the 1st of May, 1831, S. Flewwelling was appointed Cashier, and the National Bank went into operation. The affairs of this bank have always been managed with great care; indeed it might have withstood the storm, when all the banks throughout the Union suspended specie payments in 1837, could any good have been effected by such a course at that time. In the two conventions of Bank Presidents held at New York, the President of the National Bank was the chief advocate for the immediate resumption of specie payments, in which course he was unanimously sustained by the directors.

Albert Gallatin continued President of the bank until 7th June, 1839, when he resigned, and his eldest son, James Gallatin, was unanimously elected President by the Board of Directors, which situation he still holds. The banking house of the National Bank is situated at No. 36 Wall street, in the city of New York.

*New York, 19th Jan. 1850.*

#### NOTES RECAPITULATORY OF THE FUNDING SYSTEM UNDER MR. GALLATIN.

From "the Funding System of the United States and Great Britain."

*Of the eight per cent. stock* under the administration of Mr. Gallatin, from 1801 to 1806, \$119,300 were paid for public lands. In 1808, these eight per cent. stocks were reimbursed—\$6,482,500, on the 31st December, stood to the credit of the sinking fund. This amount, however, exceeds that of the eight per cent. stock as returned in the public debt statements, owing, it is presumed, to the sum of \$800 having been twice funded.

*The Louisiana six per cent. stock*, under Mr. Gallatin's administration of the Treasury Department, was created by act of November, 1803, for the payment of the purchase of Louisiana from the Government of France. To carry the treaty into effect, certificates of stock were issued by the Treasury of the United States in favor of the French Republic, for \$11,250,000, bearing interest at six per cent. per annum, payable in London at the rate of 4s. 6d. sterling per dollar, and in Amsterdam at the rate of 2½ guilders per dollar; the principal made reimbursable in four equal annual instalments; the first payable in 1818, and the last in 1821. The said act, however, authorized the Secretary of the Treasury to shorten the periods fixed by the convention for its reimbursement. The Louisiana Convention provided that the principal be reimbursed at the Treasury of the United States in annual payments not less than \$3,000,000 each, the first payment to commence within fifteen years after the exchange of ratifications. [On the 28th of April, 1818, the Treasury notified the holders of the Louisiana stock that one moiety of the principal would be redeemed on the 21st October, 1818. The *sinking fund*, on the 31st December, 1816, stood credited, as will be seen hereafter, with \$326,500 of the Louisiana six per cent. stock; on the first of January, 1817, \$10,923,500 of that stock made a part of the public debt. In 1804, \$3,750,000, assumed for *claims of American citizens* against the French republic, were recognized under the Convention (April 30, 1803;) six per cent. interest was allowed, and payments were

made annually, to 1816, which, in the aggregate, amounted to \$3,706,131.96. In January, 1817, only \$43,868.04 remained as a part of the public debt.]

The evidences of the public debt were much sought after in 1806, and holders were reluctant to dispose of them. [In *January*, the old six per cent. stocks in Philadelphia were at 93½ per cent., three per cents 58 per cent., six per cent. navy stock 97 per cent., eight per cents 104 per cent.; in *July*, same year, six per cent. stock is quoted at 98 per cent., three per cents at 64 per cent., six per cent. navy stock at 100 per cent., eight per cent. stock 105 to 106 per cent.] Only \$17,517.61 were offered at the rates fixed by law for sinking fund purchases. Mr. Gallatin stated in his report of 5th December, 1806, that all the species of debt on which the entire appropriation of \$8,000,000 could operate, will have been reimbursed prior to 1809. To promote the more rapid discharge of the balance of the debt, he proposed that a modification of the original contract should, with the consent of the public creditor, be adopted; which was to convert the old six per cent. stock, the deferred six per cent., and the three per cent., *into a common three per cent. stock*, redeemable at the pleasure of the United States. The debt composed of the above stocks, had this plan been *completely* carried into effect, would have been reimbursed in about seven years, through the operation of the annual appropriation of \$8,000,000, besides providing for the interest of the Louisiana purchase debt; hence on the revenue no other incumbrance *would* have remained after 1815, than the interest and reimbursement of the Louisiana stock. There were owned in Europe, in 1816, about \$14,000,000 of the six per cent. and the deferred six per cent. stocks; to wit, in great Britain, Holland, and other countries: also, upwards of \$11,000,000 of the three per cents were owned abroad. [Three per cent. stock was worth 60 per cent. of its nominal amount, when six per cents were at par in the market.]

*The exchanged and converted six per cent. stocks* (act of February 11, 1807) were created in 1807, to adapt the nature of the provision for the redemption of the public debt to the circumstances of the United States. A subscription to the full amount of *the old six per cents, the deferred six per cents, and the three per cent. stocks*, was proposed in the form of a voluntary subscription on the part of the public creditor. The several commissioners of loans opened their books from July, 1807, to March, 1808. In *the three per cent. stock*, credits were entered, and certificates issued, purporting that the United States owed to the holders the sum expressed therein; which was equal to sixty-five per centum of the amount of the principal of the stock subscribed, bearing an interest of six per cent., transferable, &c. It was also provided that the *new stock for the three per cent. stock* subscribed, should not be reimbursable, without the consent of the holders, until after the whole of *the eight per cent. and four and a half per cent. stocks*; and all the *new six per cent. stock* created in exchange for the old six per cent. stocks subscribed as above, should be redeemed.

Agents were appointed in London and Amsterdam, under authority of the commissioners of the sinking fund, to carry into effect there the object of the plan. European residents, who became subscribers, were entitled to receive their *interest* on the new stock in London at the rate of 4s. 6d. per

dollar, or at Amsterdam at  $2\frac{1}{2}$  guilders per dollar, payable six months later in Europe than in America, subject to a deduction of one-half of one per cent. for commissions to the bankers for the payment of such amount of interest.

Amount of old stock surrendered: viz., *six per cent.* stock, \$7,435,767.61; *deferred six per cent.* stock, \$1,940,672.01; and *three per cent.* stock, \$2,861,309.15. For these old stocks, the following *new stocks* were issued, to wit: *exchanged*, in lieu of six per cent. and deferred six per cent. stocks, \$6,294,051.12; and *converted*, in lieu of three per cent. stock, \$1,859,850.70. The reimbursement of the exchanged six per cent. stock was completed in 1810; the converted six per cent. stock in 1812. There stood to the credit of the sinking fund on the 31st of December, 1816, \$6,294,051.12 of the *exchanged*, and \$1,859,850.70 of the *converted* six per cent. stock.

Subscriptions to the full amount of the unredeemed old six and deferred six per cent. stocks were authorized, (act of July 6, 1812,) and books were opened October 1, at the treasury, and by the commissioners of loans. The new stock created was subject to redemption at the pleasure of the United States, at any time after the 31st of December, 1824. The new certificates issued constituted the *exchanged six per cent.* stock of 1812, and amounted to \$2,984,746.72.

In 1812, on the eve of the declaration of war, the *six per cent.* stock of 1812 was created, (act of 14th March, 1812.) Eleven millions were authorized to be borrowed, at six per cent., reimbursable at any time after the expiration of twelve years from January 1, 1813. The funded debt thus contracted amounted to \$8,134,700; of which sum, \$324,000 stood to the credit of the sinking fund December 31, 1816, leaving \$7,810,500 as public debt on January 1, 1817. The sums not included in the amount, though borrowed also in virtue of act of 14th March, 1812, were subscribed by several banks on special contracts, and constituted the temporary loans of 1812.

In 1813, (shortly before Mr. Gallatin retired from the administration of the Treasury Department, where he had presided during the two terms of President Jefferson's administration, and during the first, and the commencement of the second of President Madison's terms, to participate in the peace-making negotiations of Ghent,) the six per cent. stock of 1813 (act of 8th February, 1813) was created. Sixteen millions of dollars were authorized to be borrowed—rate of interest *not specified*—principal reimbursable at any time after twelve years from January 1, 1814. The President was authorized to cause to be sold the whole or any part of the certificates of stock issued for the sums to be borrowed—payment of interest and redemption of principal chargeable on the sinking fund. Six per cent. stock, amounting to \$18,109,377.41, issued for sums borrowed; \$100 *in stock* was given for every \$88 subscribed; the principal not redeemable before 1826.

We have thus very briefly recapitulated Mr. Gallatin's career touching the funding system of the United States during the most interesting period of our financial history, covering a space of nearly thirteen years. His official reports speak for themselves—clear, concise, well-considered, and accurate.

It must be confessed, however, that he resigned his office at the very moment he was most wanted. The arrangement of the public loans (rendered indispensable in a state of war) was, in the result, most disastrous to the credit of the country. Mr. Jefferson, in a note to Mr. Jones, chief clerk in the Treasury Department, (March, 1810,) thus *prophetically* expresses himself on this subject: "Were we to believe the newspapers, which portend that Mr. Gallatin will go out, that indeed would be a day of mourning for the United States." Prior to this, however, on the 11th October, 1809, Mr. Jefferson, in a letter to Mr. Gallatin, (Correspondence, vol. iv, p. 143,) writes: "I hope that you will consider the eight years to come as essential to your political career. I should certainly consider any earlier day of your retirement as the most inauspicious day our new Government has yet seen. In addition to the common interest on this question, I feel particularly for myself the considerations of gratitude which I personally owe to you for your valuable aid during my administration of the public affairs—a just sense of the large portion of the public approbation, which was earned by your labors, and belongs to you, and the sincere friendship and attachment which grew out of our joint exertions to promote the common good."

Mr. Gallatin was a Representative in Congress from 1795 to 1801. The *Committee of Ways and Means*, it is understood, was appointed, for the first time, in the House of Representatives, on motion of Mr. Gallatin; the executive department of the treasury having, up to that time, been relied on for information on the subject of the finances. In page 406 in this work, Mr. Gallatin's "Sketch of the Finances" (November, 1796) has been noticed. In 1800, Mr. Gallatin published another pamphlet (of 66 pages) entitled "*Views of the Public Debt, Receipts, and Expenditures of the United States:*" "the object of this inquiry," Mr. Gallatin remarks, "being to ascertain the result of the fiscal operations of Government, under the present Constitution."

From the *Democratic Review*, June, 1843.

The public debt, on the first of April, 1801, amounted to \$80,000,000, and the annual interest on the same, to \$4,180,000. During the first four years of Mr. Jefferson's administration, an additional debt of \$15,000,000 was incurred, for the purchase of Louisiana; and a further sum of £600,000 sterling became due to Great Britain, in satisfaction of British private debts, the payment of which had been assumed by the treaty of 1794.

Mr. Gallatin in his first annual report to Congress, proposed a permanent annual appropriation of \$7,300,000 on account of the payment of the interest, and gradual reimbursement of the principal of the debt; and that this should have the priority of all others. This amount was subsequently increased to \$8,000,000 on account of the purchase of Louisiana. A law to that effect was passed by Congress, who at the same time lessened the revenue by a repeal of all the internal taxes. The only addition to that revenue, till the year 1812, consisted of an additional duty, of two and a half per cent., on goods paying duties ad valorem.

The reimbursements on account of the principal of the public debt, between the first of April, 1801, and the first of January, 1812, (including the above-mentioned £600,000 sterling, and \$3,750,000, on account of the

purchase of Louisiana,) amounted to \$52,400,000. And the public debt was, on the last-mentioned day, reduced to \$45,120,000, bearing an interest of only \$2,220,000, and consisting of the following items, viz. :

|                                    |              |
|------------------------------------|--------------|
| Old debt at 3 per cent. . . . .    | \$16,150,000 |
| “ at 6 per cent. . . . .           | 17,720,000   |
|                                    | <hr/>        |
|                                    | \$33,870,000 |
| Louisiana debt, balance, . . . . . | 11,250,000   |
|                                    | <hr/>        |
|                                    | \$45,120,000 |

Nothing can be more self-evident than the utter impossibility of discharging a debt, unless there be an actual excess of receipts over current expenditures : that a so-called “Sinking Fund” becomes a perfect mockery, whenever Government borrows more than it does pay ; that an appropriation without a corresponding surplus would have been purely nominal ; and that a most rigid system of economy was indispensable, in order to produce that surplus. In enforcing this with unabated perseverance, Mr. Gallatin was uniformly sustained by public opinion and by Congress. The progress of redemption, slow at first, increases afterwards with great compound rapidity ; and a few years more would have been sufficient to effect the reimbursement of the whole debt. The war of 1812 necessarily arrested that progress, and again swelled the debt to more than \$120,000,000. But the impulse had been given. The total extinguishment of the debt had become a fundamental principal of the Government. The original plan of Mr. Gallatin was pursued, with no other alteration than an increase of the annual appropriation from eight to ten millions of dollars. And by steadily persevering in that course, the whole debt was extinguished within about twenty years after the conclusion of the peace.

Nothing great can be performed without a singleness of purpose, which disregards all other objects as subordinate. And it may be that if the redemption of the public debt had been less rapid during Mr. Gallatin’s administration, the country might have been better prepared for war when it took place. Mr. Gallatin had, however, the sagacity to know that it would make but little difference in the degree of preparation of national defences and means of contest, for which it is impossible ever to obtain considerable appropriations before the near approach of the danger that may render them necessary. He knew that the money thus well and wisely devoted to the payment of the debt was only rescued from a thousand purposes of extravagance and mal-application, to which all our legislative bodies are so prone whenever they have the command of surplus funds. It is a lamentable fact, which Mr. Gallatin has been condemned to witness in his old age, that scarcely had the United States been relieved from that burthen, through the operation of the policy originated and established by him, before the several States, in their individual capacity, incurred in a few years a debt exceeding in amount that which had been contracted during two wars.

It has always been the concurring testimony of all parties, that the Trea-

surey Department has never been better administered than by Mr. Gallatin.

His official reports present models of clearness combined with conciseness. His well-known Report on Roads and Canals in 1808, presented a valuable mass of accurate statistical knowledge, and gave his views at large on the subject of Internal Improvements, of which he was a friend, considered chiefly with a view to strengthen the Union, by facilitating communications and shortening distances. Mr. Gallatin was the sole author of the National Road, intended as a model, and to show that the Alleghanies interposed no real barrier between the Eastern and Western States. The credit of the organization of the Coast Survey on scientific principles, is also in a great degree his. In the execution of the law passed for that purpose, Mr. Gallatin made the wise selection of Mr. Hassler to conduct it, and sent him to Europe for the necessary instruments. The full value of this great work remains yet to be appreciated by the people of this country. Nor, in this slight allusion to a few of the great measures through which Mr. Gallatin has so deeply impressed the stamp of his hand upon the policy and destinies of his country, ought we to omit the Public Land System, which was devised, digested, and carried into execution by him. As the holder of the purse, he at the same time exercised what may almost be termed a controlling influence over most of the other departments of the administration.

#### MR. GALLATIN'S VIEWS ON WAR, BANK UNITED STATES, PROTECTIVE DUTIES.

\* A previous accumulation of treasure, in time of *peace*, might in a great degree defray the extraordinary expenses of *war*, and diminish the necessity of either loans or additional taxes. It would provide, during periods of prosperity, for those adverse events to which every nation is exposed, instead of increasing the burdens of the people at a time when they are least able to bear them; or of impairing by anticipations, the resources of ensuing generations. And the public moneys of the United States not being locked up and withdrawn from the general circulation, but, on the contrary, deposited in banks, and continuing to form a part of the circulating medium, the most formidable objection to that system, which has, nevertheless, been at times adopted with considerable success in other countries, is thereby altogether removed. It is also believed that the renewal of the charter of the Bank of the United States may, amongst other advantages, afford to Government an opportunity of obtaining interest on the public deposits whenever they shall exceed a certain amount. Should the United States, contrary to their expectation and desire, be involved in a war, it is believed that the receipts of the year 1808 will not be materially affected by the event, inasmuch as they will principally arise from the revenue accrued during the present year. The amount of outstanding bonds due by importers, after deducting the debentures issued

\* 'Coming events cast their shadows before.'—Mr. Gallatin's anticipation of *war* was realized five years afterwards, (1812.) On the procurement of the ways and means to carry it on—his foresight, suggestions, and statesman-like views—his prudent preparation for "the crisis," forcibly bring to mind the maxim of Washington—"in *peace* prepare for *war*." On the state of the finances, and the subject of the funding system, this report claims particular attention.

on account of reëxportations, exceeds, at this time, sixteen millions of dollars. The deductions to be made from these, on account of subsequent reëxportations, would, in case of war, be less than usual; for exportations will then be checked as well as importations; and, in proportion as these will decrease, a greater home demand will be created for the stock on hand, and the necessity of reëxporting be diminished.

That the revenue of the United States will, in subsequent years, be considerably impaired by a war, neither can nor ought to be concealed. It is, on the contrary, necessary, in order to be prepared for the crisis, to take an early view of the subject, and to examine the resources which should be selected for supplying the deficiency and defraying the extraordinary expenses.

A maritime war will, in the United States, generally and deeply affect, whilst it continues, the resources of individuals; as not only commercial profits will be curtailed, but principally because a great portion of the surplus of agricultural produce necessarily requires a foreign market. The reduced price of the principal articles exported from the United States will operate more heavily than any contemplated tax. And, without inquiring whether a similar cause may not still more deeply and permanently affect a nation at war with the United States, it seems to follow that, so far as relates to America, the losses and privations caused by the war should not be aggravated by taxes, beyond what is strictly necessary. *An addition to the debt* is doubtless an evil; but experience having now shown with what rapid progress the revenue of the Union increases in time of peace—with what facility *the debt* formerly contracted has, in a few years, been reduced—a hope may confidently be entertained that all the evils of the war will be temporary, and easily repaired; and that the return of peace will, without any effort, afford ample resources for reimbursing whatever may have been borrowed during the war.

The duties on importation generally may, in case of war, be considerably increased—perhaps doubled—with less inconvenience than would arise from any other mode of taxation. Without resorting to the example of other nations, experience has proven that this source of revenue is, in the United States, the most productive, the easiest to collect, and the least burdensome to the great mass of the people. In time of war, the danger of smuggling is diminished; the scarcity of foreign articles prevents the duty ever falling on the importer; the consumers are precisely those members of the community who are best able to pay the duty; and the increase of domestic manufactures, which may be indirectly affected, is in itself a desirable object.

#### OPINIONS OF MR. GALLATIN UPON MEN AND MEASURES.

*Mr. Jay's Treaty.*—In February, 1796, the treaty with Great Britain was returned in the form advised by the Senate, ratified by his Britannic Majesty. \* \* On the second of March, Mr. Livingston, of New York, laid upon the table a resolution requesting of the President a copy of the instructions to Mr. Jay, together with the correspondence and other docu-

ments relative to the treaty with Great Britain negotiated by him. The motion was vehemently debated, and, after some days, carried by a majority of 57 to 35. The President answered with his accustomed coolness and dignity, stating his reasons why the House of Representatives, which has no part in the treaty-making power, cannot be constitutionally entitled to the papers called for; and concluded with saying "A just regard to the Constitution, and to the duty of my office, under all the circumstances of this case, forbids a compliance with your request." \* \* The final question in the House in favor of laws for carrying the treaty into effect, was carried by a majority of three only, 51 to 48. Among the most celebrated speeches made on the occasion, was that of Fisher Ames, in support of the treaty. Many other distinguished members took part in the debate, such as Roger Griswold, R. G. Harper, Theodore Sedgwick, and William Smith on the side of the administration; and Edward Livingston, James Madison, Albert Gallatin, and William B. Giles in opposition.—*The Statesman's Manual*, by Edwin Williams.

*The Louisiana Loan.*—The payment of sixty millions of francs to the French government was made through Messrs. Hope and Labouchere, of Amsterdam, and Barings, of London, as no French banker was willing to become the medium of so considerable a pecuniary transaction. The terms agreed on, as well for the payment of what was due to the French treasury, as for the indemnity to the American merchants, were punctually observed. For the payment of the sixty millions, it was agreed that the government of the United States was to create a stock of eleven millions two hundred and fifty thousand dollars, bearing an interest of six per cent. per annum, payable half yearly in London, Amsterdam or Paris; the principal of the said stock to be reimbursed at the Treasury of the United States in annual payments of not less than three millions of dollars each; of which the first payment was to commence fifteen years after the exchange of ratifications: the stock to be transferred to the government of France, or their agents, in three months after the exchange of the ratifications of the treaty, and after Louisiana should be taken possession of by the United States. The treaty was concluded on the 30th April, 1803. \* \* Hostilities commenced between France and England on the 22d of May, 1803. On the same day Bonaparte\* gave his ratification to the treaty of cession of Louisiana, without waiting for that of the United States. It was important that the accomplishment of this formality on the part of France should not leave any ground for considering the Colony as still French.—*Ibid*, p. 237.

*Bank of the United States.*—The charter of the Bank of the United States, which institution was incorporated in 1791, expired by limitation, on the 4th of March, 1811, and a bill having been introduced into Congress to renew the charter, was indefinitely postponed in the House of Representatives, on the 24th January, 1811, by a vote of 65 to 64. In the Senate a similar bill was rejected by the casting vote of the Vice President, George Clinton, on the 5th February, 1811, the Senate being equally divided on

\* Bonaparte was at first willing to sell the territory for fifty millions of francs—and upon the completion of the treaty, said, "This accession of territory strengthens forever the power of the United States; and I have just given to England a maritime rival that will sooner or later humble her pride."

the question, 17 to 17. The provisions of the bill were said to have been, in a great measure, conformable to the views of the Secretary of the Treasury, Mr. Gallatin.—*Ibid*, 345.

*War with England in 1813.*—Of the cabinet officers, Mr. Monroe was the only one of military taste or experience, and he had only performed a limited service in the army of the Revolution: Mr. Gallatin was avowedly opposed to the declaration of war; Mr. Eustis, the Secretary of War, knew but little of military affairs; and the Secretary of the Navy (Paul Hamilton) had no knowledge of naval affairs to qualify him for his position. The Attorney-General, Pinkney, considered the declaration of war premature while government was so entirely unprepared. The Postmaster-General, Gideon Granger, not then a cabinet officer, but at the head of a department important for military operations, was disaffected to the President; in party sympathy with senators and others professing, perhaps entertaining, inclinations for the war, but denying that with Mr. Madison as leader, it ever could prosper.—*Ibid*, 349.

*Peace Commissioners to Europe.*—On the 11th March, 1813, the President formally accepted the Russian mediation, and in a few days afterward appointed Messrs. Albert Gallatin, John Quincy Adams and James A. Bayard, commissioners or envoys to negotiate a treaty of peace with Great Britain, under the mediation of the emperor of Russia. Messrs. Gallatin and Bayard embarked soon after from Philadelphia, in the ship Neptune, under a flag of truce, to join Mr. Adams in St. Petersburg, and arrived in the Baltic in June following. \* \* When the nomination of Messrs. Gallatin, Adams and Bayard, as envoys to negotiate peace, came before the Senate on the 31st May, 1813, the two latter were confirmed, but Mr. Gallatin was rejected, 18 to 17, on the ground that the offices of Envoy Extraordinary and Secretary of the Treasury are incompatible, and ought not to be united in one person. The President informed the Senate that the office of Secretary of the Treasury was not vacant, but in the absence of Mr. Gallatin the duties of that office were performed by William Jones, Secretary of the Navy. Mr. Gallatin was afterward nominated, when no longer Secretary of the Treasury, and confirmed.—*Ibid*. 362-3.

~~~~~

THE ENGLISH COAL TRADE.—Few things relative to the commerce of England are more striking in their details than the rapid and immense increase of the coal trade. The City Recorder, in his address to Prince Albert, at the opening of the new Coal Exchange, said: "About three hundred years ago one or two ships were sufficient for the demand and supply of London. In 1615 about 200 vessels were required; in 1705 about 600 ships were equal to its demand; in 1805, 4,856 cargoes, containing about 1,350,000 tons; in 1820, 5,886 cargoes, with 1,692,992 tons; in 1845, 2,695 ships were employed in carrying 11,987 cargoes, containing 3,403,320 tons; and during the past year (1848) 2,717 ships, making 12,267 voyages, and containing 3,418,340 tons. The increase from 1838, to 1848, is upwards of 90 per cent.; and it is the result of fair and moderate calculation that at the present time 21,600 seamen are employed in the carrying department of the London coal trade." These are interesting and important facts, and, what is better, they are the statistics of peace and successful enterprise.

BANK STATISTICS.

The Farmers' Bank of Virginia, including the Branches on the 1st January, 1849, and 1st January, 1850.

<i>Liabilities.</i>	1849.	1850.
Capital Stock,	\$2,981,800.00	\$3,000,900.00
Notes in Circulation,	2,240,136.50	2,522,561.50
Individual Deposits,	1,242,139.23	1,470,932.78
Surplus or Reserved Fund,	303,347.60	282,352.27
Profits of the Institution for the last half year,	142,734.94	148,179.01
In Transitu between Parent Bank and Branches,	33,691.89	11,405.77
Total, Bank and Branches,	\$6,943,850.16	\$7,436,331.33

<i>Resources.</i>	1849.	1850.
Debt Outstanding,	\$5,647,070.83	\$5,958,097.04
Interest on Bonds due at distant dates,	0.00	67,144.12
Sterling Bills,	9,794.81	34,570.41
Stocks,	168,937.84	69,617.34
Specie on hand,	697,223.17	789,314.60
Notes and Checks of other Banks,	146,989.33	151,907.08
Balance due from other Banks,	43,154.86	152,558.12
Real Estate,	230,623.32	213,122.62
Total, Bank and Branches,	\$6,943,850.16	\$7,436,331.33

<i>Average Profits.</i>				<i>Average Profits.</i>					
Richmond,	10.69	pr. ct.	57.43	over	Danville,	9.08	pr. ct.	8.40	over
Norfolk,	7.66	"	8.23	"	Farmville,	8.51	"	11.46	"
Petersburg,	5.20	"	3.35	"	Charlottesville,	7.08	"	3.25	"
Fredericksburg,	7.50	"	.	.	Wytheville,	11.43	"	2.42	"
Lynchburg,	8.00	"	.	.	Alexandria,	7.63	"	5.84	"
Winchester,	7.50	"	.	.					

Grand Average, 8.50 per cent., 282.33 over. Average at Richmond, 10.69 per cent. and 57.43 over, and at Branches, 7.70 per cent., 127.75 over.

For further details of the Virginia Banks, see vol. II., pp. 490, 491.

Deposits, Loans, Circulation and Bank Capital of Five Cities.

	<i>Capital.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Loans.</i>
New York,	\$24,657,000	\$5,500,000	\$27,200,000	\$54,000,000
Boston,	19,577,000	5,900,000	7,200,000	31,014,000
Philadelphia,	10,670,600	4,100,000	11,300,000	20,444,000
Charleston,	9,153,000	3,500,000	4,600,000	13,962,000
Baltimore,	6,975,000	2,000,000	3,600,000	11,656,000
New Orleans,	14,280,000	6,600,000	9,500,000	8,000,000

<i>N. W. Bank of Va.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Wheeling.	John Campbell,	Daniel Lamb, . . .	\$522,600
Wellsburg, Branch.	Adam Kuhn,	Samuel Jacob, . . .	118,000
Parkersburg, Branch.	James M. Stephenson,	Beverly Smith, . . .	100,000

BANK OF VIRGINIA AND BRANCHES, JANUARY, 1849 AND 1850.

<i>Resources.</i>	<i>1st January, 1849.</i>	<i>1st January, 1850.</i>
Outstanding Debt,	\$4,605,350.66	\$4,576,885.21
Real Estate,	174,729.32	170,954.19
Sterling Bills,	11,452.00	8,500.00
Stocks,	157,968.00	154,868.00
Specie,	752,947.99	785,185.41
Due from and Notes of other Banks,	304,008.65	567,478.34
Defalcation at Lynchburg,	93,719.40	88,383.74
Balances in Transitu,	11,359.36	. . . . .
Total Resources,	\$6,111,635.38	\$6,352,254.89
<i>Liabilities.</i>	<i>1st January, 1849.</i>	<i>1st January, 1850.</i>
Capital Stock,	\$2,550,870.00	\$2,550,870.00
Profit and Loss,	277,397.79	304,700.04
Discounts, Interest, &c.,	10,557.90	11,297.93
Circulation,	1,964,757.33	2,033,491.33
Due to other Banks,	155,353.09	130,369.34
Deposit Money,	1,152,599.27	1,310,233.17
Balances in Transitu, . . . . .	. . . . .	11,293.08
Total Liabilities,	\$6,111,635.38	\$6,352,254.89

Of the outstanding debt, there is estimated as bad, \$2,115.77. And as doubtful, \$56,579.47. Amount to the credit of profit and loss, on 1st January, 1850, \$304,700.04. Dividend declared, payable 15th inst., including bonus to the State, 3 $\frac{1}{2}$ per cent., \$95,657.62; leaving as a surplus fund, \$209,042.42.

NORTHWESTERN BANK OF VIRGINIA, AT WHEELING, INCLUDING BRANCHES AT WELLSBURG AND PARKERSBURG, 1849-1850.

<i>Assets.</i>	<i>Jan. 1, 1849.</i>	<i>July 1, 1849.</i>	<i>Jan. 1, 1850</i>
Bills discounted, Domestic,	\$774,530.84	\$644,117.94	\$688,347.17
“ Foreign,	390,784.88	421,329.29	517,186.56
“ Suspense Account,	8,500.00	. . . . .	. . . . .
Stocks Northwestern Bank,	35,000.00	37,400.00	37,300.00
“ Wheeling and Belmont Co.,	18,000.00	20,000.00	20,000.00
Other Stocks,	2,310.50	2,310.50	1,728.50
Banking Houses,	27,152.66	27,180.01	27,180.01
Other Real Estate,	56,929.78	52,839.71	52,741.41
Coin,	214,864.79	198,386.47	249,107.12
Notes of other Banks, and Checks, .	50,453.78	61,264.58	71,030.08
Due by other Banks,	103,218.23	109,422.52	154,420.97
Between Parent Bank and Branches,	2,612.00	1,804.80	. . . . .
	\$1,684,357.46	\$1,576,055.83	\$1,819,041.82
<i>Liabilities.</i>	<i>Jan. 1, 1849.</i>	<i>July 1, 1849.</i>	<i>Jan. 1, 1850.</i>
Capital of Bank and Branches,	\$740,600.00	740,600.00	740,600.00
Circulation of same,	668,200.00	589,003.00	821,309.00
Due to Depositors,	183,953.64	166,099.92	178,852.25
Due to other Banks,	21,269.02	19,746.08	14,966.95
Dividend, 3 per cent.,	22,218.00	22,218.00	22,218.00
Bonus to State of Virginia,	1,851.50	1,851.50	1,851.50
Between Parent Bank and Branches, .	. . . . .	. . . . .	557.76
Surplus, after paying Dividend and Bonus,	46,265.30	36,537.33	38,686.37
	\$1,684,357.46	\$1,576,055.83	\$1,819,041.82

CONDITION OF THE BANKS OF PENNSYLVANIA.—NOVEMBER, 1849.

Compiled for the Bankers' Magazine from the Official Report.

RESOURCES OF THE BANKS.	Bills dis- counted.	Specie and Treasury Notes.	Due by Banks.	Notes and Checks.	Real Estate and Personal.	Bonds, Mortgages, &c.	Stocks.	Total Resources.
Bank of Pennsylvania,	\$2,527,370	\$180,053	\$177,229	\$343,733	\$91,972	\$187,100	\$278,690	\$3,878,139
Philadelphia Bank,	2,870,406	558,844	82,134	332,798	67,155	10,450	23,696	3,947,085
Bank of North America,	1,988,906	655,636	133,536	24,015	61,932	. . . . .	57,200	3,448,124
Commercial Bank of Pennsylvania,	1,783,225	165,625	23,961	164,083	55,739	4,000	184,720	2,436,331
Farmers and Mechanics Bank,	2,753,988	427,996	154,536	656,111	59,190	32,111	154,487	4,285,662
Girard Bank,	818,389	670,551	173,933	. . . . .	. . . . .	662,376	227,700	2,552,950
Southwark Bank,	705,834	165,864	46,986	126,037	20,000	. . . . .	20,350	1,189,761
Bank of Commerce,	602,463	275,881	40,063	. . . . .	11,000	. . . . .	25	942,268
Mechanics Bank of Philadelphia,	1,311,826	377,067	86,551	. . . . .	61,940	13,600	202,191	2,140,403
Western Bank of Philadelphia,	1,225,740	188,813	106,399	162,016	25,000	13,100	958	1,729,139
Bank of the Northern Liberties,	1,049,887	99,926	74,399	96,528	16,864	1,850	212,909	1,560,165
Bank of Penn Township,	723,489	154,185	69,055	. . . . .	24,005	9,150	9,347	1,034,083
Manufacturers and Mechanics Bank, Kensington Bank,	653,793	107,805	53,640	. . . . .	28,500	1,275	5,850	901,955
Tradesmen's Bank of Philadelphia, Bank of Germantown,	615,751	128,175	17,381	38,795	15,335	. . . . .	6,692	882,769
	321,178	35,104	6,747	67,815	10,366	1,048	. . . . .	446,131
	272,656	22,357	20,699	12,733	32,903	13,615	3,560	421,894
Totals 16 Philadelphia Banks,	\$20,224,911	\$4,113,937	\$1,257,257	\$1,925,670	\$572,407	\$949,678	\$1,388,375	\$31,796,835
Bank of Delaware County,	249,816	60,254	24,767	2,189	4,000	81,528	. . . . .	427,186
Bank of Chester County,	418,374	95,323	100,907	7,351	28,250	44,186	27,380	728,732
Farmers Bank of Bucks County,	146,494	14,727	15,250	2,940	8,061	. . . . .	6,210	230,484
Doylestown Bank of Bucks County, Easton Bank,	134,050	42,664	18,093	20,415	8,148	400	442	208,851
	770,593	149,320	6,581	20,415	10,016	70,623	27,435	1,223,234
Miners Bank of Pottsville,	339,072	33,498	173,253	27,927	45,600	56,582	18,205	709,425

Pennsylvania.

799

Farmers Bank of Schuylkill County,	148,916	17,098	68,314	4,540	6,409	84,961	247,046
Bank of Montgomery County,	524,629	88,408	15,122	2,300	8,950	11,284	747,226
Lebanon Bank,	214,699	43,234	7,642	14,935	682	• • •	285,733
Farmers Bank of Reading,	499,056	113,169	13,717	10,563	84,174	111,960	803,370
Lancaster Bank,	1,199,221	155,939	77,263	111,567	12,972	167,684	1,744,991
Lancaster County Bank,	364,220	61,451	3,352	15,466	8,503	25,088	498,191
Columbia Bank and Bridge Company,	215,575	44,776	5,376	20,112	169,980	84,275	600,408
York Bank,	472,495	27,470	46,797	30,673	6,683	8,600	626,811
Bank of Gettysburg,	118,640	49,337	1,759	11,684	21,678	102,777	27,086
Bank of Chambersburg,	137,189	38,229	9,115	16,943	29,101	199,131	332,863
Harrisburg Bank,	381,311	66,196	95,813	33,820	42,729	77,607	605,138
Bank of Middletown,	270,835	123,484	5,671	21,791	5,534	23,600	86,640
Bank of Northumberland,	343,757	54,014	94,554	19,218	8,966	19,255	6,000
Wyoming Bank at Wilkesbarre,	128,760	9,457	9,023	5,228	2,690	18,921	599,403
Honesdale Bank,	119,056	49,092	218,112	219,674	4,102	• • •	192,026
West Branch Bank,	182,450	31,654	9,343	5,615	6,974	83,054	614,425
Bank of Pittsburg,	1,782,849	182,250	252,908	100,210	43,395	14,422	330,996
Exchange Bank of Pittsburg,	460,343	129,022	34,959	69,585	57,080	162,693	2,474,858
Merchants and Manufacturers Bank,	883,708	121,422	166,673	62,036	23,170	23,500	1,565,007
Monongahela Bank of Brownsville,	200,111	108,742	84,366	19,877	4,716	797	1,291,404
Farmers and Drivers, Waynesburg,	226,230	37,810	119,521	13,527	3,251	16,598	433,615
Franklin Bank of Washington,	217,183	79,480	19,943	38,195	3,406	8,107	405,747
Dauphin Deposit Bank,	332,113	21,706	20,076	• • •	5,844	• • •	379,740
Farmers Deposit Bank,	203,020	22,135	• • •	• • •	• • •	• • •	225,311
Lancaster Savings Institution,	118,486	12,871	• • •	• • •	10,175	6,896	152,152
York Savings Bank,	167,529	12,960	1,760	7,276	• • •	2,748	192,437
Hanover Saving Fund Society,	82,864	1,486	• • •	• • •	• • •	• • •	86,173
Farmers Bank of Lancaster,	488,239	37,255	40,266	5,898	6,000	69,247	734,004
Carlisle Deposit Bank,	63,062	3,971	6,070	13,599	• • •	• • •	86,771
Eric Bank,	124,351	6,820	• • •	13,566	4,604	6,713	176,429
Total, 62 Banks,	\$32,949,261	\$6,260,741	\$3,059,637	\$2,874,375	\$1,207,961	\$2,270,537	\$63,380,968
							\$2,120,738

CONDITION OF THE BANKS OF PENNSYLVANIA.—NOVEMBER, 1849.

(Continued from p. 799.)

LIABILITIES.

	Capital Stock.	Circulation.	Due Banks.	Depositors.	Dividends unpaid.	Contingent Fund.	Discounts, &c.	Due Com- mmercial.
Bank of Pennsylvania,	\$1,875,000	\$398,471	\$381,325	\$900,850	\$8,010	\$	\$92,814	\$44,028
Philadelphia Bank,	1,150,000	466,906	573,790	1,266,951	88,460	300,000	1,615	89,440
Bank of North America,	1,000,000	344,964	612,777	1,204,716		208,846	52,964	
Commercial Bank of Pennsylvania,	1,000,000	249,059	191,912	803,018	3,449	129,163	69,728	
Farmers and Mechanics Bank,	1,250,000	552,526	607,671	1,564,602	62,893	175,600		72,468
Girard Bank,	1,250,000	388,750	238,187	613,689	17,500			144,823
Southwark Bank,	250,000	183,715	162,851	492,421	2,359		31,308	
Bank of Commerce,	250,000	150,835	101,061	492,384	7,635	27,062	308	3,000
Mechanics B'k of City and County of Phila.,	800,000	246,745	138,193	671,955	2,596	200,000	44,704	
Western Bank of Philadelphia,	418,600	201,890	146,295	850,787	1,451	61,945	48,289	
Bank of the Northern Liberties,	350,000	233,357	141,418	714,359	1,260	50,070		
Bank of Penn Township,	225,000	196,450	25,245	492,142	458	55,078	25,008	3,297
Manufacturers and Mechanics Bank,	300,000	166,030	30,277	325,216	793	41,243	20,889	
Kensington Bank,	250,000	153,122	10,625	402,281	791	45,108	20,839	
Tradesmen's Bank of Philadelphia,	150,000	84,455	12,867	190,740	3,160	4,000		685
Bank of Germantown,	152,000	89,424	714	146,864	1,891	13,409	9,293	
Totals 16 Philadelphia Banks,	\$10,670,600	\$4,130,612	\$3,375,187	\$10,942,964	\$202,092	\$1,311,460	\$407,763	\$367,630
Bank of Delaware County,	155,640	94,231	3,026	150,589	481		9,850	933
Bank of Chester County,	225,000	271,352	16,410	192,685	9,517	11,169	2,697	
Farmers Bank of Bucks County,	92,220	66,372	8,522	34,961	2,993	2,837		16,723
Doylestown Bank of Bucks County,	60,000	78,250	1,005	61,452	1,927	6,650	97	468
Easton Bank,	400,000	548,950	19,126	171,752	28,145	60,000		
Miners Bank of Pottsville,	198,920	321,690	49,848	95,244	8,527	28,408	119	2,180

Pennsylvania.

Farmers Bank of Schuylkill County,	100,000	99,810	8,824	38,605	187	7,143	187
Bank of Montgomery County,	823,655	170,649	20,280	170,692	87	49,291	1,936
Lebanon Bank,	80,320	117,245	42,193	35,703	325	2,474	2,570
Farmers Bank of Reading,	300,360	341,715	12,073	123,160	253	18,280	734
Lancaster Bank,	403,970	698,547	176,130	379,273	1,678	14,987	47,358
Lancaster County Bank,	147,938	255,750	13,006	70,294	361	2,368	1,836
Columbia Bank and Bridge Company,	807,300	139,342	5,676	73,519	47,197	8,684	47,197
York Bank,	250,000	226,050	6,650	129,377	361	11,823	361
Bank of Gettysburg,	123,873	141,665	9,395	28,068	22	12,938	966
Bank of Chambersburg,	205,470	161,970	7,621	84,833	370	14,267	801
Harrisburg Bank,	300,000	286,320	8,921	162,371	26,650	33,000	26,650
Bank of Middletown,	97,275	224,670	6,275	89,926	661	37,978	1,167
Bank of Northumberland,	160,000	286,064	5,023	89,436	427	20,000	22,858
Wyoming Bank at Wilkesbarre,	85,333	26,520	10,458	59,096	91	3,810	332
Honesdale Bank,	82,000	494,400	16,448	16,448	8,136	38	401
West Branch Bank,	100,000	136,142	612	57,429	21,810	13,500	401
Bank of Pittsburg,	1,142,520	350,847	76,389	728,080	68,538	1,934	21,810
Exchange Bank of Pittsburg,	813,845	844,610	63,530	250,498	100,489	48,548	68,538
Merchants and Manufacturers Bank,	600,000	337,600	17,873	194,623	40	64,615	61,669
Monongahela Bank of Brownsville,	138,000	212,265	3,104	83,332	193	5,322	4,575
Farmers and Drivers Bank,	100,000	277,930	199	27,443	177	26,629	88
Franklin Bank of Washington,	120,000	202,140	10,293	44,755	62	24,372	62
Dauphin Deposit Bank,	50,000	301,789	6,669	301,789	1,754	21,000	17,481
Farmers Deposit, Pittsburg,	62,500	141,094	141,094	141,094	716	635	716
Lancaster Savings Institution,	20,320	130,771	232	130,771	192	635	192
York Savings Bank,	50,000	33,145	2,592	102,276	3,665	579	3,665
Hanover Saving Fund Society,	36,000	18,094	18,094	30,099	55	1,924	55
Farmers Bank of Lancaster,	350,000	273,405	8,497	74,007	850	10,346	12,871
Carlisle Deposit Bank,	22,500	18,369	18,369	44,517	72	804	175
Eric Bank,	101,895	45,670	13,146	13,146	72	15,718	175
Total, 62 Banks,	\$18,478,382	\$11,385,779	\$4,024,905	\$15,412,236	\$635,454	\$1,926,522	\$618,561
					\$390,179		

*Comparative Condition of the Banks of Pennsylvania, 1846, 1847, 1848,
and 1849,*

Compiled for the Bankers' Magazine from the Official Reports.

<i>Liabilities.</i>	Nov. 1846.	Nov. 1847.	Nov. 1848.	Nov. 1849.
Capital,	\$20,994,724	\$21,585,760	\$21,462,870	\$18,478,382
Circulation,	10,681,465	13,737,597	9,992,894	11,385,780
Bank Balances,	3,426,662	4,338,073	3,382,418	4,024,905
Deposits,	13,171,580	15,009,370	12,845,904	15,412,236
Contingent Fund,	2,628,533	1,893,329	1,435,703	1,926,523
Discounts,	304,060	704,560	243,350	535,454
Profit and Loss,	674,566	478,998	569,490	490,270
Due the Commonwealth,	190,746	467,960	361,068	618,561
Relief Circulation,	548,626	640,381	36,606	6 0,619
United States Deposits,	100,958	. . . . .	. . . . .	. . . . .
Miscellaneous,	200,918	811,047	454,027	45,756
Suspense Account,	23,714	19,146	318,784	12,302
Dividends unpaid,	414,158	273,009	346,277	390,180
Total Liabilities,	\$53,260,711	\$59,959,230	\$51,449,381	\$53,380,968
<i>Resources.</i>	Nov. 1846.	Nov. 1847.	Nov. 1848.	Nov. 1849.
Bills discounted,	\$28,186,285	\$32,152,451	\$28,001,130	\$32,949,260
Specie and Treasury Notes,	5,796,192	7,362,659	6,801,078	6,260,741
Bank Balances,	2,826,886	3,993,740	2,953,176	3,059,638
Bank Notes and Checks,	2,316,312	3,060,730	2,367,118	2,874,376
Real Estate,	1,765,266	1,104,375	1,158,196	1,207,961
Bonds, Mortgages,	1,302,912	1,333,726	1,145,690	2,270,538
Stocks,	2,422,475	2,300,012	2,395,462	2,120,734
Exchange,	585,842	1,089,635	906,795	1,194,221
Expenses,	33,775	98,217	31,284	65,220
Post Notes,	928,897	628,955	280,182	404,293
Loans,	2,182,943	1,949,648	1,316,436	796,591
Miscellaneous,	4,912,926	4,885,082	4,092,834	177,395
Total Resources,	\$53,260,711	\$59,959,230	\$51,449,381	\$53,380,968

BANK CAPITAL OF TOWNS IN PENNSYLVANIA.

Philadelphia, . . . 16 .	\$10,670,600	Gettysburg, 1 .	\$123,873
Pittsburg, 4 .	2,618,865	Washington, 1 .	120,000
*Lancaster, 4 .	922,158	Erie, 1 .	101,895
Easton, 1 .	400,000	Schuylkill Haven, 1 .	100,000
Harrisburg, 2 .	350,000	Waynesburg, 1 .	100,000
Morristown, 1 .	323,655	Williamsport, 1 .	100,000
Reading, 1 .	300,360	Middletown, 1 .	97,275
Columbia, 1 .	307,300	Bristol, 1 .	92,220
*York, 2 .	300,000	Honesdale, 1 .	82,000
Westchester, 1 .	225,000	Wikesbarre, 1 .	85,330
Chambersburg, 1 .	205,470	Doylestown, 1 .	60,000
Pottsville, 1 .	199,920	Lebanon, 1 .	80,320
Northumberland, 1 .	160,000	*Hanover, 1 .	36,000
Chester, 1 .	155,640	*Carlisle, 1 .	22,500
Brownsville, 1 .	138,000		

Total, 52 Banks. Capital, \$18,478,382.

* One Savings Bank in each.

The preceding statements indicate an addition of bona fide bank capital within the year, of about \$765,000. (The capital of the Girard having been reduced from its nominal capital of \$5,000,000 in 1848 to its actual capital of \$1,250,000 in 1849.)

There is an increase also observable in the circulation, to the amount of about one and a half million. The other items have not varied much for several years past.



THE LAW OF DEMAND.

ON THE LAW OF DEMAND TO CHARGE INDORSERS.

Communicated for the Bankers' Magazine.

[The importance of the subject discussed in the following communication will be apparent to all bankers who read it. In Boston there is a diversity of opinion among merchants as to the law on this point, and even among the Boston banks there has been, until recently, equally opposite views. We trust that the annexed communication will induce our readers to look fully into the subject.—ED. B. M.]

Few points in practical banking are of more importance than correct information as to what is necessary to fix the liability of indorsers under all circumstances, since the currency and value of negotiable paper often depend quite as much on the names upon its back as those on its face; and the subject is so well understood and its importance so highly appreciated that there is seldom any occasion to make any suggestions respecting it.

There is, however, a certain description of negotiable paper, in relation to which the practice pursued, to some extent, as we are informed, in order to charge indorsers, might not answer the test of legal controversy; and, if not, the sooner it shall be corrected, the better for all concerned except the unfortunate indorser, whose interests it is not our present object to promote.

The practice referred to is that adopted in making demand of payment of paper, in which no place of payment is specified, and which bears date at one place, while the maker or acceptor resides in another, and perhaps in another State. This kind of paper is taken every day by city merchants, of country traders, in payment for goods, and dated at the city where it is made, and where it is undoubtedly intended by both parties it shall be paid; and such is now the facility and frequency of communication between country and city, that many notes are made and dated in the city by persons not in trade who live at a distance from it.

This description of paper is therefore of no inconsiderable amount and consequence to the business community.

We are informed that when paper of this kind finds its way into the banks for discount or collection, it is often treated as if payable in the city where it is dated, and that if not duly paid, it is frequently protested without any effort being made to find the maker or acceptor, and demand payment of him, except in the city where it is dated. If indorsers are not aware that the

effect of this course is to release them from legal liability, no loss may ensue from it, (but business men do not wish to rely upon the probability that those with whom they deal will continue ignorant of their legal right, or forbear to assert them when known,) and it is our present purpose briefly to show that such is the effect of the course in question.

It is well known that an indorser contracts to pay only in case demand of payment is made of the maker or acceptor and payment is refused; and that, as an almost invariable rule, such demands must be made either personally on the maker or acceptor, or at his residence or place of business. The principal exception to this rule is, that where a place of payment is specified in the note or bill, the demand of payment may be made at that place, and need not be personal. We suppose the practice in question has arisen from the impression that the *dating a note at a particular place* renders it payable at *that place*, (in the absence of any other provision,) and thus brings it within the exception just mentioned so as to authorize a demand of payment there to charge an indorser, and shall content ourselves with a brief reference to legal authorities, which show both the impression and practice under it to be erroneous.

The point that dating a note at a particular place does not make it payable at that place so as to authorize a demand of payment there to charge an indorser, was expressly decided by the Supreme Court of New York, in the late case of *Taylor vs. Snider*, reported in the third of Denio's Reports.

The same point is stated as law in *Bayley on Bills*, page 209, and sustained by citations of decided cases. Judge Story, in his treatise on Promissory Notes, § 49, goes much farther, and states that no place of payment of a note can be determined and made binding on parties, unless it is expressly specified in the body of the note, and not at the foot or margin thereof, and that otherwise, though the parties agreed it should be payable at a particular place, this fact would not avail as evidence to render it so payable.

It is obvious that unless the date does so determine the place of payment, it cannot determine the place at which demand may be made to charge an indorser. But cases go much farther than this in requiring a personal demand to be made on makers or acceptors for that purpose, and show that where a person makes and dates a note where he resides at the time, and afterwards, before the maturity of the note, removes to another part of the same State, the holder of the note must follow him to his new residence and there make demand of payment, if he would charge indorsers of the note. *Anderson vs. Drake*, 14 Johnson, 114. *Wheeler and al vs. Field*, 6 Metcalf, 295.

It is true that the maker of a note is presumed to reside in the place where it is dated, so that a demand made there would be good, in the absence of all evidence of his residing elsewhere;—but this consideration is of small importance, as the holder of a note is seldom ignorant of the residence of the parties to it, and if he were, is bound to use reasonable diligence to ascertain the maker's residence and cause demand to be made there in order to charge indorsers. Beyond this and its effect in showing by what law or jurisdiction the validity and interpretation of a note is to be governed, the place of date of a note is of no consequence.

We have thus endeavored to call attention to the necessity of disregard-

ing the date of a note in determining where to demand payment of it to fix an endorser's liability. The principle is the same whether the maker lives in the same State in which the note is dated or not, unless he has removed since its date to another State.

If it be irksome to bankers to be obliged to send their paper to considerable distances and even to other States to satisfy the law of demand and preserve the liability of endorsers, they should take this trouble into consideration when they receive such paper and indemnify themselves for it as we presume they would be entitled to do.

B.

CHRONICLES OF THE STOCK EXCHANGE.

CHAPTER VII.

Crisis of 1772.—Indian Adventurers, their Ostentation, their Character.—Failure of Douglas, Heron, & Co.—Neale, Fordyce & Co.—Sketch of Mr. Fordyce.—His Success in the Alley.—Alarm of his Partners.—His Artifice.—His Failure.—General Bankruptcy.—Liberality of a Nabob.—Reply of a Quaker.—Witticism of John Wilkes.—War of American Independence.—Artifices of Ministers.—Anecdote of Mr. Atkinson.—Value of Life on the Stock Exchange.—Longevity of a Stockbroker.

The crisis of 1772 has been entirely overlooked by those who have bestowed their thoughts upon such subjects. It had its origin in a variety of circumstances; but the exciting cause was the failure of the bank of Douglas, Heron & Co., established in 1769. It was the period when the success of adventurers in our Indian empire had contributed to the wealth of England. Immense sums were accumulated in a few months. Large purchases of land were made at high prices. All the early and late symptoms of speculation were apparent. The vast fortunes brought home were ostentatiously displayed. A contempt for the slow gains of trade, a feverish excitement, an ungovernable impatience to be rich, marked the period. The nabobs were not disposed to hide their wealth under a bushel. They built magnificent mansions, and mistook ostentation for taste. They raised the prices of all articles of consumption; they were bowed to before their faces, and dreaded behind their backs. Dark deeds were told of them; and the shrewd peasantry shuddered as the massive carriage rolled by, which held the man whose wealth had been obtained at the expense of his humanity. The ephemeral literature of the day is filled with the popular opinion of the character; and the nabob is commonly represented as a man with a bad liver and black heart. Scott, with his exquisite conception of the ludicrous, makes one of his characters define a nabob as "one who comes frae foreign parts, with mair siller than his pouches can hold: as yellow as oranges, and maun hae a' things his ain gate."

For thirty years the public was filled with impressions of their wealth and crimes; and so late as twenty years ago, Lord Clive was described to the writer as keeping memorials of his guilt in a box beneath his bed, and as having destroyed himself because his past enormities were too great for his conscience to bear. The drama, the story, and the poem, were colored with their eccentricities; while newspapers occasionally recorded facts which marked that, in some at least, a fine generosity was mixed with their grossness.

The effect, however, of these things was to make money plentiful; to raise a spirit of emulation, and a thirst for gold. In addition to this, the banking-house of Douglas, Heron, & Co. circulated its paper with a freedom which had an effect upon the population of Scotland remembered to the present day. Discounts for a time were plentiful. Bills presented by farmers, and accepted by ploughmen, were readily cashed. As is usual in these cases, the dashing character attained by the bank attracted those who should have known better; and many, who boasted of their foresight, paid for their presumption.

In 1771, the result of reckless trading was apparent; and Douglas, Heron, & Co. failed. The shock was felt throughout the empire. The Royal Bank of Scotland tottered to its base; the banking-houses of England shook with a well-grounded fear; and the great corporation of the Bank of England was beset on all sides for assistance, but from none more vehemently than from Mr. Fordyce, of the house of Neale, Fordyce, & Co., — a firm which, from its position, the importance assumed by its partners, and the known success of some of its speculations, was generally supposed to be beyond suspicion. The career of the man who thus craved assistance was somewhat out of the ordinary way of his craft, and may, perhaps, prove interesting, as the sketch of an adventurer in whose power it lay to make or mar the fortunes intrusted to him; and also as a specimen of the mode in which the Stock Exchange is sometimes resorted to by bankers with the balances of their customers.

Bred a hosier at Aberdeen, Alexander Fordyce found the North too confined for any extensive operations, and, repairing to London as the only place worthy his genius, obtained employment as clerk to a city banking-house. Here he displayed great facility for figures, with great attention to business, and rose to the post of junior partner in the firm of Roffey, Neale, & James. Scarcely was he thus established, ere he began to speculate in the Alley, and generally with marked good fortune.

“The Devil tempts young sinners with success”; —

and Mr. Fordyce, thinking his luck would be perpetual, ventured for sums which involved his own character and his partners' fortune. The game was with him; the funds were constantly on the rise; and, fortunate as daring, he was enabled to purchase a large estate, to support a grand appearance, to surpass nabobs in extravagance, and *parvenus* in folly. He marked the “marble with his name” upon a church which he ostentatiously built. His ambition vied with his extravagance, and his extravagance kept pace with his ambition. The Aberdeen hosier spent thousands in attempting to become a senator, and openly avowed his hope of

dying a peer. He married a woman of title ; made a fine settlement on her Ladyship ; purchased estates in Scotland at a fancy value ; built a hospital ; and founded charities in the place of which he hoped to become the representative. But a change came over his fortunes. Some political events first shook him. A sensible blow was given to his career by the affair of Falkland Island ;* and he had recourse to his partners' private funds to supply his deficiencies. Like many, who are tempted to appropriate the property of others, he trusted to replace it by some lucky stroke of good fortune, and redoubled his speculations on the Stock Exchange. Reports reached his partners, who grew alarmed. They had witnessed and partaken of his good fortune, and they had rejoiced in the far ken which had obtained the services of so clever a person ; but when they saw that the chances were going against him, they remonstrated with all the energy of men whose fortunes hang on the success of their remonstrances. A cool and insolent contempt for their opinion, coupled with the remark, that he was quite disposed to leave them to manage a concern to which they were utterly incompetent, startled them ; and when, with a cunning which provided for every thing, an enormous amount of bank-notes, which Fordyce had borrowed for the purpose, was shown them, their faith in his genius returned with the possession of the magic paper ; and it is doubtful whether the plausibility of his manner or the rustle of the notes decided them.

But ill-fortune continued to pursue Mr. Fordyce. His combinations were as fine, his plans as skilful, as ever. His mind was as perceptive as when he first began ; but unexpected facts upset his theories, and the price of the funds would not yield to his combinations. Every one said he deserved to win ; but he still continued to lose. Speculation succeeded speculation ; and it is remarkable, that, with all his great and continued losses, he retained to the last hour a cool and calm self-possession. After availing himself of every possible resource, his partners were surprised by his absenting himself from the banking-house. This, with other causes, occasioned an immediate stoppage, and a bankruptcy which spread far and wide. But Mr. Fordyce was not absent long. He returned at the risk of his life ; the public feeling being so violent that it was necessary to guard him from the populace while he detailed a tissue of unsurpassed fraud and folly. He manfully took the blame upon himself, and exonerated his partners from all, save an undeserved confidence.

It need hardly be added, that the assistance earnestly begged by Mr. Fordyce of the Bank of England was refused. Whatever impression might be entertained by others of his house, the corporation to which he applied was equally aware of his speculative propensities, as of the sphere in which he indulged them ; and they refused assistance, upon a well-founded principle, to the man who employed his customers' capital and his own energies in incessant speculations on the Stock Exchange. Fordyce, however, only advanced the crash. The Scotch bankers were the cause ; and the Bank of England saw the necessity of stopping the dan-

* "The stocks have got wind of this secret," said Horace Walpole, "and their heart is fallen into their breeches, where the heart of the stocks is apt to lie."

gerous game commenced by the Bank of Ayr. The failures continued in the commercial world. He broke half the people in town. Glyn and Halifax were gazetted as bankrupts;* Drummonds were only saved by General Smith, a nabob,—the original of Foot's Sir Matthew Mite,—supporting their house with £ 150,000. Two gentlemen, ruined by the extravagance of the city banker, shot themselves. Throughout London the panic, equal to any thing of a later date, but of shorter duration, spread with the velocity of wild-fire, and part of the press attributed to the Bank the merit of supporting the credit of the city, while part assert that it caused the panic. The first families were in tears; nor is the consternation surprising, when it is known that bills to the amount of four millions were in circulation, with the name of Fordyce attached to them.

The attempts of the speculating banker to procure assistance were earnest and incessant. Among those to whom Mr. Fordyce went was a shrewd Quaker. "Friend Fordyce," was the reply of the latter, "I have known many men ruined by two dice, but I will not be ruined by Four-dice."

In 1774, the number of Hebrew brokers was limited to twelve; and the privilege was always purchased by a liberal gratuity to the Lord Mayor. During this year, the mayoralty of Wilks, one of the privileged being at the point of death, Wilks, with characteristic boldness, openly calculated on the advantage to be attained, and was very particular in his inquiries after the sick man. The rumor, that Wilks had openly expressed a wish for the death of the Hebrew, was spread by the wags of Change Alley, and the son of the broker sought his Lordship to reproach him with his cupidity. "My dear fellow," replied Wilks, with the readiness peculiar to him, "you are greatly in error. I would sooner have seen all the Jew brokers dead than your father."

"It is the nature of colonics, as of children, at a certain period in their history, to cease to be dependent upon their parents. By judicious counsel and control they may be retained, but they must eventually separate; and, with the one as with the other, the future influence of the parent depends upon that parent's behaviour during the nonage of the child." Such was the opinion of William Pitt, first Earl of Chatham; and it is to be lamented that the behaviour of England to her American children was not likely to be remembered with kindness, when the tie was violently broken. The story of that disastrous war, when men of the same ancestry and the same habits were arrayed in hostility, when they who spake the same tongue spake it only in unkindness, is pitiable and humiliating. From the time when the inhabitants of Boston refused to be taxed, to the signing of the treaty with the young republic on terms of equality, the measures adopted were as severe as they were injudicious; and to the obstinacy of George III. may be traced the cause and the continuation of

* Sir Thomas Halifax had not a high reputation for liberality. During a severe winter, when requested to join his neighbours in a subscription for the poor, and told that "he who giveth to the poor lendeth to the Lord," he replied, "He did not lend on such slight security"; and it is curious, that, when he afterwards applied to a rich neighbour for assistance, a similar reply, couched in similar language, was given to his application.

the contest, and the increase of the national debt. The first blow was struck at Boston. On the evening of December 16th, 1773, a number of citizens, disguised as Mohawk Indians, boarded the vessels containing the tea which they would not allow to be taxed, and discharged it into the water, while other cargoes were not only refused a landing, but were sent back with contempt.

When the news reached London, various restraining measures were passed. The place which had witnessed the outrage was declared closed for all exports and imports; and though the bold stand of the provincials astonished the mother country, it was supposed to be but temporary. It was soon found, however, that Boston was not alone; other provinces joined; and British America called a general congress. Magazines were formed; ammunition was provided; plans were drawn up for the defence of the country; and a large body enrolled, termed minute-men, engaged to turn out at a minute's notice. Every contingency was prepared for; and an aspect called rebellious by the mother country was boldly presented. The first blood was shed at Lexington, where British soldiers fled before American militia. Emboldened by success, they reduced two forts, took Montreal, and attempted Quebec. Nor was England idle in the struggle. An addition to the land and sea force was voted; loans were raised; reinforcements were ordered to Boston; and the military ardor which had seized the Americans found fuel on which to expend itself.

With fire-arms formed by themselves; with weapons wrought from the plough; with artillery so clumsily fashioned that it burst more often than it discharged; with men who had only the determination to die free rather than live bond,—the American generals beat the veteran troops of England. Her forts were taken, her forces surrounded, her armies destroyed, and her officers made prisoners. The principal powers of Europe looked with delight upon a struggle between the soldiers of the mother country and the raw recruits of the colony; between discipline on the one side and patriotism on the other; on the entire power of England baffled by men from the pen and from the plough, from the shop and from the counting-house. The loans of this disastrous period were most unpopular. The increased taxation which followed was drawn with the utmost difficulty from the pockets of the people.

Political misfortunes and military disasters made the subjugation of America chimerical. Earl Cornwallis surrendered himself and his army as prisoners of war; and when the contest was extended to Europe,—when England stood alone against Holland, France, Spain, and America,—when our navy was defeated,—when the English coast and harbors were insulted, our West India Islands ravaged, and our trade swept away,—the discontents of the country increased, and the debates in the House grew violent and acrimonious. “You sheathe your sword, not in its scabbard, but in the bowels of your countrymen,” said one; and on some unhappy boast of driving the Americans into the sea,—“I might as well,” said Lord Chatham, “think of driving them with my crutch.” The people grumbled at defeat following defeat, at trade crippled, at taxes augmented, and debts enlarged.

Loan succeeded loan ; a cry arose about the corruption of contracts ; and the feeling of discontent increased so strongly, that the stubborn obstinacy of the king, who said he would sooner lose his right arm than his colonies, was compelled to yield to a unanimous resolution of the Commons, that the House would consider as enemies all those who advised the continuance of the war. Had any other monarch sat upon the throne, the large accumulation of debt would, probably, have been avoided ; and England would now be spared the painful task of looking back upon " a nation convulsed by faction ; a throne assailed by the fiercest invective ; a House of Commons hated and despised ; a rival legislature sitting beyond the Atlantic ; English blood shed by English bayonets ; our armies capitulating ; our conquests wrested from us ; our enemies hastening to take vengeance upon us for past humiliations ; and our flag scarcely able to maintain itself in our own seas."

Such was the aspect of public affairs during a war which cost thirty-two millions in taxes, and added one hundred and four millions to the national debt.

In 1778, when a loan was proposed, the usual number of applications was delivered from the bankers, merchants, and members of the Stock Exchange. To their surprise the answers were not received so soon as usual ; and, as political events were threatening, the applicants grew anxious. The funds fell greatly ; and, when the replies came, it was found that the whole of this unfortunate loan was fixed upon them. Had the funds risen, the members and the minister's friends would have had a good portion ; but, as the scrip was sure to be at a discount of three per cent., the whole was divided among those who were either without interest or were opposed to the government. In 1781, on a new loan being proposed, the same houses applied ; but as the scrip went to a premium, it was divided with due regard to senatorial interests ; and many who had lost on the last loan had no opportunity of retrieving on the present.

Prior to the allotment, one firm was waited on by a stranger, and told, that, if they would add his name to their list, they would be favorably considered. The house declined the proposal, and sent in a tender for two millions ; when, to their surprise, they received, with an allotment of £ 560,000, an intimation that the odd £ 60,000 was for the gentleman who had waited on them, and of whom they knew nothing.

£ 240,000 was nominally given to another house ; but of this £ 200,000 was for members whose votes were desirable. Mr. Dent, the head of the house of Child, and a senator, received £ 500,000, being two thirds of his tender ; while Drummonds and other bankers, not members, received only tenths and sixteenths of the sums they requested. Some applicants, without Parliamentary interest, though as good as any in the city, were totally neglected, while " to a number of mendicants," said Mr. Fox, " obscure persons, and nominal people, were given large amounts."

The mendicants and obscure people, thus politely alluded to by the great gambler, were the Treasury and Bank clerks, to whom a portion of the loan was usually presented as a compliment for their services.

It is curious to notice the increase of applications for the loans so constantly required. Thus, in 1778 only 240 persons applied ; in 1779 the

number increased to 600; in 1780, to 1,100; and in 1781 it reached 1,600.

In 1785, Mr. Atkinson, said to be an adventurer from the North, was a great speculator. That he acted with judgment may be gathered from the fact of his dying possessed of half a million. A curious, but not a parsimonious man, he occasionally performed eccentric actions. During one of the pauses in a dinner conversation, he suddenly turned to a lady by whom he sat, and said, "If you, madam, will trust me with £ 1,000 for three years, I will employ it advantageously." The character of the speaker was known; the offer so frankly made was as frankly accepted; and in three years, to the very day, Mr. Atkinson waited on the lady with £ 10,000, to which amount the sagacity of the citizen had increased the sum intrusted to him.

It is probable, although the fact is difficult of attainment, that the lives of the members of the Stock Exchange are, at the present day, less valuable than the ordinary average of human life. The constant thought, the change from hope to fear, the nights broken by expresses, the days excited by changes, must necessarily produce an unfavorable effect upon the frame. Instances, however, of great longevity are not wanting; and one John Riva, who, after an active life in 'Change Alley, had retired to Venice, died there at the patriarchal age of one hundred and eighteen.

CHAPTER VIII.

Invention of Lotteries. — The First Lottery. — Employed by the State. — Great Increase. — Eagerness to subscribe. — Evils of Lotteries. — Suicide through them. — Superstition. — Insurances. — Spread of Gambling. — Promises of Lotteries. — Humorous Episodes. — Legal Interference. — Parliamentary Report. — Lottery Drawing. — Picture of Morocco Men. — Their Great Evil. — Lottery Puffing. — Epitaph on a Chancellor. — Abolition of Lotteries.

THE history of lotteries is one of those anomalies which it is the duty rather than the pleasure of the annalist to record. A minute picture, however, of the progress of these institutions, is as necessary to the financial annals of the Stock Exchange as it is to the development of the social history of a people. Invented by the Romans to enliven their festivities, they were to that luxurious people a new excitement; and the prizes distributed to their guests were in proportion to the grandeur of the giver. Fine estates, magnificent vases, and beautiful slaves, with other and less expensive prizes, gratified at once the pride of the founder and the cupidity of the guest.

The application, however, of lotteries to the service of a state originated at Genoa, the government of which established the principle for its own benefit. The Church was not long in following the example at Rome, where the inhabitants deprived themselves of necessaries to

share the chances which their excited imaginations magnified a hundred-fold.

The first on record in England was drawn in 1569. The harbors and havens of the whole line of coast were out of repair, and the only mode of procuring money was by lottery. The prizes were partly in money and partly in silver plate, and the profits to be applied to the above purpose. But the drawing was a very important task; and, as 400,000 lots were to be drawn, night and day for nearly four months were the people kept in a state of excitement. The time occupied must have been somewhat tedious; and, as this was the first lottery, and there were but three offices in London, it is to be supposed that the drawing of that period bore the same proportion to the drawing at a later time, that the coaches then bore to the railroads now. In 1612, another lottery was allowed for the benefit of the Virginia colonies, in which a tailor gained the largest prize of 4,000 crowns. But thus early was it found that lotteries and demoralization went hand in hand. Sanctioned by the state as a source of gain, they were found equally profitable to private individuals; and the town teemed with schemes which brought wretchedness and ruin in their train. In March, 1620, however, they were suspended by an Order in Council; but it was only a suspension, and the evil was once more revived by Charles I., who, to assist a project of conveying water to London, granted a lottery towards its expenses. That which the first Charles allowed for so great a purpose, the second of the name allowed as a boon to those whom he could reward in no other way. It was in vain for censors to preach, divines to sermonize, or the House of Commons to legislate. While there was the chance of a great gain for a small risk, men ran in crowds to subscribe. Those who could not pay a large sum found plenty of opportunities to gamble for a small amount, and penny lotteries became common.* In 1694 they were again employed by the state, William III. having appealed to the propensities of the people, and raised one million by the sale of lottery-tickets, the prizes of which were funded at four per cent. for sixteen years. The voice of the moralist continued to be raised; and the public papers show, that, directly the state sanctioned the nuisance, the evil increased tenfold, and that schemes were introduced which were a loss to all save the promoters. "What a run of lotteries we have had!" says one. "With what haste they all put in their money! What golden promises they made!"

The anecdotes connected with these abominations, the grim, grotesque despair of the losers, and the eager delight of the gainers, was for the time the great entertainment of the town. Men ran with eager haste after the lotteries of merchandise; and "the people were tickled," says a pamphleteer, "with the proposals of prodigious profits, when the pro-

* Mr. J. B. Heath says of the early lotteries, in his valuable volume entitled "Some Account of the Grocers' Company,"—"There is not one entry in the accounts to show that the prizes were ever paid," and quotes various documents to prove that they were very difficult to procure. "The science of puffing," adds this gentleman, "which in our times has attained such perfection, was unknown at that period, and in lieu of placards and advertisements, the more direct mode was adopted of personal solicitation."

posers intended it only for themselves." The writer concludes somewhat vehemently: — "Indeed, the people have been so damnably cheated, they have no need of dissuading, and their own sufferings are sufficient to convince them it is their interest to forbear."

The system of lotteries sanctioned and employed by the legislature was a terrible temptation to human nature. The chance, however remote, of gaining a large sum by a small risk, with the feeling of anxious and not unpleasing excitement, rendered lotteries a favorite phase of English gambling; for the voice of the people had not spoken so peremptorily the great truth, that the state must not purchase a nation's wealth at the price of a nation's morals. That which a government employs as an instrument of wealth, is sure to be followed by the people to a lower extent, but in a more mischievous manner. In 1772, lottery magazine proprietors, lottery tailors, lottery stay-makers, lottery glovers, lottery hat-makers, lottery tea merchants, lottery snuff-and-tobacco merchants, lottery barbers, — where a man, for being shaved and paying threepence, stood a chance of receiving £10, — lottery shoe-blacks, lottery eating-houses, — where, for sixpence, a plate of meat and the chance of sixty guineas was given, — lottery oyster-stalls, — where threepence gave a supply of oysters and a remote chance of five guineas, — were plentiful; and, to complete a catalogue which speaks volumes, at a sausage-stall in a narrow alley was the important intimation written up, that for one farthing's worth of sausages, the fortunate purchaser might realize a capital of five shillings. Quack doctors — a class which formed so peculiar a feature in village life of old — sold medicine at a high price, giving those who purchased it tickets in a lottery purporting to contain silver and other valuable prizes.

The eagerness of the populace grew with the opportunity. The newspapers teemed with proposals; and the rage for gambling reigned uncontrolled. Every ravenous adventurer who could collect a few articles advertised a lottery. Shopkeepers, compelled by the decrease of business, took the hint, and disposed of their goods in lottery. Ordinary business among the lower tradesmen was greatly suspended. Purchasers refused to give the full price for that which might be obtained for nothing. Large profits were procured upon worthless articles; and in 1709, so great was the eagerness to subscribe to a state lottery, that Mercers' Hall was literally crowded with customers, and the clerks were insufficient to record the influx of names. It was, however, from those which were termed "little goes," — which drew the last penny from the pockets of the poor man, — which saw the father gambling and the daughter starving, the mother purchasing tickets and the child crying for bread, — that most evil arose. The magistracy, not always the first to interfere, grew alarmed, and announced their determination to put in practice the penalties which, if earlier enforced, would have been beneficial, but, unhappily, were incompetent to put down that which they might easily have prevented. It was found, also, impossible to restrain in private adventurers the wrong that the state sanctioned in public.

It was known that lotteries were injurious to morals and to manners; it was known that crime followed in their wake; it was known that mis-

ery and misfortune were their attendants ; but the knowledge was vain, and remonstrance useless, under the plea of the necessities of the state.

Lotteries continued to be employed by ministers as an engine to draw money from the pockets of the people, at a price alike disgraceful to the government and demoralizing to all. The extent to which the evil had reached may be inferred from the fact, that money was lent on these as on any other marketable security ; that, in 1751, upwards of 30,000 tickets were pawned to the metropolitan bankers ; and this, when, to have an even chance for any prize, a purchaser must have held seven tickets ; and it was ninety-nine to one that, even if a prize were drawn, it did not exceed £ 50.

Suicide through lotteries became common. The streets swarmed with unhappy wretches, who, while they suffered for the past, were making imaginary combinations for the future. All arts were resorted to. Lucky numbers were foretold by cunning women, who, when their art failed, shrouded themselves in their mysticism ; and if fortune favored them, paraded their prophecies to the public.

The most gross and revolting superstition was practised to discover lucky numbers. Rites which surpassed the darkest imagination of a Maturin, and ceremonies which appear like relics of the elder world, were resorted to for the same purpose.

It was in vain that the smaller lotteries were put down ; they only gave way to an evil which preyed upon the very vitals of English society. Insurance, an art upon which hundreds grew rich, while hundreds of thousands grew poor, was commenced with terrible success. Those who were unable to buy tickets, paid a certain sum to receive a certain amount if a particular number came up a prize. A plan like this was available for all, as the amount could be varied to the means of the insurer.

It is almost impossible to describe the many iniquities, the household desolation, the public fraud, and the private mischief, which resulted from insuring. Wives committed domestic treachery ; sons and daughters ran through their portions ; merchants risked the gains of honorable trade. " My whole house," wrote one, " was infected with the lottery mania, from the head of it down to my kitchen-maid and post-boy, who have both pawned some of their rags that they might put themselves in fortune's way." The passions and prejudices of the sex were appealed to. Lovers were to strew their paths with roses ; husbands were plentifully promised, and beautiful children were to adorn their homes through the lottery. And all these glories were promised when Adam Smith declared, as an incontrovertible fact, that the world never had, and never would, see a fair lottery. So great were the charms of insuring, while the chances were so small, that respectable tradesmen, in defiance of the law, met for this illegal purpose, on the following day to that on which some of their body had been taken handcuffed before a magistrate. The agents were spread in every country village, and the possession of a prize was an absolute curse to the community. Its effects were witnessed alike in the shock it gave to industry, and the love of gambling it spread among the people. It is due to those whose voices were lifted up against these abominations to say, that their appeals to the good feeling of the

government were incessant; but the state replied in that language which is so unanswerable when held by a firm government, that the necessities of the state overbalanced the evils of the lottery.

Nor could ignorance be pleaded of its fatal effects. The domestics of the senators themselves purchased shares with their masters' money; and members of the lower and upper house were unable to resist the fascinations of the game they condemned. The most subtle language was not wanting to support the cause. Scripture was used to defend it; and as the Bible was perverted by the supporters of the slave-trade, and lately by the discoverers of the virtues of chloroform, so was it now wrested to prove the antiquity and sanctity of lotteries. "By lot," they said, "it was determined which of the goats should be offered to Aaron. By lot the land of Canaan was divided. By lot Saul was marked out for the kingdom. By lot Jonah was discovered to be the cause of the storm."

There are many incidents, which, recorded in contemporary annals, have been either overlooked or disregarded as insignificant. There is, however, nothing insignificant connected with so important a topic, and nothing ought to be overlooked on an evil which has eaten to the very heart of society, and which may again be used by some unscrupulous minister for some unscrupulous purpose. The declaration of Sir Samuel Romilly, that "whenever the House voted a lottery, they voted that the deserving should become depraved," with the additional assertion, that "the crimes committed would be chiefly bought off by the paltry gain to the state coffers," was entirely disregarded.

Let it be remembered that a chancellor declared "he could not see that lotteries led to gambling," — that though the Corporation of London presented an earnest petition for their abolition, as injurious to commerce and injurious to individuals, — that though Lord Mansfield said the state exhibited the temptation and then punished for the crime to which it tempted, — that though, on one occasion, out of twenty-two convicts who left the country, eighteen commenced their career with insuring, — that though forged notes were encouraged from the carelessness with which lottery-office keepers received and passed them, — that though it was iterated and reiterated that no circumstances conduced so much to make bad wives and bad husbands, bad children and bad servants, — that though men threw themselves into the river from the infatuation of their wives, — though the plate of respectable families was pledged to assist the mania, — that though the poor-rates were increased, and the consumption of excisable articles diminished, during the drawing, — that though the gambling and lottery transactions of one individual only were productive of from ten to fifteen suicides annually, — that though half a million sterling yearly came from metropolitan servants, — that though four hundred fraudulent lottery-offices were in London alone, — that though no revenue was ever collected at so great an expense to the people, — that though families pawned every thing they had, sold the duplicates, and were reduced to poverty, — that though women forgot the sanctities of their sex, — that though the parishes were crowded with applicants who had reduced themselves by insurances, — that though perjury was common, and small annuitants squandered their resources,

— that although all these pictures were drawn, and statements made, so publicly and so prominently that they could not fail to reach even the obtuse ears of a dominant ministry, — yet it was not until 1826 that the evil was abolished. A similar pressure may recall the evil. It is of no importance to argue that lotteries are forbidden, and that the morals and the minds of the people are more regarded. Lotteries have been repeatedly forbidden, but they have been invariably renewed when the coffers of the state were low ; and the morals of the people are a minor point compared with the balance-sheet of the nation.

The melancholy history was occasionally enlivened by episodes, which sometimes arose from the humor, and sometimes from the sufferings of the populace. It is recorded as a fact, that, to procure the aid of the blind deity, a woman to whom a ticket had been presented caused a petition to be put up in church, in the following words : — “ The prayers of the congregation are desired for the success of a person engaged in a new undertaking ” ; a singular contrast to others, who sought the midnight gloom of a church-yard to secure them the good fortune so eagerly craved. Romantic incidents often checkered the history. Old bureaus with secret drawers, containing the magic papers which led to an almost magic fortune, were purchased of brokers, or descended as heirlooms.

The evils in country places were more vividly impressed on the mind from the smallness of the population. In a village near town, a benefit-club for the support of aged and infirm persons existed for many years. Among the members was one who, in trying his luck, gained £ 3,000. The effect was feverish and fatal to the peace of the little community. The society formed to nourish the sick and clothe the needy, was converted into a lottery-club. The quiet village, which had hitherto vegetated in blessed peacefulness, rang with the sound of prizes, sixteenths, and insurances. People carried their furniture to the pawnbrokers, while others took their bedclothes in the depth of winter to the same source. The money thus procured was thrown away upon lotteries ; and the prize of £ 3,000 was destructive to the happiness of the place.

Up to the year 1780, although these many evils were well known, insurances, and every species of gambling connected with the lottery, were legal. But the malady grew so violent, that, after much urging, a step was taken in the right direction. Insurances were declared illegal, and prohibited under very heavy penalties. So many, however, were imprisoned, — and perjury was not wanting for the sake of the penalty, — that some check was necessary. A law, therefore, was made, preventing any one from suing save the Attorney-General ; and some idea may be formed of the extent of the evil from the fact, that, between 1793 and 1802, upwards of one thousand were punished with imprisonment. But the determination to insure surpassed the determination to punish. The officers of government were absolutely defied. Blood, in defence of that which the law declared illegal, was freely shed. So organized was the system, that two thousand clerks, and seven thousand five hundred persons known as “ Morocco men,” with a numerous staff of armed ruffians, were attached to the insurance-offices. Committees were held three times a week ; measures were invented to defeat the magistrates ; money

to an enormous extent was used to bribe the constabulary ; while to those who refused to be bribed, a bold and insolent defiance was offered, with threats, which the officers well knew would be executed at the risk, or even the certain sacrifice, of life.

In 1805, Parliament again took cognizance of the evil. The reiterated declarations of the press, the repeated assertion of members of the senate, the universal voice of the country, coupled with the notorious fact, that crime continued to follow the system, compelled government to appoint a committee of the House to report upon it. The attendance of all who could give any information upon the subject was required, and a volume of evidence printed, which, though it must have opened the eyes, could not open the hearts, of the ministers.

Time, instead of softening or subduing the misery, had extended its ramifications into the highest, as it once had been confined to the lowest, society. The middle class — ordinarily supposed to be freest from vice — had gradually succumbed. The penniless miscreant of one day became the opulent gambler of the next ; and the drawing of the lotteries might be marked by the aspect of the pawnbrokers' shops, which overflowed with the goods of the laborer, with the ornaments of the middle class, and with the jewels of the rich. Servants went to distant places with the purloined property of their masters, pledged it, and, destroying the tickets, insured in the lottery. Manufacturers discharged those workmen who could not resist the temptation. During the drawing of the prizes less labor was done by the artisans. Housekeepers of the lower order were unable to pay their taxes ; money was begged from benevolent societies ; and men, pretending they were penniless, were fed and housed by the parish while embarking in these chimerical schemes. Felons, on the morning of an ignominious death, named lotteries as the first cause ; and often, if a dream pointed to a particular number, crimes were committed to procure it, which led to transportation instead of fortune. Individuals presented themselves to insure, with such unequivocal marks of poverty in their appearance, that even the office-keepers refused their money ; and yet, such was the indefatigable love of adventure, that many would come in at one door as fast as they were shown out at the other.

“ When I have caught a great many in a room together,” said one witness, “ I have found most of them poor women, and in their pockets twenty or thirty, and even sixty, duplicates on one person. Their pillows, their bolsters, their very clothes, were pledged, till they were almost naked.”

“ First,” said Mr. Sheridan, “ they pawned ornaments and superfluities, then their beds, the very clasps of their children's shoes, the very clothes of the cradle. The pawnbroker grew ashamed of his profession.”

A walk near the spot where the prizes were announced painfully evinced the progress this terrible delusion had made, and the classes to which it had extended.

Hundreds of wretched persons, the refuse of society, the very dregs of the people, might be seen waiting with frightful eagerness until their fate was decided. The courtesan was there, forgetting for a time her avowed

pursuit ; the man who the night before had committed some great crime ; the pale artisan with his attenuated wife ; the girl just verging upon womanhood ; the maid-servant, who had procured a holiday to watch her fortune ; weary forms and haggard faces, mingling with the more robust and ruffianly aspects, — yet all bearing one peculiarity, that of intense anxiety, — marked the purlieus of the place where the lottery was drawn. The oath which shocked the ear, the act which shocked the eye, the scurrilous language of the boy ripe in mature iniquity, the scream of the child dragged from its rest, to mingle in scenes it could not comprehend, formed a pictorial group which Hogarth alone could have given to posterity, as an evidence of civilization in the nineteenth century.

But it has been said, that the mischief was not confined to the poorer classes. Persons of the first consequence entered into insurances for a great amount. Instances are not wanting, in which gentlemen of large landed property, guilty of no other extravagance, lost all their cash, sold their estates, and died in the poor-house.

The “Morocco men,” so called from the red morocco pocket-books which they carried, were remarkable features in the lottery, half a century ago. They began their lives as pigeons, they closed them as rooks. They had lost their own fortunes in their youth, they lost those of others in their age. Generally educated, and of bland manners, a mixture of the gentleman and the debauchee, they easily penetrated into the society they sought to destroy. They were seen in the deepest alleys of Saint Giles, and were met in the fairest scenes of England. In the old hall of the country gentleman, in the mansion of the city merchant, in the butlery of the rural squire, in the homestead of the farmer, among the reapers as they worked on the hill-side, with the peasant as he rested from his daily toil, addressing all with specious promises, and telling lies like truth, was the morocco man found, treading alike the finest and the foulest scenes of society. They whispered temptation to the innocent ; they hinted at fraud to the novice ; they lured the youthful ; they excited the aged ; and no place was so pure, and no spot so degraded, but, for love of $7\frac{1}{2}$ per cent., did the morocco man mark it with his pestilential presence. No valley was so lonely, but what it found some victim ; no hill so remote, but what it offered some chance ; and so enticing were their manners, that their presence was sought, and their appearance welcomed, with all the eagerness of avarice.

And little were they who dealt with these persons aware of the characters with whom they trafficked. Of bland behaviour, but gross habits, the nature of their influence on the unpolluted minds with which they had to deal may be judged from the fact, that some of the morocco men ended their days at Tyburn ; that transportation was the doom of others ; and that the pillory was the frequent occupation of many. To such men as these were the morals of the people exposed through the lottery. Nor, if the opinion of a member of the senate can be trusted, was the lottery-office keeper much better. “I know of no class of persons in the country,” said Mr. Littleton, “excepting hangmen and informers, on whom I should be less disposed to bestow one word of commendation.”

The wonder is, not that the public was tempted so much, but that it was

seduced so little. Puffing, by the side of which the power of a Mechi and a Moses waxes dim, was employed to assist the contractor. Myriads of advertisements were circulated in the streets. The newspapers, under all forms and phases, contained stories of wonderful prizes. Horns were sounded; huge placards displayed; false and seductive lures held out; houses hired for the sole purpose of displaying bills; falsehoods fresh every day; and fortunes to be had for nothing. Puffs, paragraphs, and papers circulated wherever the ingenuity of man could contrive. The public thoroughfares were blazoned by day and lighted by night with advertisements.

With such a picture of crime as has been presented to the reader, he may not think the quiet satire of Mr. Parnell on the Chancellor unmerited. He said that the following epitaph ought to be placed on his grave:—

“Here lies the Right Honorable Nicholas Vansittart, once Chancellor of the Exchequer, who patronized Bible Societies, built churches, encouraged savings’ banks, and supported lotteries.”

The attention bestowed on the subject, the mass of intelligence collected, the evidence given by competent parties, produced considerable notice, and the report condemned the evil the committee had examined.

“The foundation of the lottery,” it said, “is so radically vicious, that under no system can it become an efficient source of gain, and yet be divested of the evils and calamities of which it has proved so baneful a source.

“Idleness, dissipation, and poverty are increased; sacred and confidential trusts are betrayed; domestic comfort is destroyed; madness often created; crimes subjecting the perpetrators to death are committed.

“No mode of raising money appears so burdensome, so pernicious, and so unproductive. No species of adventure is known where the chances are so great against the adventurers; none where the infatuation is more powerful, lasting, and destructive.

“In the lower classes of society, the persons engaged are, generally speaking, either immediately or ultimately tempted to their ruin; and there is scarcely any condition of life so destitute and so abandoned, that its distresses have not been aggravated by this allurements to gambling.”

Notwithstanding the strong nature of this report, the labors of the committee were fruitless. Various attempts at amelioration were made, but the evil was not finally abolished until the year 1826.

CHAPTER IX.

Wholesale Jobbing. — Insurance on Sick Men. — False Intelligence. — Uselessness of Sir John Barnard's Act. — Origin of the Blackboard. — Opposition to Loans. — Lord Chatham's Opinion of Jobbers. — Inviolability of English Funds. — Parisian Banking-Houses. — Proposition to pay off the National Debt. — Extravagance of the Contractors. — Lord George Gordon's Opinion of them. — Members' Contracts. — New System adopted. — Abraham Goldsmid. — Bankers' Coalition broken by him. — His Munificence. — His Death. — Sensation in the City.

THE following picture of wholesale jobbing, drawn from public and private documents, from correspondence, from newspapers, and from Parliamentary history, will show that gambling was equally pursued in high places as in 'Change Alley.

Letters from abroad, containing false intelligence, were forwarded to, or forged by, senators; names of importance were fraudulently used; the news was promulgated, and funds raised or lowered according to the wish of the contriver. But if the jobber was cheated in one way, he took his revenge in another. The domestics of public men were bribed by him; the secretaries of men in office were paid by him; the mistresses of ministers were accessible to him; and, it is said, even their wives were not seldom in the pay of members of the Stock Exchange. Nor did many hesitate to declare that men in office not only made profit of the news they really received, but that they promulgated false intelligence, knowing, from their position, it would be received as true, at the expense of their own character, and to the ruin of the men who trusted them.

Another practice had obtained a notoriety so bad and baleful, that it became necessary to stop its progress. Directly it was known that any great man was seriously ill, insurances on his life, at rates in proportion to his chance of recovery, were made. These bargains were reported in the papers; and the effect on an invalid who knew his health to be precarious may be imagined, when he saw in the *Whitehall Evening Post*, that "Lord —— might be considered in great danger, as his life could only be insured in the Alley at ninety per cent." The custom grew so rapidly, and the evil was so serious, that the principal merchants and underwriters refused to transact business with brokers who engaged in such practices.

Of a less questionable character was the habit of insuring property in any besieged city; or the yet more common mode of paying a premium to receive a certain sum, should the city be taken by the day named in the contract. The Spanish ambassador was accused of insuring £ 30,000 on Minorca, during the seven years' war, when the despatches announcing its capture were in his pocket.

The newspapers were the vehicles generally employed to spread false intelligence; and an almost invariable success attended those who made

use of the press to promulgate, in bold type and inflated language, "bloody engagement," "rumored invasion," or "great victory," to assist their city operations. Every class, from the maiden who jobbed her lottery-ticket, to the minister who jobbed his intelligence, was involved in the pursuit. All these bargains were for time, and continued to prove that the act by which Sir John Barnard hoped to abolish gambling was useless; and it is an anomaly in the history of our great debt, that bargains in the very funds which were raised to support the national credit are disallowed by the national legislature. It is a law which has been tried and found wanting. It does not prevent, in the smallest or slightest degree, the system it was meant to crush; and it adds to the immorality of the speculator and the risk of the broker, by allowing the former to repudiate his bargain at the expense of the latter.

Under the early loan-acts, tallies were delivered to the first contractors. When a sale was effected, the name of the purchaser was indorsed upon the tally, and from that entered into the government books, for the convenience of paying the dividends to the right person. This clumsy machinery was afterwards abolished; but though, in 1717, the transfers and dividends of the national debt were first undertaken by the Bank, it was not until 1783 that the present method of transfer was adopted.

The origin of the blackboard — that moral pillory — of the Stock Exchange occurred in 1787. "There were no less than twenty-five lame ducks," said the *Whitehall Evening Post*, "who waddled out of the Alley." Their deficiency was estimated at £250,000; and it was upon this occasion the above plan was first proposed, and a very full meeting resolved, that those who did not either pay their deficiencies or name their principals should be publicly exposed on a blackboard to be ordered for the occasion. Thus the above deficiencies — larger than had been previously known — alarmed the gentlemen of 'Change Alley, and produced that system which is yet regarded with wholesome awe.

During the administration of Mr. Pitt, in 1786, a sinking fund was again attempted; the various branches of revenue being united under the title of the Consolidated Fund. One million was annually taken from it, and placed in the hands of the Commissioners for the Redemption of the National Debt, and was applied in purchasing such funds as might be deemed expedient at the prices of the day. The interest of the debt thus redeemed, the life-annuities which fell in, or the annuities which expired, were added to the fund, the interest of which, when the principal amounted to four millions, was no longer to be applied to it, but remain at the disposal of Parliament.

The difficulties which every minister met in every new loan, were more in proportion to the power of the opposition, than to the fairness or necessity of the demand. In unpopular wars, these difficulties were doubly increased. In the American contest, the whole population demanded peace; and nothing but the obstinacy of "the best farmer and worst king," — nothing but a corrupt Parliament, wholesale places, a dominant aristocracy, and large premiums to the moneyed interest, — could have carried Lord North through the session, enlivened by his humor, and the enmity created by the war. The loans, therefore, of this period

were fiercely attacked; 'Change Alley fiercely denounced; and the plans of the government hotly contested. The mode of conducting the loans was then, as before, made conducive to the majority of the ministry, at the expense of the people. Out of 60,000 lottery-tickets, 22,000 were given to a few members, producing £44,000 profit. When the system was attacked, precedent, the bane of official people, was quoted; and because it was known that, in 1763, Mr. Fox had £100,000, Mr. Calcraft and Mr. Drummond £70,000, the Governor of the Bank £150,000 for the corporation, and £50,000 for himself, and other members similar sums, it was deemed a sufficient and an unanswerable defence. But though by such methods the minister got the votes of the House, he found it more difficult to get the money from the public after it was voted. In 1779, he was greatly troubled to procure it on reasonable terms. From bankers he went to contractors, from contractors to stock-jobbers, and from stock-jobbers he went back to the bankers, paying a much higher rate than they at first demanded. "It was but yesterday," writes Horace Walpole, "that Lord North could tell the House he had got the money on the loan, and is happy to get it under eight per cent." The loan of 1780 brought them again into disrepute. Half was given to members of the House of Commons; more than three millions was allotted to one person; and, without regard to the welfare of the nation, the price was determined at a rate so favorable to the contractors, that, from no cause save the low terms on which it had been taken, the scrip arose at once to eleven premium. In 1781, it was said that Lord North had made an infamous bargain in a bungling manner; and that, in 1782, he had made a bungling bargain in an infamous manner; and this was solemnly protested against as an improvident operation, a corrupt job, and a partial distribution. There cannot be a doubt that the mode of conducting these loans was detrimental to the national interest, and conducive to that of the Stock Exchange. There were three plans up to this period. The first was in the offers of private individuals, stating the sum each would advance; the second was an open subscription at the treasury; and the third a close subscription with a few. By the first, the members of Parliament were bribed; and by the third, the bankers; then the principal contractors were enriched. Their interest, and it was great, with their votes in the House, and they were many, were, therefore, at the disposal of the government. In 1783, out of a loan for £12,000,000, £7,700,000 were given to bankers. So disgraceful was the whole affair, that Lord John Cavendish was compelled to apologize for the terms on which it had been granted, because "the former minister had left the treasury without a shilling." By attempting to please men of all parties, Lord John, as usual, pleased none. He was abused by some for dividing it among so small a number; he was rated by others for allowing so many to have a share. Mr. Smith, of the house of Smith & Payne, made a formal complaint that he had been neglected in the allotment; that his firm was the only one left out; and that, in consequence, a stigma of a very disagreeable character was attached to it. By the explanation, it appeared that another house of the same name had been accused of tempting customers from the various bankers, by

giving portions of the loan to those who would secede. The meanness had been attributed to Smith, Payne, & Co., and Lord John omitted them in consequence from his list. Mr. Smith was very irate on the subject; and although his Lordship explained, as the explanation was unaccompanied by a share of the loan, it was, probably, very unacceptable to the indignant banker. Although this gentleman saw no harm in receiving a portion of the loan, other bankers had higher views. Mr. Martin, believing that, as a senator, he ought not to contract, lest it might bias his votes, conscientiously refused to accept any portion of loan or contract; and thus sacrificed his pocket to his principle.

When jobbing occurred in the senate, who can wonder at the jobbing in the funds, or at the strong feeling which such contemptible squabbling created, and which fell upon the members of the House of 'Change as fiercely as on the members of the House of Commons?

"Such gentry," said one, "coin disaster to sink the funds without cause. If gospels mended mankind, there should have been a new sermon preached on the mount, since 'Change Alley was built, and money-changers were driven out of the temple all over Europe." "Ten thousand lies are propagated every week, not only by both sides, but by stock-jobbers. Those grave folks, moneyed citizens, contribute exceedingly to embroil and confound history, which was not very authentic before they were spawned."

Lord Chatham was not backward in expressing an opinion of those whom he designated "the cannibals of 'Change Alley." "To me, my Lords," he once said, "whether they be miserable jobbers of 'Change Alley, or the lofty Asiatic plunderers of Leadenhall Street, they are equally detestable." The same strong feeling animated him when he was told that one of his measures had caused a decline in the stocks. "When the funds are falling, we may be sure the credit of the country is rising."

A finer spirit — and that spirit is the principle which has pervaded the whole public transactions of England — was evinced when the same nobleman was advised to retaliate on the Dutch merchants, — who had committed several outrageous frauds on the English, — by seizing their immense property in our funds. "If the Devil himself had money there," he replied, "it must rest secure." To his Lordship, and to the political assertion he made, that "not a gun should be fired in Europe without England knowing why," it was of the utmost importance that the integrity of the nation should be maintained.

During the American war, many of those in arms had property in the funds; and the provinces, as bodies corporate, had money in the same securities. It is to the credit of the revolutionists, that, though they fully expected this property would be confiscated, they persisted in their course; and it is equally to the credit of England, that their capital was as secure, and their interest as regularly paid, as if they were not in open rebellion.

Not only in loans were the people wronged and robbed, — the word is harsh, but expressive, — the contracts for the public service exhibited also the most gross and glaring favoritism. From time to time the evil

was exposed; Parliament grew violent, and the public waxed wroth. Every quarter of a century, an inquiry was instituted, and the whole ended partly in some influential person being disgraced, and partly in an expression, that "the said frauds and abuses were one great occasion of the heavy debt that lies upon the nation." A few specimens may serve to indicate the wrongs which, from time to time, have aggrandized an unpopular government, have swollen the pockets of the few, and increased the wants of the many.

The borough-monger, who for years had been in possession of a pocket borough, found his property disturbed, and his constituents tampered with, by the contractor, who, as a candidate for the honor of the forum, was marked by vice, extravagance, and folly. As a member of the senate, he assumed the purity of the patriot, complained of the absence of economy, and declared how much cheaper the public business might be accomplished. He teased the minister; he perplexed the Parliament; he puzzled the government; until, by giving him a job, the patriot was turned into a contractor, and from that hour he marked the public money as his own. If the First Lord of the Treasury were indolent, the contractor availed himself of his sloth; if ignorant, he taught him, and made the country pay for the lesson.

The very name of a contractor was odious, and their luxuries were bitter in the eyes of the people. Their abodes were like those of princes; their daughters wedded with nobles; the follies of their sons were the talk of the town; they died possessed of fortunes which kings might envy; and, as nearly all were members of Parliament, attention became pointed at men whose mansions and whose manors, bought with public money, challenged public notice.

"The minister," remarked Mr. Fox, "said to him, 'I will give you a contract, if you will give me a vote.' The contractor replies, 'Now I have given you a vote, give me a contract. I voted that we had forty-two ships when we had but six, and that the French fleet did not consist of thirty-two ships. You must not, therefore, quarrel for twopence a gallon on rum, or a farthing on a loaf of bread.'"

Lord George Gordon, shortly before his extraordinary conduct in 1780, said, — "This dunghill of contracts has given an ill air to our whole proceedings. It has got abroad, and proves very offensive to the public nostrils. Our constituents begin to smell a rat. They nose us in the lobby, and call us tailors and shoemakers, cobblers and cabbage-salters, potato forestallers, sour-kroust makers, and swine contractors. The dignity, reputation, and fair fame of the Commoners is smothered and sinking in porter and salted cabbage, shoes, sour-kroust, and potatoes." Lords of trade ordered pewter inkstands by the hundred, sold them, and purchased silver ones with the money they produced; or ordered green velvet bags for official papers, and employed the velvet of which they were composed to make court dresses.

Under the Pelham administration, members received regular stipends in bank-notes, from £ 500 to £ 800 yearly, varying according to the influence or ability of the senator. "This largess I distributed," added the person who took charge of the delicate department, — and the par-

ticulars are worth enumerating, — “in the court of requests on the day of the prorogation of Parliament. I took my stand there; and as the gentlemen passed me, in going to or returning from the House, I conveyed the money in a squeeze of the hand. Whatever person received the ministerial bounty, I entered his name in a book which was preserved in the deepest secrecy, it being never inspected by any one but the king and Mr. Pelham.” This book was afterwards demanded of Mr. Roberts, the almoner, but he resolutely refused to yield it except by the king’s express command, or to his Majesty in person. In consequence of his refusal, the king sent for him to St. James’s, where he was introduced into the closet. He was then ordered to return the book in question, with which injunction Mr. Roberts immediately complied. At the same time, taking the poker in his hand, his Majesty put it into the fire, made it red hot, and, while the ministers and Mr. Roberts stood round him, he thrust the book into the flames, where it was immediately reduced to ashes.

These evils were so manifest and manifold, that, after various attempts to pass a measure which should be some check on government, a bill was introduced, by which all contracts were made subject to a species of auction, although the minister was not compelled to accept the lowest offer.

During the debates which were held upon the subject, many other facts were elicited, which confirm all the previous remarks, and prove the iniquity with which the money of the country was disposed of. One member possessed a contract producing £ 30,000 a year more than the legitimate profit. Mr. Alderman Harley made £ 37,000 too much by another. On a contract for remitting gold, £ 35,000 was paid more than was necessary. At an earlier period it was discovered, that, out of 16,000 tuns of beer contracted and paid for, only 7,000 tuns were delivered. The rum contract was granted at fifty per cent. above a remunerating price. The transport service paid twenty per cent. too much. Millions were lying for years in the hands of favorite placemen, favorite agents, and favorite contractors, while the country was borrowing at an exorbitant interest; and, after a careful perusal of the evidence, there can be no doubt that the charge of corrupting the House was true; nor was it in the nature of a member of Parliament in the eighteenth, any more than in the nineteenth century, to possess profitable contracts, the continuation of which depended on war, and yet speak honestly and earnestly for peace.

The names of Abraham and Benjamin Goldsmid will recall to the memory of many of our readers the forms and features of these magnates of the money-market. Of singular capacity, and of equally singular good fortune, the firm of which they were the members rose, from comparative obscurity, to be the head and front of ‘Change Alley.

Prior to 1792 they were little known, — Mr. Gurney, the eminent bill-broker, regards them as his predecessors, — but by that year they occupied an important position, and became successful competitors for the national loans. They were the first members of the Stock Exchange who competed with the bankers for the favors of the Chancellor, and

diverted from their purses those profits which were scarcely a legitimate portion of banking business. The combination of that interest being thus broken, the bargains for public loans became more open; there was no confederation to limit and lower the prices; and the ministry and country reaped the benefit in improved terms. The house of Sir William Curtis, whose fortunes were founded in this manner; of Dorrien and of Boldero, names which, great in their day, have almost passed from the roll of city bankers; of Grote, now better known as the philosophical historian of Greece; were all competitors, three quarters of a century ago, for those loans which the necessities of the country made so frequent. Nor were people wanting who openly accused the entire banking interest of an unfair confederation to realize their views. This interest was first attacked by the boldness of Abraham and Benjamin Goldsmid; and it is easy to imagine the feelings of the bankers when unknown men reaped the prize which they had hitherto gathered.

The daily papers bore an almost daily testimony to their munificence. Naturally open-handed, the poor of all creeds found kindly benefactors. On one day, the grandeur of an entertainment to royalty was recorded; and on the next, a few words related a visit of mercy to a condemned cell. At one time, mansions, vying in architectural beauty with those of our nobility, were described; at another, some great and gracious act of charity was recorded. Entertainments to princes and ambassadors, reviving the glories of the Arabian Nights, were frequent; and galleries, with works of art worthy the magnificence of a Medici, graced their homes. They were awhile Fortune's chief and most especial favorites. When, in 1793, the old aristocracy of England's traders fell, as in 1847, and the Bank in one day discounted £4,400,000, their losses amounted but to £50. Prizes, under circumstances little inferior to romance, followed their purchases of lottery-tickets; and they knew, as if by instinct, a bill of exchange with a bad name to it.

The brothers had faced the storm of life in their earlier years. Fortune, which crowned their efforts, proved that prosperity had no power to divide them; and when, in the early part of the nineteenth century, Benjamin Goldsmid destroyed himself, the survivor felt the loss so severely, that he never recovered the shock. The death of Benjamin caused no abatement in the benevolence of Abraham Goldsmid; and one who knew him well has written with enthusiasm of his "general philanthropy, his ready munificence, his friendly demeanour, his mild and unassuming manner."

Many anecdotes, singularly illustrative of his kindly feeling, are still remembered. It is stated that, on one occasion, noticing a great depression in the waiter who usually attended him where he dined, he inquired the cause, ascertained that it was pecuniary, gave the astonished man double the amount he required, and refused to listen to the thanks of the recipient. Another story is extant to the same purport. He became acquainted by accident with one of those simple and single-minded country curates, whose poverty was the disgrace, and whose piety was the glory, of the Church of England. This was the man for Abraham Goldsmid at once to appreciate and to benefit. He obtained all the necessary

particulars, and in a few weeks a letter was received, which told the curate he had been allotted a share of a new loan. The letter was a mystery to the country clergyman, who placed it on one side, with a confused notion that a hoax was intended. He had not long to wait. The next day brought a second letter, and with it comfort and consolation, in the shape of a large sum which had been realized on the allotment. These things are pleasant to record; and it is doubtful whether the check gave most pleasure to the wealthy Hebrew to write, or the country curate to receive.

In 1810, the houses of Baring and Goldsmid were contractors for the ministerial loan of fourteen millions. But Sir Francis Baring dying, the support of the market was left to his companion. The task was difficult, for a formidable opposition had arisen, which required the united energies of both houses to repress. It was the interest of this opposition to reduce the value of scrip, and it succeeded. Day by day it lowered; and day by day was Mr. Goldsmid's fortune lowered with it. He had about eight millions in his possession; and with the depression of his fortune, his mind grew dispirited and disordered. Another circumstance occurred at this particular moment to increase his embarrassment. Half a million of exchequer-bills had been placed in his hands to negotiate for the East India Company; and the latter, fearing the result of the contest on the Stock Exchange, claimed the amount. His friends did not rally round him, as at such a moment, and with such a man, his friends should have done; and Abraham Goldsmid, dreading a disgrace, which his sensitive and honorable nature magnified a hundredfold, after entertaining a large dinner-party, destroyed himself in the garden of his magnificent residence, in Surrey.

This sad event created a sensation in the city, unparalleled by the loss of any single individual. The death of the great loan-contractor was regarded as of national importance. Expresses were sent with the news to the king and the Prince of Wales. The funds fell three per cent. The journals united in eulogizing the man whose death they recorded. The jobbers of Capel Court crowded in anxious inquiry. The merchants of the Exchange assembled before the accustomed time. The thoroughfares resounded with rapid questions and hurried replies. Little or no business was done; and, it is said, the great question of peace or war never created a similar confusion. The jury recorded their opinion, and, when the remains were carried to their home, the procession was followed by a crowd, who, partaking of his charity in life, thronged to honor him in death. Sobs and suppressed moans attested the reality of their sorrow, and bore a fitting testimony to his worth. The high-priests and elders paid every distinction which the Mosaic ordinances allowed; but, in conformity with the commands of the great lawgiver, they withheld from him the customary rites; and unconsecrated ground received the remains of Abraham Goldsmid, the Hebrew suicide.

In 1792, another sinking fund was established, of one per cent. on the nominal capital of each loan, to which the interest on the capital redeemed by this fund was to be added. When annuities for lives, or for a longer term than forty-five years, were granted, the value which would

remain after forty-five years was to be estimated, and one per cent. on that value set aside for their redemption. This fund was to be kept separate, and applied to redeeming debts contracted subsequent to its institution; and this, it was estimated, would redeem every loan in forty-five years from its contraction. £400,000 was granted in aid of the previous sinking fund; and £200,000 annually till 1802, when the grant was rendered perpetual. All money saved by the reduction of interest was also to be added; but, as no savings occurred, this clause might as well have been omitted. In 1798, however, the application of one per cent. on the capital of the loans was deviated from, as the claims of the war were too pressing to allow of its application.

PUBLIC WATER WORKS.

THE COCHITUATE WATER WORKS AT BOSTON, MASSACHUSETTS.

From the American Almanac, 1850.

At the date of the settlement of Boston, and in the early periods of its history it was distinguished by the great abundance of springs of excellent water. For a long period after it had become the metropolis of New England, and sustained a large population, an abundant supply of water for domestic purposes was obtained from wells sunk in almost every part of the city.

The first supply of water introduced from without the city was derived from Jamaica Pond, in Roxbury, situated at a distance of five miles from the city. This pond covers an area of about 60 acres, and the surface of it is about 50 feet above the marsh level. The pond is in a gravel basin; the water in many places is 30 or 40 feet deep, is soft and pure and well adapted for domestic uses; but the amount of the supply had been for many years by no means sufficient for the wants of the city, and the elevation of the source is insufficient to admit of the introduction of the water by pipes to the elevated parts of the city. The Jamaica Pond Aqueduct Company was incorporated in 1795, with authority to bring the water to Boston, and to lay pipes through the streets of the city. Pipes of wood were first laid, which were replaced in part, in 1840, by pipes of iron of increased dimensions. The whole cost of the works was about \$200,000. The number of customers supplied by this aqueduct, in 1846, was about 3,000.

In 1837, under the mayoralty of Samuel A. Eliot, Esq., a commission, consisting of Daniel Treadwell, James F. Baldwin, and Nathan Hale, was appointed to examine the sources from which a supply of pure water could be obtained, and the best means of introducing and distributing it. They presented specific estimates of the cost of works which would be required in four distinct modes; namely, by pumping from Charles River, by pumping from Mystic Pond, by iron pipes from Spot Pond, and by a conduit of stone or brick masonry from Long Pond to a reservoir on one of the heights in Brookline, from which the water should be conveyed by pipes to the city. The height of Spot Pond was ascertained to be 143 feet, and that of Long

Pond 123½ feet above the marsh level ;—both sufficient to admit of the introduction of their waters to the most elevated parts of the city, without the aid of artificial power for raising it. These two sources were therefore preferred by all the commissioners, both for this reason and on account of the greater purity of their waters. Mr. Baldwin declared a decided preference for Long Pond, on the ground of the abundance of its supply, and its dispensing entirely with the use of pumps ; but Messrs. Treadwell and Hale concurred in recommending a resort to Spot Pond for the principal supply, accompanied with a permanent provision of pumps and steam power, for supplying any deficiency of that source from Mystic Pond. One reason for this decision was, that a sufficient supply of water for the population of the city at that time, together with provision for a prospective increase, could be obtained at a much less cost, in this mode, than by an aqueduct of masonry from Long Pond ; and there was reason to apprehend that the inhabitants of the city, who had from year to year postponed the enterprise, might still be unwilling to undertake the more costly work. It was also apprehended, in the absence of sufficient experience at that time of the properties of the American hydraulic cement, and its power of resisting the action of water, that it might be so far dissolved as to injure the quality of the water, or impair the durability of the work,—an apprehension which was shortly afterwards effectually removed by experience in the Croton works.

No effective measures for the introduction of water were adopted in pursuance of any of these recommendations. An attempt was made, in the winter of 1838, to obtain an act of the legislature to accomplish the measure at the public expense ; but the proposition meeting with a determined resistance, no bill was reported. The same commissioners, at the close of the year, reported to the City Council some further estimates and measurements of the supply of water afforded by Long and Spot Ponds, founded on observations and measurements made during the year.

From this period the project slumbered, until, in August, 1844, under the mayoralty of Martin Brimmer, Esq., Patrick T. Jackson, Nathan Hale, and James F. Baldwin were appointed commissioners “ to report the best mode, and the expense, of bringing the water of Long Pond into the city.” In November following, these commissioners reported the plan of an aqueduct for introducing, and of reservoirs and pipes for distributing the water, with a detailed estimate of the cost. This plan was approved by the City Council, and a petition was presented to the legislature, praying for the necessary powers for carrying it into effect. This petition, though strenuously opposed, was granted by the legislature, and an act was passed, with a condition that it should be void, unless accepted by a majority of the legal voters of the city. A strong opposition being made by persons opposed to introducing water at the public expense, and by those in favor of introducing it from other sources, with the strong coöperation of persons interested in the existing aqueduct, which afforded a partial supply, the bill was rejected by a majority of about three hundred votes.

A majority of the City Council being in favor of the further prosecution of the object, it was resolved to refer the selection of the preferable source of supply to the decision of eminent engineers from abroad ; and Messrs. John B. Jervis, of New York, and Walter R. Johnson, of Philadelphia, were,

shortly after the rejection of the act, appointed commissioners to examine, during the summer of 1845, the various sources which had been indicated, and to report their opinion of that which they should think entitled to a preference. They made the necessary investigations and surveys, and in the month of November following they presented an elaborate report, in which, after reviewing the various modes of supply which had been under consideration, they strongly recommended Long Pond as the source best adapted to afford an adequate supply for the existing and prospective wants of the city. They also recommended a plan of works similar, in structure and materials, to that recommended by the commissioners of 1844. This report was printed, and distributed among the citizens.

At the subsequent municipal election in December, a City Council strongly in favor of the immediate construction of works for the introduction of water was elected. The object was also strenuously advocated and promoted by a numerous association, called the Water Union. At the opening of the session of the legislature in January, 1846, a petition was presented by the City Council, Josiah Quincy, Jr. being mayor, praying for the necessary powers for supplying the city by the introduction of the water of Long Pond. An act was passed, March 30th, 1846, with little opposition, granting to the city the power, by the agency of three commissioners, to be appointed by the City Council, to take and convey to the city the water of Long Pond, to regulate the use of it, and to establish the prices to be paid therefor. This act was adopted by the qualified voters, on the 13th of April, 1846, by a vote of 4,637 yeas to 348 nays. On the 5th of May, Nathan Hale, James F. Baldwin, and Thomas B. Curtis were appointed commissioners. They appointed William S. Whitwell to be chief engineer for the eastern division of the works, and E. S. Chesbrough for the western;—the former division embracing the construction of reservoirs in the city, and the laying of pipes for conducting and distributing the water; and the latter, the construction of the aqueduct for conveying the water from Long Pond, and of a reservoir to receive it, in the vicinity of the city.

A plan of works was agreed on by the commissioners, corresponding very nearly with that recommended by the commissioners of 1844, but on a somewhat enlarged scale. It consists,—1st. Of an aqueduct of brick masonry, laid in hydraulic cement, covered with earth four feet in depth, mostly beneath the natural surface of the ground, leading from Long Pond, by a slight declivity, to the point nearest to the city at which a reservoir could be provided, of sufficient dimensions to contain two weeks' supply, and of an elevation corresponding nearly with that of the source. This aqueduct is $14\frac{1}{2}$ miles in length, and the site of the reservoir is in Brookline. 2d. Of two lines of iron pipes, 5 miles in length, for conveying the water to the city, one of 36 and the other of 30 inches in diameter. 3d. Of two reservoirs in the city, corresponding nearly in elevation with that in Brookline; one situated on Beacon Hill, near the State House, and the other in South Boston, at the point known as Dorchester Heights. 4th. Of distribution-pipes, varying from 24 to 4 inches in diameter, for conveying the water through all the streets of the city, including South Boston. And, 5th. Of service-pipes, which are laid at the public expense, for the purpose of conveying the water from the distribution-pipe to the interior of every domicile in the city; each

service-pipe being guarded by a stop-cock, near the distribution-pipe, which is opened or shut only by the agents of the city. In connection with the system of distribution, fire-hydrants are also provided in all parts of the city for extinguishing fires, and fountains for embellishing the public squares.

The precise form and dimensions of the proposed conduit of masonry, recommended by the commission of 1844, were retained, as possessing the requisites of strength, sufficient capacity, and convenient height for admitting its being entered for examination or repair. The transverse section of it is of an egg shape,—the lower portion being semicircular, and the upper oval,—the greatest interior width 5 feet, the height 6 feet 4 inches, and the area of the section $24\frac{1}{2}$ square feet. The walls are 8 inches in thickness, consisting of two courses of thoroughly burnt bricks, laid in hydraulic cement, and covered on the exterior with a plastering of the same material. For determining the line of the aqueduct, further careful surveys were made, throughout the entire route, which consists of a broken and irregular country, presenting some formidable physical obstacles, particularly in ledges of rock, quicksands beneath the principal eminences, except where they rest upon rock, and the intervening valley of Charles River.

The source of supply, hitherto known by the name of *Long Pond*, is now usually denominated *Cochituate Lake*, by a recurrence to the name by which it was designated by the aboriginal inhabitants,—this name being preserved in the early descriptions of the country, and in the old title-deeds, still extant, of lands adjoining it. The term *Lake* has been substituted for *Pond*, as the more appropriate English term for designating this and the other large collections of fresh water which are found in various parts of Massachusetts, resembling in character, and surpassing in dimensions, the celebrated lakes in the northern counties of England. This lake is situated in the towns of Natick, Framingham, and Wayland, about 20 miles west of Boston, adjoining the Boston and Worcester Railroad. It is chiefly surrounded by steep banks, covered in great part with wood, and terminating at their base in a gravel beach. It is of an irregular form, nearly four miles in length, and embraces an area of more than 600 acres. The water is of great depth, in many parts 50 feet, and in some exceeding 60 feet. The natural outlet of the lake is now closed by a dam of granite masonry, by which the water is raised to a height of eight feet above its minimum surface, when it was in its natural state. It had been previously raised nearly to this height to create a manufacturing power.

The water thus accumulated, by means of a dam, to a height of eight feet above the minimum level of the lake, constitutes a resource for the permanent supply of the city, in addition to the accumulations from springs in various parts of it, and perennial brooks which flow into it. The experience of last winter, a comparatively dry season, proved that the supply was sufficient, not only to fill the lake, but to afford a large surplus to run to waste, although the outlet was closed only on the 20th of October preceding, when the water was at its minimum level. The surface of the lake, when filled, is $131\frac{1}{2}$ feet above the level of high tide. The bottom of the aqueduct is three feet and ten inches below the minimum level of the lake, so that, in any state of the lake, it may fill to that depth. With this depth of water in the conduit, in which there is a declivity of $3\frac{1}{2}$ inches per mile, ten millions

gallons per day may be discharged into the Brookline reservoir, and a much larger quantity by filling it to a greater depth. Less than half the above quantity was required for the supply of the city during the last season, and the quantity drawn from the lake exhausted less than a quarter part of the accumulated supply.

The line of the aqueduct, throughout nearly its whole course, is below the level of the earth, and at several points the necessary excavations were of a depth of more than 40 feet. In a great part of the deep excavation, to the extent of some miles, a very troublesome quicksand was found, saturated with water, in which it proved very difficult to lay the lower section of the conduit. It became necessary, in many places, to remove the quicksand and water,—the side of the cut being protected, in the meantime, with sheet piling,—and to lay a foundation of gravel. This operation was dilatory and expensive, and the obstacle was overcome only by great energy and skill on the part of the contractors. There were two tunnel excavations, one in Newton, 2,410½ feet in length, and the other in Brookline, of 1,123½ feet,—both entirely through ledges of rock. The summit of rock and earth, over the former, was 80 feet above the base-line, and the work was carried on by means of seven shafts. Over the latter, the height of the summit was 60 feet, and there were four shafts. The tunnel excavations were accomplished in 18 months, the work being continued night and day. Large quantities of water were encountered in most of the shafts, for the removal of which eight steam-engines were employed.

The continuity of the aqueduct of masonry is interrupted at the valley of Charles River, at a distance of 7¾ miles from the lake, and the water is conveyed across the river and valley, a distance of 1,000 feet, through two iron pipes, of 30 inches in diameter. These pipes are imbedded to a depth of four feet in the earth, except at the crossing of the river, where they are carried over on a handsome bridge of granite masonry, consisting of three arches each of 30 feet span. At each extremity of the line of pipes is a chamber of granite masonry, by means of which they are connected with the brick conduit. These pipe-chambers, as well as the buildings over the waste-weirs, are furnished with iron doors for affording entrance to the conduit. All the structures of masonry connected with the aqueduct are of hammered granite, and of the most substantial kind; and such of them as admit of any architectural display are in a neat and appropriate style of art.

The reservoir in Brookline, with its surrounding inclosures, occupies an area of 38 acres. The water surface of the reservoir has an extent of nearly 23 acres, and its depth varies from 10 to 20 feet, the part which required artificial excavation being of the less depth. It is formed chiefly of a natural basin, closed at its eastern extremity, and, on a part of its sides, by an artificial embankment of puddled earth. The embankment is supported on the outside by a handsome wall of irregular masonry, surmounted by a sodded glacis. The interior slope of the basin is protected by a lining of stone. The proposed maximum level of the reservoir is 122½ feet above the marsh level, and the top of the embankment is four feet higher. Two mains connect the Brookline reservoir with the city; one of 36, and the other of 30 inches diameter.

The reservoirs in the city and S. Boston, are yet unfinished, [*Sept.* 1849.]

They will be of nearly the same elevation as the reservoir in Brookline. That on Beacon Hill is a costly pile of masonry. It is nearly 200 feet square, and 60 feet in height. The greater part of this elevation consists of the arched masonry which serves for the foundation of the basin in which the water will be contained. The floor of the basin will be upon a bed of concrete, resting upon the top of the arches; and the depth of the basin, which will be surrounded by a double wall, to protect it against the effects of frost, will be 14 feet and 7 inches. The capacity of the basin will be 2,780,000 gallons. The 30-inch pipe from Brookline leads directly to this reservoir, without being intercepted for any intermediate supply, except for the fountain on the Common. The object of the reservoir is to preserve, as uniformly as possible, the elevation of the head, under which the water will be supplied in all parts of the city, notwithstanding the draughts which will be made upon it, from every quarter, at the same hours of the day.

The reservoir at South Boston is of greater dimensions, containing 4,500,000 gallons. It is situated on Telegraph Hill, and will be surrounded by a puddled embankment and glacis, similar to the artificial portion of the inclosure of the reservoir at Brookline. The reservoir and a public square, laid out on lands not necessary for the reservoir, will be a public resort for the citizens, and will embellish that part of the city.

This reservoir, and the distribution in South Boston, are supplied by means of a 24-inch pipe, which branches from the 36-inch main leading from Brookline, and crosses the channel at the South Boston Bridge. This pipe, in crossing the channel, is protected in a strong box of wood, directly below the bridge and above the level of tide water, until it approaches the deep navigable channel at the draw. It is there carried across the channel below the water, in the form of an inverted syphon, which is sunk into an excavated channel, and covered with earth, to protect it against injury.

Many other branches diverge from the 36-inch main, for the supply of the southerly and central parts of the city; one of which, of 20 inches diameter, connects with Beacon Hill reservoir, to discharge water into it, or receive a supply from it, as occasion may require.

The most expensive portion of the works consists of the iron pipes for introducing the water from the Brookline reservoir, and distributing it throughout the city. These pipes are of ample dimensions, the greater part of those for distribution being of 16, 12, or 6 inches diameter, according to the extent of the streets supplied. 12 or 16-inch pipes are used in the larger streets, and 4-inch in courts and streets of limited extent. The whole length of these pipes already laid in the streets is $75\frac{1}{2}$ miles. Fire-hydrants, supplied with hose, and placed in charge of the Fire Department, are laid beneath the sidewalks throughout the city, at intervals of about 250 feet. From these hydrants the water is discharged through an orifice of two and a half inches diameter, under the pressure of a head, in a great part of the city, of 100 feet, and in most parts sufficient to convey the water to the highest parts of every building. Without the aid of hose, the hydrants are found very efficient in extinguishing fires, far exceeding in power any fire-engine in use. Since the introduction of the water, every fire has been speedily extinguished within the limits of the building where it originated. Three fire-hydrants have been placed at the disposition of the municipal authorities of Roxbury,

and one at the disposition of the selectmen of Brookline, contiguous to the mains leading from the Brookline reservoir. There are 662 fire-hydrants in the city, and 88 in South Boston.

The rates of charge for water, for the use of families, are,—\$5 for every family occupying a house valued for taxation at \$5,000, or under; \$15 for every family occupying a house valued at \$15,000, or upwards; and, for families occupying houses valued at intermediate rates, \$1 for each \$1,000 of the valuation. This charge is for water for all domestic purposes, including private baths, water-closets, &c. No public hydrants, for the gratuitous supply of water for domestic uses, are provided.

The point at which the power of the water is most strikingly displayed is at the fountain on the Common. A pipe of 16 inches in diameter, connected with the 30-inch main which leads to the Beacon Hill reservoir, is conducted beneath the Frog Pond, an ancient sheet of water, in a central part of the Common, and, by means of a gradual curvature, is made to point vertically at its termination, a little above the surfaces of the pond. Upon this pipe a *cap*, with an orifice of any form thought best adapted to produce a desirable effect, may be placed at pleasure. A large number of forms of jets have been devised, and played in turn, for the gratification of the public, from the simple column six inches in diameter, rising to an elevation of more than 80 feet, and falling in graceful folds on all sides, to a spreading cylindrical column, widening in the form of a broad vase, diffusing itself into a spray, and falling over a wide space in drops of rain. A three-inch jet rises in a still atmosphere to a height of 92 feet above the surface of the fountain basin. The water mounting in one of these largest columns, burst upon the sight of the immense multitude who assembled on the 25th of October, 1848, to commemorate the first introduction of the water into the city.

The number of service-pipes now laid is 13,019. The number through which the water is admitted is 11,383, supplying that number of tenants. The water rents are paid annually in advance. The average rate of water rent paid by each tenant is a little over \$8. The quantity of water supplied daily to the citizens, including the supply of the fountain, varies from three to four millions of gallons per day.

The work of the two city reservoirs is advancing with great rapidity, and it is anticipated that they will be completed the present season. The City Council has passed an order for conveying the water by way of Charlestown, and the Charles River and Chelsea Bridges, to East Boston. Preparations have been made for commencing the work, but no great progress in it is likely to be made the present season. For the purpose of affording a temporary supply to that part of the city, a leaden pipe, of two and a half inches internal diameter, has been laid across the channel in the track of the ferry-boats, (to protect it as far as possible from disturbance by the anchoring of vessels,) which discharges the water into a large tank in the public square, to which householders and others come for a supply, for which they pay a small compensation. The expedient is likely to serve a useful purpose, unless defeated by accidental injury to the pipe.

The amount expended by the Water Commissioners, including the whole cost of the works to the 1st of September, 1849, is \$3,796,975.30. This is exclusive of interest on the city debt, and without any deduction for moneys received.

Table of Statistics relating to the Fairmount Water Works.

Year.	Expenditures on Water Works.		Receipts for the Water Works.		Aver. Daily Consumption in the City & Districts	No. of Tenants in City & Districts	Aver. Consump. by each Tenant.	IRON PIPES.			FIRE PUGS.		Increase of Water Rents from preceding Year.	
	Dollars.	Dollars.	Alc Gall.	Galls				Feet.	Miles.	Miles.	In the City.	In Districts.		Total.	Dolla.
1836	71,707	101,266	3,122,661	19,678	169	17,283	58.00	40.75						
1837	49,739	105,871	3,456,383	20,462	168	8,059	59.05	42.25						
1838	50,642	111,884	3,850,647	21,947	175	11,889	61.75	44.63	500	481	981			
1839	24,742	121,151	3,978,357	22,636	177	5,255	62.75	47.13	510	497	1,007	8,314		
1840	22,452	127,234	4,034,638	23,482	171	2,816	63.25	48.25	517	508	1,025	6,180		
1841	24,702	133,455	4,445,630	24,828	179	1,865	63.50	50.00	520	525	1,045	7,851		
1842	63,911	141,340	4,297,480	25,816	167	3,083	64.38	50.88	524	531	1,055	7,055		
1843	63,172	148,400	4,422,409	26,549	166	5,373	65.25	52.25	533	537	1,070	5,134		
1844	29,713	153,699	5,330,455	28,082	189	6,618	66.50	53.88	547	551	1,098	2,662		
1845	25,892	92,248	4,117,559	20,165	204	5,520	67.50	16.25	558	186	744	6,526		
1846	50,771	98,813	3,492,963	21,551	183	15,421	70.38	17.50	585	196	781	9,816		
1847		108,629		22,573		9,279	72.19							
1848	49,580	116,869	4,275,552	24,239	176	17,781	75.60	21.19	621	230	851	5,726		

Table of Receipts and Expenditures of the Croton Water Works.

	Receipts.	Expenditures.	Tax required to defray the Interest on Water Debt, in addition to the Water Rents.
Oct. 5, 1842, to May 1, 1843,	\$17,838.67		20.00 cents on \$100
May 1, 1843, " " 1, 1844,	91,790.60	\$233,198.76	23.38 " " "
" 1, 1844, " " 1, 1845,	118,582.74	73,411.78	29.94 " " "
" 1, 1845, " " 1, 1846,	164,532.53	58,433.67	16.47 " " "
" 1, 1846, " " 1, 1847,	194,651.34	53,403.04	12.70 " " "
" 1, 1847, " " 1, 1848,	226,551.83	71,565.74	12.60 " " "
" 1, 1848, " Jan. 31, 1849,	234,258.79	67,062.47	11.90 " " "
	\$1,048,106.50	\$557,075.46	

LONDON WATER WORKS.

The principal establishment is on Kennington Common, near Vauxhall, and, like the other works, it derives its supply from the Thames, and raises and distributes it through iron pipes by steam power. The main, laid in the Thames, was four feet diameter, the largest iron pipe any where employed probably in water-works. The water flows through this main into a reservoir in Kennington Lane, from which it percolates through a filtering bank composed of layers of coarse and fine gravel and sand, prior to its entering into another reservoir, where it also remains some time before it is passed into the well of the distributing steam engine. The supply of this company extends to 12,000 houses, and exceeds 5,000,000 gallons daily.

To complete this view of the works which supply London and its suburbs, we annex, in a tabular form, extracts from a more extended return made by these companies to parliament. It exhibits the number of houses supplied, the average quantity to each, the aggregate of the whole supply of every company and all the companies, the level at which it is furnished, and the average cost to the consumer :

Name of Comps.	Number of houses.	Height above the Thames.	Daily supply	Charge per house.	Total gallons daily.
			to each house.		
		Fert.	Gall's.	£ s. d.	
New River.....	73,212	145	241	1 6 6	17,644,092
Chelsea.....	13,891	135	204	1 13 3	2,834,788
West Middlesex.....	16,000	155	185	2 16 10	2,960,000
Grand Junction.....	11,140	151½	350	2 8 6	3,899,000
East London.....	46,421	107	120	1 2 9	5,570,520
South London.....	12,046	80	100	0 15 0	1,204,600
Lambeth.....	16,682	185	124	0 17 0	2,068,568
Southwark.....	7,100	60	156	1 1 3	1,107,600
	196,492				37,289,168

All the companies but two derive their supply from the Thames, *abreast of the city*, and where the sewers empty into it, and all the filth of a crowded population. They all have recourse to steam engines, to raise their supplies to a height sufficient for distribution.—*Cor. National Intelligencer.*

ESSAY ON EXCHANGE.

CHAPTER IV.

Refutation of the Opinion that, during an Unfavorable Real Exchange, Commodities of Great Value and Small Bulk are exported in preference to others.

When the exchange becomes unfavorable, the premium, procured by the sale of the bill drawn on a foreign merchant to whom bullion has been consigned, is no greater than would be obtained by consigning to him coffee, tea, sugar, indigo, &c. of equal value. An unfavorable *real* exchange permits a merchant to export commodities which could not be exported were the *real* exchange at par, or favorable; but the advantage still remains of exporting those commodities in preference, whose price in the country from which they are exported, compared with their price in the country into which they are imported, is lowest. Suppose, for example, that the expense of transmitting bullion from this country to France is *three* per cent.; that the *real* exchange is *four* per cent., against us; that the price of bullion is the *same* in both countries; and that coffee, exclusive of the expenses of carriage, is really worth *four* per cent. more in France than in England. In such a case, it is obvious, the exporter of bullion would realize only a profit of *one* per cent., while the exporters of coffee would realize, inclusive of the premium on the sale of the foreign bill, a profit of *seven* per cent. And hence the opinion maintained by Colonel Torrens (*Comparative Estimate, &c.*) that when the exchange becomes unfavorable, those commodities which contain the greatest value in the smallest bulk, or on which the expense of carriage is least, would be exported in preference, appears to rest on no good foundation. The prices of the commodities which nations trading together are in the habit of exporting and importing, are regulated not merely by the cost of their production, but also by the expense necessa-

nily incurred in carrying them from where they are produced to where they are consumed. If Great Britain were in the constant habit of supplying France with corn and bullion, the average price of corn in France, because of the expense required to convey it from this country, would plainly be from ten to fifteen per cent. higher than in Britain; while, because of the comparative facility with which bullion might be transported from the one to the other, its value in Paris would not exceed its value in London more than one or two per cent. Now, supposing that when the prices of both corn and bullion in Great Britain and France are adjusted according to their natural proportions, the *real* exchange becomes unfavorable to us; it is clear, that this fall in the exchange gives no more advantage to the exporters of bullion than to those of corn. The rise in the price of foreign bills does not increase the expense attending the exportation of corn or bullion. It leaves the cost of producing and transporting these commodities exactly where it found it. During the depression of the exchange, the exporters of both articles derive a premium from the sale of the bills drawn on their foreign correspondents. But there can be no inducement to export bullion in preference to corn, unless the real price of bullion should increase more rapidly in France, or decline more rapidly in Great Britain, than the real price of corn.

Whatever, therefore, may be the depression of the exchange, the merchant invariably selects those commodities for exportation, which, exclusive of the premium, yield the greatest profit on their sale. If bullion be one of these commodities, it will of course be exported; if not, not. Bullion, however, of all commodities, is that of which the value approaches nearest to an equality in different countries, and hence it is the least likely to be exported during an unfavorable exchange. The demand for it is comparatively steady, and no great surplus quantity could be imported into one country without reducing its value, or exported from another without raising its value, so as to unfit it either for exportation or importation. A very small part only of an unfavorable balance is ever paid in bullion. The operations of the bullion merchant are chiefly confined to the distribution of the fresh supplies which are annually dug from the mines proportionally to the effective demand of different countries. Its price is too invariable, or, which is the same thing, its supply and demand are too constant, to admit of its ever becoming an important article in the trade between any two countries, of which neither possesses mines.

In corroboration of this argument, we may mention that, according to the official statement laid on the table of the House of Commons, it appears that the expenses incurred by this country on account of the armies acting in Portugal and Spain during the following years, were as under:

In 1808	.	£2,903,540	In 1812	}	.	£31,767,794		
1809	.	2,450,956	1813					
1810	.	6,066,021	1814				.	13,000,000
1811	.	8,906,700						

Of which, according to the same official statement, only the following sums were remitted in coin or bullion:—

In 1808	.	£2,861,339	|	In 1811	.	.	£748,053
1809	.	461,926	|	1812	}	.	3,284,435
1810	.	697,675	|	1813	}	.	

Of the sum of *five* millions voted to our allies in 1813 and 1814, not more than £300,000 was sent in bullion, the rest being made up by the exportation of manufactured goods and military stores. (*Edinburg Review*, vol. xxvi. p. 154.) The high market price of gold and silver in 1809, 1810, &c., could not therefore be owing to the purchases made by government, for they were not greater than the sums exported by the East India Company in 1798 and 1799, and in 1803, 1804, and 1805, when there was scarcely any perceptible rise in the price of bullion. The immense additions made to the paper currency of the country in 1809, 1810, &c., sunk its value compared with bullion, and was the true cause of the unfavorable *nominal* exchange of that period.

COMPUTED EXCHANGE.

Having thus endeavored to point out the manner in which variations in the comparative value of the currencies of nations trading together, and in the supply and demand for bills, separately affect the exchange, it now only remains to ascertain their combined effect. It is on this that the *computed* or actual course of exchange depends.

The Computed Exchange represents either the *Sum* or the *Difference* of the Real and Nominal Exchange.

From what has been already stated, it must be obvious, that when the nominal and real exchange are both favorable or both unfavorable, the *computed* exchange will express their *sum*; and that when the one is favorable and the other unfavorable, it will express their *difference*.

When, for example, the currency of Great Britain is of the mint standard and purity, and the currency of France five per cent. degraded, the nominal exchange will be five per cent. in favor of this country. But the *real* exchange may, at the same time, be either favorable or unfavorable. If it be also favorable to the extent of one, two, three, &c. per cent., the computed exchange will be six, seven, eight, &c. per cent. in favor of this country. And, on the other hand, if it be unfavorable to the extent of one, two, three, &c. per cent., the *computed* exchange will be only four, three, two, &c. per cent. in our favor. When the *real* exchange is in favor of a particular country, provided the *nominal* exchange be equally against it, the *computed* exchange will be at par, and *vice versa*.

A comparison of the market with the mint price of bullion affords the best criterion by which to ascertain the state of the exchange at any particular period. When no restrictions are imposed on the trade in the precious metals, the excess of the market over the mint price of bullion affords a pretty accurate measure of the depreciation of the currency. If the market and mint price of bullion at Paris and London exactly corresponded, and if the value of bullion were the same in both countries, the *nominal* exchange

would be at par; and whatever fluctuations the computed exchange might exhibit, must, in such a case, be traced to fluctuations in the *real* exchange, or, which is the same thing, to the supply and demand for bills. If, when the market price of bullion in Paris is equal to its mint price, it exceeds it ten per cent. in London, it is a proof that our currency is ten per cent. depreciated, and consequently the *nominal* exchange between Paris and London *must* be ten per cent. against the latter. Instead, however, of the *computed* or actual course of exchange being ten per cent. against London, it may be against it to a greater or less extent, or in its favor. It will be more against it provided the *real* exchange be also unfavorable,—it will be less against it provided the *real* exchange be in favor of London, though to a less extent than the adverse *nominal* exchange,—and it will be in favor of London, should the favorable *real* exceed the unfavorable *nominal* exchange. Thus, if while British currency is ten per cent. depreciated, and French currency at par, the computed or actual course of exchange between Paris and London were twelve or fifteen per cent. against the latter, it would show that the *real* exchange was also against this country to the extent of two or three per cent. And if, on the other hand, the computed exchange was only five or six per cent. against London, it would show that the *real* exchange was four or five per cent. in its favor, and so on.

It has already been shown, that, in so far at least as the question of exchange is involved, the differences in the value of bullion in different countries are limited by the expense of its transit from one to another. And hence, by ascertaining whether a particular country exports or imports bullion to or from other countries, we are able to determine its comparative value in these countries. Suppose, for example, that the expense of conveying bullion from this country to France, including the profits of the bullion dealer, is two per cent.; it is clear, inasmuch as bullion is only exported to *find its level*, that whenever our merchants begin to export it to France, its value there must be two per cent. greater than in England; and, on the contrary, when they import bullion from France, it must be two per cent. more valuable here than in France. In judging of the exchange between any two countries, this circumstance must always be attended to. If no bullion be passing from the one to the other, we may conclude that its value is nearly the same in both; at all events, it is certain that the difference of its value is not greater than the expense of transit. On the supposition that the entire expense, including profit, &c. of conveying bullion from Rio Janeiro to London is five per cent., and that the London merchants are importing bullion, then it is clear, provided the real exchange be at par, and that the currency of both cities is at the mint standard, that the *nominal*, or, which in this case is the same thing, the *computed* exchange, will be five per cent. in favor of London. But if the currency of London be five per cent. depreciated, or, in other words, if the market price of bullion at London be five per cent. above its mint price, the *computed* exchange between it and Rio Janeiro, supposing the *real* exchange to continue at par, will obviously also be at par. It may therefore be laid down as a general rule, that as soon as bullion begins to pass from one country to another, the *expense of transit*, provided the mint and market price of bullion in the *exporting* country correspond, will indicate how much the value of

bullion in it falls short of its value in the country into which it is imported ; or, which is the same thing, will be equal to its unfavorable *nominal* exchange ; and that, when the market exceeds the mint price of bullion in the *exporting* country, the expense of transit *added* to this excess will give the total comparative reduction of the value of the precious metals in that country. The converse of this takes place in the country *importing* bullion. When its currency is of the mint standard, the expense of transit measures the extent of its favorable *nominal* exchange ; but when its currency is relatively redundant or degraded, the *difference* between the expense of transit and the excess of the market above the mint price of bullion, will measure the extent of the favorable or unfavorable *nominal* exchange. It will be favorable when the depreciation is less than the expense of transit, and unfavorable when it is greater.

State of the Exchange between Great Britain and the Continent from 1809 to 1815.

From 1809 to 1815 inclusive, Great Britain continued to export gold and silver to the Continent. During this period, therefore, we must add the expenses attending its transit to the excess of the market over the mint price of bullion, in order to ascertain the true relative value of British currency, and the state of the *real* exchange. Mr. Goldsmid stated to the bullion committee that, during the last five or six months of the year 1809, the expense of transporting gold to Holland and Hamburg, inclusive of freight, insurance, exporter's profits, &c., varied from four to seven per cent. But at the same time that the relative value of bullion in Britain was at five and a half (medium of four and seven) per cent. below its value in Hamburg, the market price of gold bullion exceeded its mint price to the extent of sixteen or twenty per cent. or eighteen per cent. on a medium ; so that the currency of this country, as compared with the currency of Hamburg, which differed very little from its mint standard, was really depreciated to the extent of twenty-three and a half per cent. Now, as the *computed* or actual course of exchange varied, during the same period, from nineteen to twenty-one per cent. against London, it is clear that the *real* exchange could not be very different from par. Had the *computed* exchange been less unfavorable, it would have shown that the *real* exchange was in favor of London ; had it been more unfavorable, it would, on the contrary, have shown that the *real* exchange was decidedly against London.

Causes of the Exportation of Bullion in 1809, 1810, &c.

Provided an accurate account could be obtained of the expense attending the transit of bullion from this country to the Continent during the subsequent years of the war, we have no doubt it would be found, notwithstanding the extraordinary depression of the *nominal*, that the *real* exchange fluctuated very little from par ; and that the exportation of gold and silver was a consequence, not of the balance of payments being against this country, but of its being advantageous to export bullion, because of its being less valuable here than on the Continent. No person will contend that, in 1809,

1810, &c., there was such a redundancy of gold or silver currency in this country as to sink the relative value of these metals. Any such supposition is altogether out of the question. During the period referred to, the precious metals were sent out of the country, because the depreciation of the paper currency exceeded the cost of the transit of bullion; and hence, because it was every body's interest to pay their debts in the depreciated currency, and to export that which was undepreciated to other countries where there was no law to prevent its passing at its full value as coin, or in which there was a greater demand for bullion. It is indisputably certain that, if our *paper currency* had been sufficiently reduced, the supply of gold in the kingdom in 1809, 1810, &c., compared with the demand which must, under such circumstances, have been experienced, was so very small, that, instead of exporting, we should have imported the precious metals from every country in the world.

The Unfavorable Exchange during the latter Years of the War, no Cause of the Extraordinary Exportation of British Produce to the Continent.

It has been very generally supposed, that the extraordinary exportation of British goods to the Continent during the latter years of the war, was in a great measure owing to the depression of the exchange. But, in so far as this depression was occasioned by the redundancy or depreciation of the currency, it could have no such effect. It is impossible, indeed, to form any opinion as to the influence of fluctuations in the *computed* exchange on export and import trade, without previously ascertaining whether they are a consequence of fluctuations in the *real* or *nominal* exchange. It is only by an unfavorable *real* exchange that exportation is facilitated; and it may be favorable at the very moment that the *computed* exchange is decidedly unfavorable. "Suppose," to use an example given by Mr. Blake, "the computed exchange between Hamburg and London to be one per cent. against this country, and that this arises from a *real* exchange which is favorable to the amount of four per cent. and a nominal exchange unfavorable to the extent of five per cent.; let the real price of bullion at Hamburg and London be precisely the same, and, consequently, the *nominal* prices different by the amount of the *nominal* exchange or five per cent.; now, if the expenses of freight, insurance, &c., on the transit of bullion from Hamburg are three per cent., it is evident that a profit would be derived from the import of that article, notwithstanding the *computed* exchange was one per cent. against us. In this case the merchant must give a premium of one per cent. for the foreign bill, to pay for the bullion: £100 worth of bullion at Hamburg would therefore cost him £101, and the charges of importation would increase the sum to £104. Upon the subsequent sale, then, for £105 of depreciated currency in the home market, he would derive from the transaction a profit of £1. This sum is precisely the difference between the *real* exchange and the expenses of transit, that part of the *computed* exchange which depends on the *nominal* producing no effect; since whatever is lost by its unfavorable state is counterbalanced by a corresponding inequality of *nominal* prices." (*Observations, &c.*, p. 91.). In the same manner it may be shown, that, though the *computed* be favorable, the *real*

exchange may be unfavorable; and that, consequently, it might be really advantageous to export, when it is apparently advantageous to import. But it would be tedious to multiply instances, which, as the intelligent reader will readily conceive, may be infinitely varied, and which have been sufficiently explained.

The real cause of the extraordinary importation of British produce into the Continent in 1809, 1810, &c., notwithstanding the anti-commercial system of Napoleon, is to be found, not in the state of the exchange; for, inasmuch as that was occasioned by a fall in the value of the currency, it could have no effect whatever either in increasing or diminishing exportation; but in the annihilation of the neutral trade, and our monopoly of the commerce of the world. The entire produce of the East and West was placed at our disposal. The continental nations could neither procure colonial produce nor raw cotton for the purposes of manufacturing, except directly from England. British merchandise was thus rendered almost indispensable; and to this our immense exportation, in spite of all prohibitions to the contrary, is to be ascribed. (See *Edinburgh Review*, No. lxiii., p. 50.)

CHAPTER V.

Negotiation of Bills of Exchange.

In conducting the business of exchange, a direct remittance is not always preferred. When a merchant in London, for example, means to discharge a debt due by him in Paris, it is his business to ascertain not only the state of the direct exchange between London and Paris, and, consequently, the sum which he must pay in London for a bill on Paris equivalent to his debt, but also the state of the exchange between London and Hamburg, Hamburg and Paris, &c.; for it frequently happens, that it will be more advantageous for him to buy a bill on Hamburg, Amsterdam, or Lisbon, and to direct his agent to invest the proceeds in a bill on Paris, rather than remit directly to the latter. This is termed the ARBITRATION of exchange. An example or two will suffice to show the principle on which it is conducted.

Arbitration of Exchange.

Thus, if the exchange between London and Amsterdam be 35s. Flemish per pound sterling, and between Paris and Amsterdam 1s. 6d. Flemish per franc, then, in order to ascertain whether a direct or indirect remittance to Paris would be most advantageous, we must calculate what would be the value of the franc in English money if the remittance were made through Holland; for if it be less than that resulting from the direct exchange, it will obviously be the preferable mode of remitting. This is determined by stating, as 35s. Flem. (the Amsterdam currency in a pound sterling) : 1s. 6d. Flem. (Amsterdam currency in a franc) : : £1 : 10d. the proportional or *arbitrated* value of the franc. Hence if the English money or bill of exchange, to pay a debt in Paris, were remitted by Amsterdam, it would

require 10d. to discharge a debt of a franc, or £1 to discharge a debt of 24 francs: and, therefore, if the exchange between London and Paris were at twenty-four, it would be indifferent to the English merchant whether he remitted directly to Paris, or indirectly *via* Amsterdam; but if the exchange between London and Paris were *above* twenty-four, then a direct remittance would be preferable; while, if, on the other hand, the direct exchange were less than twenty-four, the indirect remittance ought as plainly to be preferred.

“Suppose,” to borrow an example from Dr. Kelly (*Universal Cambist*, vol. ii., p. 137,) “the exchange of London and Lisbon to be at 68d. per milree, and that of Lisbon on Madrid 500 rees per dollar, the arbitrated price between London and Madrid is 34d. sterling per dollar; for as 1000 rees: 6d.: : 500 rees: 34d. But if the direct exchange of London on Madrid be 35d. sterling per dollar, then London, by remitting directly to Madrid, must pay 35d. for every dollar; whereas, by remitting through Lisbon, he will pay only 34d.; it is, therefore, the interest of London to remit indirectly to Madrid through Lisbon. On the other hand, if London draws directly on Madrid, he will receive 35d. sterling per dollar; whereas, by drawing indirectly through Lisbon, he would receive only 34d.; it is, therefore, the interest of London to draw directly on Madrid. Hence the following rules:

“1. Where the *certain price* is given, draw through the place which produces the lowest arbitrated price, and remit through that which produces the highest.

“2. Where the *uncertain price* is given, draw through that place which produces the highest arbitrated price, and remit through that which produces the lowest.”

In COMPOUND ARBITRATION, or when more than *three* places are concerned, then, in order to find how much a remittance passing through them all will amount to in the last place, or, which is the same thing, to find the arbitrated price between the first and the last, we have only to repeat the different statements, in the same manner as in the foregoing examples.

Thus, if the exchange between London and Amsterdam be 35s. Flem. for £1 sterling; between Amsterdam and Lisbon 42d. Flem. for 1 old crusade; and between Lisbon and Paris 480 rees for 3 francs, what is the arbitrated price between London and Paris?

In the first place, as 35s. Flem.: £1: : 42d. Flem.: 2s. sterling, = 1 old crusade.

Second, as 1 old crusade, or 400 rees: 2s. sterling: : 480 rees: 2s. 4½d. sterling, = 3 francs.

Third, as 2s. 4½d. sterling: 3 francs: : £1 sterling: 25 francs, the arbitrated price of the pound sterling between London and Paris.

This operation may be abridged as follows:

		£1 sterling.
£1 sterling	=	35s. Flemish.
3½ shillings Flem.	=	1 old crusade.
1 old crusade	=	400 rees.
480 rees	=	3 francs.
Hence	$\frac{35 \times 400 \times 3}{480 \times 3\frac{1}{2}}$	$= \frac{4200}{168} = 25$ francs.

This abridged operation evidently consists in arranging the terms so that those which would form the divisors in continued statements in the *Rule of Three* are multiplied together for a common divisor, and the other terms for a common dividend. Arithmetical books abound with examples of such operations.

The following account of the manner in which a very large transaction was actually conducted, by indirect remittances, will sufficiently illustrate the principles we have been endeavoring to explain.

In 1804 Spain was bound to pay France a large subsidy ; and, in order to do this, three distinct methods presented themselves :

1. To send dollars to Paris by land.
2. To remit bills of exchange directly to Paris.
3. To authorize Paris to draw directly on Spain.

The first of these methods was tried, but it was found too slow and expensive ; and the second and third plans were considered likely to turn the exchange against Spain. The following method by the indirect or circular exchange was therefore adopted.

A merchant, or *banquier*, at Paris, was appointed to manage the operation, which he thus conducted : He chose London, Amsterdam, Hamburg, Cadiz, Madrid, and Paris, as the principal hinges on which the operation was to turn ; and he engaged correspondents in each of these cities to support the circulation. Madrid and Cadiz were the places in Spain from whence remittances were to be made ; and dollars were, of course, to be sent to where they bore the highest price, for which bills were to be procured on Paris, or on any other places that might be deemed more advantageous.

The principle being thus established, it only remained to regulate the extent of the operation, so as not to issue too much paper on Spain, and to give the circulation as much support as possible from real business. With this view London was chosen as a place to which the operation might be chiefly directed, as the price of dollars was then high in England, a circumstance which rendered the proportional exchange advantageous to Spain.

The business was commenced at Paris, where the negotiation of drafts issued on Hamburg and Amsterdam served to answer the immediate demands of the state ; and orders were transmitted to these places to draw for the reimbursements on London, Madrid, or Cadiz, according as the course of exchange was most favorable. The proceedings were all conducted with judgment, and attended with complete success. At the commencement of the operation, the course of exchange of Cadiz on London was 36d. ; but, by the plan adopted, Spain got 39½d. or above eight per cent. by the remittance of dollars to London, and considerable advantages were also gained by the circulation of bills through the several places on the Continent. (Kelly's *Cambist*, vol. ii., p. 168 ; Dubost's *Elements of Commerce*, 2d edit., p. 218.)

Usance Days of Grace.

Bills of exchange are made payable at *sight* ;—at a certain specified time *after sight*, or *after date* ;—or at *usance*, which is the usual term allowed by the custom or law of the place where the bill is payable. Generally,

however, a few days are allowed for payment beyond the term when the bill becomes due, which are denominated *days of grace*, and which vary in different countries. In Great Britain and Ireland *three* days of grace are allowed for all bills except those payable at sight, which must be paid as soon as presented.

The following is a statement of the *usance* and *days of grace* for bills drawn by London on some of the principal commercial cities :

[*m*||*d.*, *m*||*s.*, *d*||*d.*, *d*||*s.*, *d*||*a.* respectively denote *months after date*, *months after sight*, *days after date*, *days after sight*, *days after acceptance*.]

London on	Usance.	Days Grace.	London.	Usance.	Days Grace.
Amsterdam,	1 m||d.	6	Gibraltar,	2 m||s.	14
Rotterdam,	1 m||d.	6	Leghorn,	3 m||d.	0
Antwerp,	1 m||d.	6	Leipsic,	14 d||a.	0
Hamburg,	1 m||d.	12	Genoa,	3 m||d.	30
Altona,	1 m||d.	12	Venice,	3 m||d.	6
Dantzic,	14 d||a.	10	Vienna,	14 d||a.	3
Paris,	30 d||d.	10	Malta,	30 d||d.	13
Bordeaux,	30 d||d.	10	Naples,	3 m||d.	3
Bremen,	1 m||d.	8	Palmero,	3 m||d.	0
Barcelona,	60 d||d.	14	Lisbon,	30 d||s.	6
Geneva,	30 d||d.	5	Oporto,	30 d||s.	6
Madrid,	2 m||s.	14	Rio Janeiro,	30 d||d.	6
Cadix,	60 d||d.	6	Dublin,	21 d||s.	3
Bilboa,	2 m||d.	14	Cork,	21 d||s.	3

In France no days of grace are allowed on bills payable *à vue*.

In Austria, bills payable at sight, or on demand, or at less than seven days after sight or date, are not allowed any days of grace.

In the dating of bills the new style is now used in every country in Europe with the exception of Russia.

In London, bills of exchange are bought and sold by brokers, who go round to the principal merchants, and discover whether they are buyers or sellers of bills. A few of the brokers of most influence, after ascertaining the state of the supply and demand for bills, suggest a price at which the greater part of the transactions of the day are settled, with such deviations as particular bills, from their being in very high or low credit, may be subject to. The price fixed by the brokers is that which is published in Wettenhall's list; but it is stated by Mr. Goldsmid, that the first houses generally negotiate their bills on a half, one, one and a half, and two per cent. better terms than those quoted. In London and other great commercial cities, a class of middlemen speculate largely on the rise and fall of the exchange, buying bills when they expect a rise, and selling them when a fall is anticipated.

CHAPTER VI.

History and Advantages of Bills of Exchange.

It is not easy to discover the precise era when bills of exchange were first employed to transfer and adjust the mutual claims and obligations of merchants. Their invention has been ascribed to the Arabians and the Jews of the middle ages; but it seems certain that bills were in use in remote antiquity. Isocrates states that a stranger who brought some cargoes of corn to Athens, furnished a merchant of the name of Stratocles with an order or bill of exchange, on a town on the Pontus Euxinus, where money was owing to him; and, because the person who had drawn the bill had no *fixed domicile*, Stratocles was to have recourse on a merchant in Athens, in the event of its being protested. The merchant, says Isocrates, who procured this order found it extremely advantageous, inasmuch as it enabled him to avoid risking his fortune on seas covered with pirates and the hostile squadrons of the Lacedæmonians. (*De Pauw, Recherches sur les Grecs*, i. 258.)

There is also unquestionable evidence to show that the method of transferring and cancelling the debts of parties residing at a distance, by means of letters of credit, or, which is in effect the same thing, by means of bills of exchange, was not unknown to the Romans. Cicero, in one of his epistles to Atticus (*Epist. ad Atticum*, xii. 24.) inquires whether his son must carry cash to defray the expense of his studies along with him to Athens, or whether he might not save this trouble and expense by obtaining an assignment for an equivalent sum from a creditor in Rome on his debtor there. It is evident, from a subsequent epistle of Cicero's, that the latter method had been preferred, and that the transference of the money had in consequence been rendered unnecessary. (*Epist. ad Atticum*, xii. 27.) "De Cicerone, ut scribis, ita faciam: ipsi permittam de tempore: nummorum quantum opus erit ut *permutetur* tu videbis." In his notes on a parallel passage, Grævius remarks, *Permutatio* est quod nunc *barbare cambium* dicitur. (*Epist. ad Atticum*, xi. 24.)

Mr. Macpherson states (*Annals of Commerce*, i. p. 405.) that the first mention of bills of exchange in modern history occurs in 1255. The pope having quarrelled with Manfred, king of Sicily, engaged, on Henry III. of England agreeing to indemnify him for the expense, to depose Manfred, and raise his second son Edmund to the Sicilian throne. The enterprise misgave. But the merchants of Sienna and Florence who originally advanced the money to carry it into effect, or rather to gratify the pope's rapacity, were paid by bills of exchange drawn on the *Prelates* of England, who, although they protested they knew nothing at all about the transaction, were nevertheless compelled, under pain of excommunication, to pay the bills and interest!

Capmany, in his *Memoirs* respecting the Commerce, and so forth, of Barcelona, gives a copy of an ordonnance of the magistracy, dated in 1394, enacting that bills should be accepted within twenty-four hours after their presentation;—a sufficient proof that they were in general use in the beginning of the fourteenth century.

But whatever be the era of the introduction of bills of exchange, very few inventions have redounded more to the general advantage. Without this simple and ingenious contrivance, commerce could not have made any considerable progress. Had there been no means of settling and adjusting the mutual claims of debtors and creditors otherwise than by the intervention of metallic money (for bank paper is only another species of bills of exchange,) a very great proportion,—many hundreds of millions,—of that capital which is now setting productive labor in motion in every quarter of the globe, and ministering to the wants and the enjoyments of mankind, must have been devoted to the expediting those exchanges which are much better accomplished by the agency of a few quires of paper. Instead of a perpetual importation and exportation of gold and silver, necessarily attended by an immensity of trouble and expense, a few bills of exchange, possessing little or no intrinsic worth, and which may be transferred with the utmost facility, suffice to adjust the most extensive and complicated transactions. But the mere setting free of an immense productive power, engaged in a comparatively disadvantageous employment, is only one of the many benefits we owe to the use of bills of exchange. By cheapening the instruments by which commerce is carried on, they have materially reduced the prices of most commodities; and have, in consequence, increased the command of all classes over the necessaries and luxuries of life, and accelerated the progress of civilization, by occasioning a much more extensive intercourse and intimate connection between different and independent countries, than could otherwise have taken place.

In a political point of view their effects have been equally salutary. They enable every individual imperceptibly to transfer his fortune to other countries, and to preserve it safe alike from the rapacity of his own government and the hostile attacks of others. The security of property has, in consequence, been prodigiously augmented. And though we should concede to the satirist that paper credit has “lent corruption lighter wings to fly,”* it is easy to show that it has powerfully contributed to render subjects less dependent on the policy, and less liable to be injuriously affected by injudicious measures on the part of their rulers. In countries in a low stage of civilization, the inhabitants endeavor, by burying all the gold and silver they can collect, to preserve a part of their property from the despots by whom they are alternately plundered and oppressed. This was universally the case in the middle ages; and in Turkey, India, Persia, and other eastern countries, the practice is still carried on to a very great extent. Some economists have endeavored to account for the long-continued importation and high value of the precious metals in India, by the loss which necessarily attends the

• Blest paper credit! last and best supply!
 That lends corruption lighter wings to fly!
 Gold imp'd by thee can compass hardest things,
 Can pocket states, can fetch or carry kings;
 A single leaf shall waft an army o'er,
 Or ship of senates, to some distant shore;
 A leaf, like Sibyll's, scatter to and fro
 Our fates and fortunes, as the wind shall blow;
 Pregnant with thousands fits the scrap unseen,
 And silent sells a king, or buys a queen.—Pope.

practice of hoarding ; and undoubtedly this locking up of capital is one of the main causes of the extreme poverty of these countries. But the security afforded by bills of exchange is infinitely greater than any derived from the barbarous expedient of trusting property to the bosom of the earth. "Pregnant with thousands flits the *scrap* unseen," and in a moment places the largest fortune beyond the reach of danger ! Mr. Harris was, therefore, right in saying, "that the introduction of bills of exchange was the greatest security to merchants, both as to their persons and effects, and consequently the greatest encouragement to commerce, and the greatest blow to despotism, of any thing that ever was invented." (*Harris on Coins*, part i. p. 103.)

Previously to the peace of Paris in 1763, Amsterdam, because of its commerce, the wealth and punctuality of its merchants, and their intimate connection with all the other great trading cities of the world, was the chief place where the accounts of the different commercial countries were balanced and adjusted. But the entire loss of foreign trade, and the other vexations to which Holland was subjected during the ascendancy of the French, nearly divested Amsterdam of all share in this business. London has now become the trading metropolis of Europe, and of the world. The vast extent of its commercial dealings has necessarily rendered it the great mart for bills of exchange. Its bill merchants, a class of men remarkable for their shrewdness, and generally possessed of large capitals, assist in trimming and adjusting the balance of debt and credit between the most remote countries. They buy up bills where they are cheap, and sell them where they are dear ; and, by the extent of their correspondence and the magnitude of their transactions, give a steadiness to the exchange, which it could not otherwise attain.

CHAPTER VII.

Laws and Customs Respecting Bills and Notes.

A bill of exchange may be defined to be an open letter of request or order from one person, the *drawer*, to another person, the *drawee*, who is thereby desired to pay a sum of money, therein specified, to a third person, the *payee*. When the *drawee* obeys the request or order, by subscribing the document, he becomes *acceptor*. If the contrary do not appear on the face of the bill, it is presumed that the *drawee* has funds of the *drawer's* in his hands to the amount of the bill, and that the drawer is indebted to the *payee* to that extent. The bill thus operates as a transfer or mercantile assignment to the *payee*, of the *drawee's* debt to the drawer. But a bill may also be drawn payable to the *drawer* or his order, in which case, when accepted, the document is not an assignment, but merely the acknowledgment or constitution of a debt. This is also accomplishable by *promissory note*, which is a promise by one person, the *maker* (*Scoticé grantor*,) to pay a sum to another person, the *payee* (*Scoticé grantee*.) The bill and the promissory note have now equally the privilege of being *assignable* or *transferable* from one person to another by indorsement, that is, by the *payee* subscribing his name on the back of the document. In this case the *payee* becomes an *indorser*, and the person in whose favor the indorsement is made is called the *indorsee*, who

may again indorse to another ; and in this manner the bill or note may pass from hand to hand without limitation. Each indorsation may be made *in full* or *in blank* ; in full, by filling up the name and description of the party in whose favor it is made, which is attended with several advantages if the document should be lost or stolen ; in blank, by merely subscribing the indorser's name, which is equivalent to making it payable to the *bearer*. All the indorsements, or any one of them, may also be *qualified* by the words *without recourse* ; and when this is done, neither the indorsee nor any subsequent *holder* of the bill or note can have recourse on the indorser who thus qualifies his indorsation. If none of the indorsations be so qualified, the *last holder* for value, and *in bona fide*, has all the prior indorsers and other parties to the bill or note bound to him jointly and severally. He may select any one of them, or proceed against them all at the same time ; and if all were to become bankrupt, he could claim on the estate of each for the whole debt, and be entitled to receive dividends from all the estates until he obtained *full payment*, but which he must not exceed. An indorser may also qualify his indorsation by the condition that his indorsee shall not have the power of making an indorsement from himself.

From the negotiability thus conferred upon them, bills have been compared to bags of money ; but it should be remembered that, in the former case, we transfer only a *right*, in the latter the *property itself*. The comparison is best supported in those transferences which are made without recourse, since, in those instances, the bill passes from hand to hand without any alteration in the rights and duties of those interested in it, and without any one acquiring an additional security. In the simplest case, however, the rights arising on a bill may be preserved or lost by the conduct of the holder ; and where there has been even one unqualified indorsation, the duties of the holder are of a delicate and important nature. But these will be more readily understood after we have pointed out the requisites of a bill.

Requisites of a Bill or Note.

The general requisites of a bill are, that it must be payable at all events ; that it must be for payment of money only ; and that the money must not be payable from any particular fund. Of the more special requisites, the *first* is, that any bill or note drawn or made in Great Britain (though dated abroad, Chitty, 5th edit. p. 70, 7. T. R. 601, 4 Camp. Law, 269,) or in its colonies, is, that it be written on paper *stamped* according to the law of the mother country or colony, as it happens to be drawn in the one or the other. The stamp duty varies according to the sum in the bill, and the extension of the term of payment : but for these particulars, and the mode of complying with the provisions of the law, reference should be made to the statutes in force at the time. The present regulating statute is that of 55 Geo. III. c. 184, both as to *inland* bills and notes, and bills of exchange drawn here *on* foreign countries. As to bills truly drawn in foreign states not colonies of Great Britain, on traders in this country, our law takes no cognizance of them as to whether they are or are not stamped ; but *promissory notes* made *out* of Britain are declared *not* to be negotiable or payable unless stamped agreeably to our laws. Bills drawn at home must also

be written on the stamp appropriated for bills. If on a stamp of another denomination, though of equal or superior value, they are invalid if not got re-stamped, which they may be for payment of the duty and a penalty of 40s. when carried to the stamp-office before they are due, but when after due, the penalty is £10. If written on a stamp below the proper value, a penalty is incurred of £50, and the bills, besides, are null (Bell's *Com. on Bankrupt Law*, vol. ii. p. 249); but it has been found with us in England, that if a bill be *not* properly stamped, a neglect to present for acceptance or payment will not relieve parties who are *otherwise* liable in the *original debt* in respect of which the bill was granted. The relief in this case is granted by a court of equity, but this relief is not extended to remote indorsers not responsible for the original debt. Relief, however, is given when a party has bound himself to grant a valid note or bill, but gives one by mistake or design on a defective stamp. Negotiable bills under £5 must, by 37 Geo. III. c. 32, be payable within twenty-one days, and bear the name of the *place* where they are made, without which also *checks* on bankers are liable to stamp-duty. Penalties are likewise imposed on the post-dating of such *checks*, or of bills, for the purpose of reducing the duty by apparently shortening the term of payment; and there are provisions in those laws respecting bills drawn in sets or otherwise, with which every trader should make himself acquainted. This, however, it is very difficult to do in all its bearings, since the penalties and provisions of the prior statutes are retained in every subsequent one, except as therein specially altered. This is one great evil of our fiscal regulations. Where the law cannot be known, transactions are rendered uncertain, property insecure, and litigation is increased to a mischievous extent. But the worst evil is, that this state of law increases in a prodigious degree the influence of the crown, by the power over traders which is thus placed in the hands of solicitors of stamps, excise, customs, and other crown officers.

The other requisites of a bill are, *2dly*, That it should bear the name of the place at which it is made or drawn; and if the street and number of the house be added, it is easier to give and receive the notices that may be necessary, in proper time. *3dly*, The *date* should be distinctly marked, and, if *written* at length, a higher protection would be afforded against accidental or intentional alterations and vitiations. If a bill have no date, the date of issuing will be held as the date of the bill. *4thly*, The time of payment should be clearly expressed, and a *time certain* is necessary to make the document *negotiable*; that is to say, the payment must not depend on an event that may never happen, such as the *marriage of a person*, though it may on the *death*. *5thly*, The *place* at which a bill is made payable should also, for the sake of safe negotiation, be distinctly stated; because at that place *presentment* must be made both for acceptance and payment. If no place be mentioned, the place of doing business, if the acceptor have one, or otherwise his dwelling-house, becomes the place of presentment. *6thly*, The sum payable should be clearly written in the body of the bill, and the superscription of the sum in figures will aid an omission in the body. This sum must in all cases be above 20s.; and if payable more than twenty-one days after date, it must exceed £5. *7thly*, It should contain an order or request to pay. *8thly*, Of bills drawn in part or sets, each part

or copy should mention the number of copies used, and be made payable on condition that none of the others has been paid. The *forgery* of an indorsement on one of the parts passes no interest even to a *bona fide* holder, and will not prevent the payee from recovering on the other part. *9thly*, Every bill should specify distinctly *to whom* the contents are to be paid; but a *bona fide* holder, or his executor, may fill up a blank, if one be left, for the name of the payee, and recover payment. (Chitty, 82; Bell, vol. ii. p. 251, &c.) *10thly*, If it be intended that a bill is to be negotiable, it should contain the operative words of transfer "to order;" although if the original intention be clear, these words may be inserted without a fresh stamp. (Chitty, 86.) *11thly*, It is advisable in all cases to insert *value received*; since, without these words, the holder of an *inland* bill for upwards of £20 could not, in England, recover interest and damages against the drawer and indorser in default of acceptance or payment. Bills bearing for value received, and payable *after date*, seem also to possess advantages when lost, under the statutes 9 and 10 W. III. c. 17; but equity would probably extend these to indorsements; and 3 and 4 Anne, c. 9, it is thought, extends the same to notes. (Chitty, p. 196.) *12thly*, As to foreign bills, the drawee should attend to whether they are to be paid *with* or *without further advice*; since the propriety of his accepting or paying will, in the one case, depend on his having received advice. The more carefully all these requisites are attended to, the greater is the security of all concerned against accidents and litigation. But traders, we fear, have too generally a prejudice in favor of that brevity which approaches to looseness of expression, and against that precision which alone can keep them out of difficulties.

General Explanatory Rules and Usages. Business Hours. Rules of giving Notices. Effect of Inevitable Accident. How to act when Bill lost. Effect of Usury. Effect of Gaming. Effect of Forgery. Effect of Vitiatio. Acceptance by Procuratio. Conditional Acceptance. Indorsements.

When a bill, check, or note, is payable *on demand*, or when *no time of payment is expressed*, it should be presented within a reasonable time after receipt, and is payable *on presentment*, without the allowance of any days of grace. It is yet *unsettled* (Chitty, 344, *et seq.*) whether bills drawn *at sight* are entitled to days of grace, though the weight of authority is rather in favor of them. If drawn at one or more days after sight, the days of grace must be allowed. The day on which a bill is dated is not reckoned one; but all bills having days of grace, become due, and must be presented and protested, *on the third day*, and if that day be a Sunday or a holiday, *on the second*. The rule for giving notice of non-acceptance or non-payment is different, since, if the day on which it should have been given be a day of rest, by the religion of the party, such as the Jews' Sabbath, the notices will be good if given on the next day. Calendar months are always understood with respect to bills; and if dated on the 29th, 30th or 31st of January, payable *one month* after date, they will fall due on the *last day* of February, from which the days of grace are to be calculated. Presentments of bills should be made within business hours. These are generally considered to be in London from nine morning to six evening, but a protest has

been held good against an ordinary trader when made at eight. This would not have been good in the case of bankers, whose hours (from nine to five in London) must be attended to. In Edinburgh, bankers' hours are from ten to three; traders from ten to three, and from six to eight; but there are no Scotch decisions holding these as the only business hours. A verbal notice of the dishonor of an *inland* bill is good; but as such notice is always matter of parole evidence, it is better in every case to give notice in writing, and the regular mode of doing so is by post. Such notice, if put into the general post-office, or an authorized receiving-house, is good though it miscarry, provided the letter be regularly booked, and reasonable proof be made of its having been put into the post-office. If given only to a bellman in the street, it would not in such a case be good. When there is no post, the ordinary mode of conveyance, such as the *first* ship or carrier, is sufficient. As to *foreign bills*, notices of dishonor with the respective protests, must be despatched by post on the day when the bills become due, or on which the acceptance was refused, if any post or ordinary conveyance set out that day, and if not, by the next earliest conveyance. (Chitty, 291.) As to *inland* bills, notice should be made by the first post after the expiry of a day, when the parties reside at a distance; if in the same town, it is enough if the notice be made so as to be received within business hours of the following day, and this may be done by the twopenny or penny post, if receivable within the time mentioned. When a holder deposits his bill at his banker's, the number of persons entitled to notice is increased by one; and each party in succession is entitled to *twenty-four hours* for giving notice (6 East. 3 Bell, 263.) Such notice, as to *inland* bills, is necessary in England for preserving recourse as to the principal sum only. If protest be made and notice given within fourteen days, the recourse is preserved as to *interest*, damages and expenses. In Scotland a protest is necessary in every case, and there is no distinction made as to the mode of recourse between principal and interest; but intimation to the drawer within *fourteen* days preserves recourse for the whole (Bell, vol. ii. p. 265); and it has been decided, that notice of an indorser may be good even after the fourteen days, if there has been no unnecessary delay. (*Fac. Col.* 2d June, 1812.) But this applies only to *inland* bills, and a bill drawn from Scotland upon England is in Scotland held to be foreign. (Bell, vol. ii. p. 265.) Every bill should be presented for payment on the day upon which it falls due, unless that be rendered impossible by some unforeseen and *inevitable* accident, such as shipwreck, or sudden illness, or death. To preserve recourse, the accident, and the presentment of the bill as soon as possible afterwards, must be intimated without delay, and, if denied, proved by the party who seeks recourse. The same doctrine will hold as to presentments for non-acceptance and notices of dishonor. But the loss or destruction of a bill is no excuse for not demanding payment and protesting; the protest in that case being made upon a copy or statement of the bill, if the party who has a right to hold the bill has it in his power to make such a statement. If the destruction of the bill can be proved, action will be sustained in a court of law; if not, the redress is got upon giving an indemnity in a court of equity; but as equity will not interfere where law can, it is of importance in such a case, and indeed in all cases of difficulty, to resort

at once to the best professional advice. Inconsiderate attempts to remedy neglects, or cure what is defective, generally make the case worse, and often implicate character. Cases of great hardship and difficulty frequently arose on bills granted partly for *usurious* consideration. A mighty benefit, however, has now been conferred by the statute 58 Geo. III. c. 93, which enacts "That *no bill* of exchange or promissory note that shall be drawn or made after the passing of this act shall, though it may have been given for a usurious consideration, or upon a usurious contract, *be void in the hands of an indorsee for valuable consideration*, unless such an indorsee had, at the time of discounting or paying such consideration for the same, *actual notice* that such bill, &c., had been originally given for a usurious consideration, or upon a usurious contract." It is much to be regretted that the same protection was not extended by this statute to the *innocent holder* of a bill granted for a game debt. Such bills are still void in the hands of a *bona fide* indorsee. In Scotland it has been decided otherwise (25th January, 1740, Nielson; Bell, vol. ii. p. 210.) The rage for legislation has not yet extended itself to lawyers, who as a body, can hardly be expected to display any anxiety to remedy defects which add to their emoluments and consequence. How much of the learning of this profession is wasted on niceties and difficulties that would readily yield to the spell of an act of parliament! To the law, however, we owe this sound maxim, that "unless it has been so expressly declared by the legislature, and it formerly was in the case of usury, and still is as to bills for *game* debts, illegality of consideration will be no defence in an action at the suit of a *bona fide* holder, without notice of the illegality, unless he obtained the bill after it became due. (Chitty, 105.) Thus *forgery* does not vitiate a bill. The forged document is good to and against all parties but those whose names are forged. Against one whose name is forged, it is true, it will neither support an action nor ground a claim; "yet if he have given credit to acceptances or indorsations as binding on him, forged by the same hand, he will be liable." (3 Esp. N. P. 50; 2 Bell, 250.) Subsequent approbation also does away an objection on the head of forgery or fraud, and generally all sorts of objections otherwise competent. This doctrine holds as to vitiations when the stamp laws are not concerned; but without the consent of parties, all vitiations or alterations of bills in material parts are fatal. (2 Bell, 252.) A clerk or servant may accept a bill for his master if authorized to so do; and authority will be inferred from a sanctioned practice. The law on this point is dangerous, and would require legislative revision. If the servant or agent do not explain the character in which he acts, but subscribes his own name simply, he will bind himself, not his employer. An acceptor may enlarge the term of payment, or accept for a part, or under any other condition not expressed in the bill; but in that case it is optional in the holder to take the acceptance as thus offered, or to proceed as if no such offer had been made; if rejected, the protest should bear the condition, and the rejection of it; it should also be kept in view, that a *holder* who accepts of a limited or conditional acceptance, liberates the drawer and prior indorser, unless he have their consent. Blank indorsements are held to be of the date of the bill, until the contrary is proved. Indorsements after the term of payment, though for value, do not protect the indorsee like indorsements before maturity; very slight evidence

is admitted as proof of knowledge of dishonor, and the holder in that case becomes liable to all exceptions which can be stated against the right of his immediate indorser, or the person who held the bill when it became due. When acceptance is refused, and the bill returned with protest, action may be raised immediately against the drawer, though the regular time of payment is not arrived. His debt, in such a case, is considered as contracted the moment the bill was drawn; if the date of the bill be prior to that of a commission of bankrupt, the debt, in such a case, may be claimed upon. As to current bills and contingent claims, the case is unfortunately different; in these respects England might derive great help from the law of Scotland.

Duties of Drawee.

The *drawee*, who, having funds, refuses to accept, is responsible for the consequences to the *drawer*, and may also be sued for payment by the *payee* or holder, the presentment and protesting of the bill for non-acceptance operating as an intimated assignment and complete transfer of the debt to the *holder*, who in Scotland is preferred to any subsequent arrester. The *drawee* who has no funds is not bound to accept; but, after protest for non-acceptance, he may accept *supra-protest*, for the *honor* of the drawer and indorsers, or either of them. A *third party* may thus accept for *honor supra-protest*; and whoever does so, if he give immediate notice and send off the protest, may have immediate recourse on the party or parties for whose honor he has interfered.

Payee or Holder. Effect of Bankruptcy. Accommodation Paper. Cross Paper.

It is the duty of a *payee*, when directed by the drawer, and of every one who is merely an agent for the owner, though acting gratuitously, to present a bill for acceptance. The time thought reasonable for this purpose is twenty-four hours, or at least within business hours of the day following that on which the bill was received. It is prudent in all holders of a bill to present for acceptance within this period; and *in all cases* where presentment is made, and acceptance refused, notice should be given to all against whom it is meant to preserve recourse. A draft may be left twenty-four hours with the drawee, if no post go out in the mean time; but if he intimate within that time that he will not accept, or ask *more time* to consider, *notice should be given*. (Chitty, 288, 289.) A verbal acceptance, if it can be proved, or one by a separate writing, binds the drawee; but in Scotland none but a written acceptance on the bill will authorize the usual summary diligence. (Chitty, 217, 270; 2 Bell, 69, 240.) If the drawee had no funds, notice to the drawer is not necessary; but as the not having funds is a matter of fact to be proved, it is safer in this, and indeed in all other cases, to give the usual and regular notice. When a bill is drawn at some certain time *after sight*, presentment is *necessary* to fix the term of payment. Respecting bills of this description, both foreign and inland, the general rule is, that *due diligence must be used*. Foreign bills, so drawn, may be put into the circulation without acceptance as long as the convenience of the successive holders requires; and it has been found not to be *laches* (in Scotland *mora*, or undue delay,) to keep a bill (at three days'

sight) out in the circulation for twelve months ; but if, instead of circulating, a holder were to lock it up, this would be *laches*. An unacceptable inland bill may also be put in circulation ; and any holder, who does not circulate it, has a reasonable time, such as the fourth day respecting a bill drawn within twenty miles of London, for presenting it there for acceptance. Despatch and attention, however, are always advisable. It is said that when a bill has been already protested for non-acceptance, and due notice thereof given, it is not necessary to protest or to give notice on account of non-payment, but it is usual to do so, and the safer practice. The same rules and the same time should be observed as to non-payment, that are observed as to protest and notice, in the case of non-acceptance. When inland bills are made payable on a day named and fixed in the bills, it is common to delay presenting them for acceptance, until they can also be presented for payment, and then, if necessary, to protest for both ; but it is better to make a presentment for acceptance as soon as it can be done in the ordinary course of business. It has already been stated, that notice either of non-acceptance when a presentment has been made, or for non-payment, *must* be given to *all the parties* to whom the *holder* intends to resort for payment. Bankruptcy is no excuse for neglecting any step in the negotiation of a bill. If a party be bankrupt, notice of recourse should be given to him and his assignees ; if *dead*, to his executor or administrator ; if abroad, the notice should be left at his place of residence, if he have one, and a demand of acceptance or payment (when that is necessary) should be made of his wife or servant. Notice should also be made to one who merely guarantees payment ; and a person who subscribes a bill not addressed to him is held to be a collateral security. If notice be made to one indorser, he may give notice to prior indorsers, or to the drawer ; and if done timely it will be available to the holder ; but notice by a party, not party to the bill, nor agent for a party, will not be available.

Accommodation bills are subject to the same rules as other paper, except among those who agree to lend their names or credit. Among them the rule is, that he for whose use the money is to be raised shall provide for the bill ; but as all the others have an action of relief when forced to pay, they are entitled to notice. In Scotland this has been extended to the drawer when he is not the party for whom the credit was intended. With respect to cross paper, it is held that mutual accommodations exchanged are good considerations for each other ; that in case of bankruptcy, a dividend from any one estate is to be held as payment of all that can be demanded in respect of that debt : and that there can be no double ranking of the same debt. But questions often arise in such cases, which require the utmost professional skill to comprehend and decide. In a short digest of this nature it is impossible to enter into the niceties of legal questions ; and we can only observe generally, that parties should never act in cases of difficulty, without taking the best professional assistance.

The *law* respecting bills of exchange is more consonant with reason than almost any other branch of our law, since, where it is silent, recourse is had to the custom of merchants.

The best authorities respecting the law of bills are the treatises of Chitty and of Bayley as to English law, and Mr. Bell's *Commentaries on Mercantile Jurisprudence* as to Scotch law.

Table containing the Value of the Moneys of Account of different Places, expressed in Pence and Decimals of Pence, according to the Mint Price both of Gold and Silver in England; that is, £3 17s. 10^d. per Ounce for Gold, and 5s. 2d. per Ounce for Silver. (Kelly's Cambist. ii. p. 149.)

Places.	Names.	Value in Silver.	Value in Gold.
		<i>d.</i>	<i>d.</i>
Aix-la-Chapelle,	Rixdollar current,	31, 40	31, 43
Amsterdam,	Rixdollar banco, (agio at 4 per cent.)	52, 54	variable.
	Florin banco,	21,	ditto.
	Florin current,	20, 72	ditto.
	Pound Flemish current,	124, 32	ditto.
Antwerp, .	Pound Flemish, (money of exchange,)	123, 25	123, 87
	Florin, (money of exchange,)	20, 54	20, 64
	Pound Flemish current,	105, 65	105, 18
	Florin current,	17, 60	17, 70
Barcelona, .	Libra Catalan,	28, 14	28, 70
Basil, . .	Rixdollar, or ecu of exchange,	47, 27	47,
	Rixdollar current,	42, 45	42, 20
Berlin, . .	Pound banco,	47, 25	variable.
	Rixdollar current,	36,	ditto.
Berne, . .	Ecu of 3 livres,	42, 64	42, 90
	Crown of 25 batzen,	35, 53	35, 75
Bremen, .	Rixdollar current,	37, 80	variable.
	Rixdollar in Carls d'or, . . . . .	.....	39, 68
Cassel, . .	Rixdollar current,	37, 80	variable.
Cologne, .	Rixdollar specie of 80 albuscs,	31, 38	ditto.
	Rixdollar current of 78 albuscs,	30, 60	ditto.
Constantinople,	Piastre, or dollat,	9, 45	uncertain.
Dantzic, .	Gulden or florin,	9,	9,
Denmark, .	Rixdollar specie,	54, 73	.....
	Rixdollar crown money,	48, 37	.....
	Rixdollar Danish currency,	44, 27	44, 88
England, .	Pound sterling,	240,	240,
Florence, .	Lira,	8, 12	8, 53
	Ducat or crown current,	56, 84	59, 71
	Scudo d'or, or gold crown, . . . . .	.....	63, 97
France, .	Livre Tournois,	9, 68	9, 33
	Franc, (new system,)	9, 70	9, 52
Francfort, .	Rixdollar convention money,	37, 80	37, 65
	Rixdollar Muntze, or in small coins,	31, 50	.....
Germany, .	Rixdollar current,	37, 50	variable.
	Rixdollar specie,	50, 40	ditto.
	Florin of the empire,	25, 20	ditto.
	Rixdollar Muntze,	31, 50	ditto.
	Florin Muntze,	21,	ditto.
Geneva, .	Livre current,	16, 13	16, 13
	Florin,	4, 60	4, 84
Genoa, . .	Lira fuori banco,	8,	7, 83
	Penza, or dollar of exchange,	45, 92	45, 50
	Scudo di cambio, or crown of exchange,	36, 75	36, 02

Places.	Names.	Value in Silver.	Value in Gold.
		d.	d.
Hamburg,	Mark banco, (at a medium,)	18, 22	variable.
	Pound Flemish banco,	136, 65	ditto.
	Mark current,	14, 82	variable.
	Pound Flemish current,	111, 15	ditto.
Hanover,	Rixdollar, (in cash,)	42,	42, 26
	Rixdollar, (gold value,)	39,	39, 24
Königsberg,	Gulden or florin,	12,	variable.
Leghorn,	Pezza of 8 reals,	46, 25	49, 16
	Lira moneta buona,	8, 13	8, 55
	Lira moneta lunga,	7, 79	8, 19
Leipsic,	Rixdollar convention money,	37, 80	variable.
	Rixdollars in Louis d'ors or Fredericks, . . . . .	.....	39, 68
Malta,	Scudo or crown,	21, 32	23, 34
Milan,	Lira imperiale	10, 41	10, 53
	Lira corrente,	7, 45	7, 44
	Scudo imperiale,	60, 90	61, 60
	Scudo corrente,	42, 32	42, 78
Modena,	Lira,	3, 72	.....
Munich,	Gulden or florin,	21,	21, 28
Naples,	Ducat of 1818,	41, 20	41, 22
Parma,	Lira,	2, 35	2, 40
Persia,	Toman of 100 mamoodis,	287, 60	.....
Poland,	Gulden or florin,	6, 03	6, 27
	Milree, . . . . .	.....	67, 34
Portugal,	Old crusade, . . . . .	.....	26, 94
	Rixdollar Alberts,	52, 54	variable.
Riga,	Rixdollar currency (agio at 40 per cent.)	37, 53	ditto.
	Scudo or crown,	52, 05	51, 63
Rome,	Scudo di stampa d'oro,	79, 37	78, 73
Russia,	Ruble, . . . . .	.....	variable.
Sardinia,	Lira,	18, 21	18, 82
Sicily,	Ounce,	123, 54	124, 80
	Scudo or crown,	49, 02	49, 92
Spain,	Real of old plate,	4, 88	4, 57
	Real of new plate,	5, 18	4, 86
	Real of Mexican plate,	6, 48	6, 07
	Real Vellon,	2, 59	2, 43
	Dollar of old plate, or of exchange,	39,	36, 59
Sweden,	Rixdollar,	55, 41	56, 43
Switzerland,	Franc, (new system,)	22, 14	.....
Trieste,	Florin, Austrian currency,	25, 20	25, 05
	Lira, Trieste currency,	4, 76	4, 73
	Lira di piazza,	4, 65	4, 63
Turin,	Lira,	11, 28	11, 23
Valencia,	Libra,	39, 45	36, 59
Venice,	Lira piccola, (in the old coins,)	5, 07	variable.
	Lira piccola, (in the coins introduced by the Austrians,	4, 25	ditto.
Vienna,	Florin,	25, 20	25, 05
Zante,	Real,	4, 06	variable.
Zurich,	Florin, money of exchange,	25, 85	ditto.
	Florin current,	23, 50	ditto.

Par of Exchange between England and the following places, viz., Amsterdam, Hamburg, Paris, Madrid, Lisbon, Leghorn, Genoa, Naples, and Venice; the same being computed from the intrinsic value of their principal Coins, by comparing Gold with Gold, and Silver with Silver, according to their Mint Regulations, and to assays made at the London and Paris Mints. (Presented by Dr. Kelly to the Committee of the House of Lords on the expediency of the Bank's resuming Cash Payments.)

	G O L D.		S I L V E R.				E X P L A N A T I O N S.
	Mint Regulations	Assays.	Old Coinage.		New Coinage.		
			Mint Regulations	Assays.	Mint Regulations	Assays.	
Amsterdam, banco,	36 8	36 6,8	37 3	37 10,6	35 0	35 6,5	{ Schillings and pence Flemish per pound sterling. Agio two per cent. Florins and stivers per pound sterling. Schillings & pence Flemish banco per pound ster. Francs and cents per pound sterling. Pence sterling for the piastre or dollar of exch'ge. Pence sterling per milree. Pence sterling per pezza of exchange. Pence sterling per pezza fuori banco. Pence sterling per ducat (new coinage of 1818.) Lire piccole per pound sterling.
Amsterdam, current,	11 4,5	11 3,8	11 8,5	11 11,8	10 14,6	1017,6	
Hamburg, . . .	34 3,5	34 1,6	35 1	35 1,3	32 11	32 11,6	
Paris, . . .	25 20	25 28	24 73	24 91	23 23	23 40	
Madrid, . . .	37,3	37,2	39,2	39,0	41,7	41,5	
Lisbon, . . .	67,4	67,5	60,41	58,33	64,30	62,69	
Leghorn, . . .	49,1	49,0	46,46	46,5	49,60	49,5	
Genoa, . . .	45,5	45,5	46,46	48,9	49,4	52,0	
Naples, . . .	41,22	....	41,22	....	43,9	....
Venice, . . .	46,3	46,0	47,5	49,0	44,6	46,1	

EXCHANGE also signifies a place in most considerable trading cities, where the merchants, agents, bankers, brokers, inter-preters, and other persons concerned in commerce, congregate on certain days, and at certain times of the day, to confer and treat together of matters relating to exchanges, remittances, payments, adventures, assurances, freightments, and other mercantile negotiations, both by sea and by land. In Flanders, in Holland, and in several cities of France, these places are called *Bourses*; at Paris and at Lyons, *Places de Change*; and in the Hanse Towns, *Borsenhalle*. These assemblies are held with so much exactness, and merchants and traders are so indispensably required to attend at them, that a person's absence alone makes him suspected of a failure or bankruptcy. The most considerable exchanges in Europe are, first, that of Amsterdam, and, secondly, that of London, called the Royal Exchange.

Even in the time of the ancient Romans, there were places for merchants to meet, in most of the considerable cities of the empire. That which is said by some to have been built at Rome in the year of the city 259, or 493 years before Christ, under the Consulate of Appian Claudius and Publius Servilius, was called *Collegium Mercatorum*, of which it is pretended there are still some remains, called by the modern Romans *Loggia* or the Lodge, and now usually the place of St. George. This notion of a Roman exchange is supposed to be countenanced by the authority of Livy.

ERRATA.

Page 843, 12th line from top, for "6d." read "68d."

Page 847, 5th line from foot, for "*ship of senates*," read "*ship off senates*."

THE HOMESTEAD IN VERMONT.

AN ACT TO PROTECT THE HOMESTEAD.

It is hereby enacted by the General Assembly of the State of Vermont, as follows:

SEC. 1. The homestead of every housekeeper or head of a family, residing in this state, to the value of five hundred dollars,—such homestead consisting of a dwelling house, out-buildings and lands appurtenant, occupied by such person as a homestead,—and the yearly products thereof, shall be exempt from attachment and execution, in all cases where the contract shall be made or the cause of action shall accrue after the first day of December, A. D. 1850, except as is hereinafter provided.

2. Whenever the real estate of such housekeeper or head of a family shall be levied upon by virtue of any execution, such portion thereof as may be occupied by him as a homestead, and as he may then elect to regard as such, to the value of five hundred dollars, in case such person is entitled to hold the same exempt from said execution, shall be set out to him by the appraisers on said execution, upon their oaths, and the remainder, only, shall be set off to the creditor therein; and such homestead shall be set out in the same manner as is now provided by law for the setting off of lands on execution: all which proceedings shall be stated in the official return upon such execution.

3. Whenever the personal estate of any such housekeeper or head of a family shall be attached or taken in execution, and the debtor therein shall claim that the same or any part thereof is the annual produce of said homestead, and the creditor and debtor do not agree about the same, the officer having such attachment or execution shall cause the same to be ascertained and set out to such debtor by appraisers to be appointed and sworn as is provided in the case of the levy of execution upon lands: which proceedings shall be stated in the officer's return of such attachment or execution.

4. If any such housekeeper or head of a family shall decease, leaving a

widow, his homestead, of the value aforesaid, shall wholly pass to his widow and children, if any there be, in due course of descent, without being subject to the payment of the debts of the deceased, unless made specially chargeable thereon, or for taxes assessed thereon; and the probate court shall appoint three commissioners if necessary, to set out to such widow, or to such widow and children, such homestead.

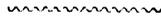
5. Such homestead shall not be alienated or mortgaged by the owner thereof, if a married man, except by the joint deed of such husband and wife, executed and acknowledged in the manner provided for the conveyance of the lands of married women: *Provided*, however, that such husband may, without the consent of his wife, mortgage such homestead, at the time of the purchase thereof, for the payment of the purchase money.

6. Such homestead shall be subject to attachment and execution upon any contract that may be made, and for all matters and causes of action which may accrue, previous to, or at the time of, the purchase of such homestead; and shall be subject to sale for non-payment of taxes, assessed thereon, and the time when the deed to the owner of such homestead shall be left in the town clerk's office, for record, shall be deemed the time of the purchase thereof, for the purpose mentioned in this act.

7. The costs and expenses of setting out such homestead, or its yearly produce, as provided in the second and third sections of this act, shall be charged and included in the officer's bill of fees upon such writ or execution.

8. This act shall take effect from and after the first day of December, A. D. 1850.

Approved, November 12th, 1849.



THE POUND STERLING.

The following Note, "on the Value of the Pound Sterling in Dollars," by a Baltimore correspondent, is in reply to a query by a Massachusetts Bank. "Some remarks in a late No. of your work in reference to a change of the par of exchange on England, recalled to my mind a question to which I have never been able to obtain a satisfactory answer—*viz.*: *The cause of the change in the value of the pound sterling.*

NOTE ON THE VALUE OF THE POUND STERLING IN DOLLARS.

The English pound sterling was, until the beginning of the fourteenth century, an actual pound of silver. Since then, it has been merely nominal, and is represented now by a gold coin, *the sovereign*. Thus *gold* is the standard metal in England; and a legal tender can only be made in silver when the amount is under 40 shillings. In America, where until lately there has been a greater scarcity of gold, which is reckoned in proportion to the English estimation higher than silver, both metals are equally legal tenders and equally standard. In fact, our unit, *the dollar*, is an actual silver coin; the dollar in gold was, until recently, merely nominal. But as we have multiples of it actually in gold (the eagle, half-eagle, &c.), and as it is impossible to compare coins in different metals unless there is some uniform

and accepted ratio between the metals, which is not the case here, the proper way, and indeed the only way, is, to compare the coins of the two countries in the same metal—gold. The sovereign, then, is the pound sterling on the one side, and the tenth part of the eagle becomes the unitary dollar on the other. The sovereign, of metal $\frac{1}{2}$ fine, and weighing 123.27 grains nearly, contains of pure gold 113.0016 grains, which may be taken for all practical purposes at 113 grains.

The eagle since 1837, of metal $\frac{9}{10}$ fine, and weighing 258 grains, contains of pure gold, 232.2 grains; and its tenth part or the dollar in gold, 23.22 grains. The pound sterling is then in dollars $\frac{232.2}{23.22} = 4.8665$ nearly. This represents the proportionate intrinsic value of the two coins. No allowance is made for the remedy of the mint, because its rate being the same in both countries, while the absolute quantities of weight and alloy are not materially variant, it may be taken as applying in the same proportion in each case. In point of fact, our alloy being rather more than the English, (by $\frac{1}{2}$ of one per cent.) in an extreme case of remedy, our worst half-eagle would be proportionately worse than the worst sovereign. But this would not be appreciable in thousandth parts, and may therefore be neglected.

If for curiosity we go on to compare the value of the nominal pound sterling and the actual dollar in silver, we shall have a different result, if regard be not paid to the different values of gold and silver in the two countries. Thus 20 shillings English (nominally the pound sterling) of metal $\frac{1}{2}$ fine, and weighing 1745 $\frac{1}{11}$ grs. contain of pure silver 1614 $\frac{6}{11}$ grs.

The dollar, of metal $\frac{9}{10}$ fine, and weighing 412.5 grains, contains of pure silver 371.25 grains.

Twenty shillings sterling, then, contain as much pure silver as $\frac{1614 \frac{6}{11}}{371.25} = 4.3489$ dollars.

But in England, gold is worth 14.288 times as much as silver; in the United States it is 15.988 times. Thus gold is rated nearly 12 per cent. higher with us than in England; and if this ratio (actually 1.119) be applied to the value just now given as between the silver coins, we shall of course find as before for the value of the pound sterling in silver dollars, when gold and silver are reduced to the former ratio for both countries, 4.8665 dollars. The same value is recognized in the commercial par of exchange (a fiction for equalizing the erroneous assignments of our law) whose rate $9\frac{1}{2}$ per cent. applied to the legal denomination of $4\frac{2}{3}$ dollars to the pound sterling produces 4.8665 nearly.

In our custom-houses, the sovereign is taken by tale at 4.83 dollars. As the recoinage at our mint is gratuitous, there might be reasonably expected that some small discount would grow out of the boiling and waste.

The erroneous assignment of the law of 1789, which has continued in force ever since, of $4\frac{2}{3}$ dollars to the pound sterling, grew out of the old colonial acceptance of the Spanish *pieces of eight* at 4s 6d sterling. This was correct in the beginning of the 18th century, when such acceptance was enforced by Proclamation and by Act of Parliament. But from 1731 downwards, the Spanish dollars or pieces of eight have lost in value by successive degradations; and have been worth always less than 4s 6d sterling. And of our own dollars—both the earliest and latest—it may safely be affirmed that at no time did they correspond to the valuation assigned by law.

A., BALTIMORE, MD.

Stocks and Exchanges.

PHILADELPHIA, 23 MARCH.

U. S. 6 per cent.....	1856	106½	@	107½
Do. do.....	1862	111	@	111½
Do. do.....	1867	114¾	@	115
Do. do.....	1868	115	@	115½
Do. 5 per cent.....	1853	101	@	101½
Do. Treasury Notes, 6 p. ct.	1879	113	@	113½
Pennsylvania, 6 pr. ct. 1879		104	@	105
Do. 5 per cent...		91¼	@	91½
Kentucky, 6 per cent.....		104	@	104½
Tennessee, 5 per cent.....		82½	@	83½
Cincinnati, 6, water works..		99	@	100
Pittsburgh, 6,		90½	@	91½
St. Louis, 6 per cent.....		92	@	94
Bank of Pennsylvania,..	100	111	@	111½
Bank of N. America, ...	100	130¾	@	131
Philadelphia Bank,.....	100	136	@	137
Farm. and Mechanics',...30		66½	@	66¾
Commercial Bank,.....50		58¾	@	59
B. Northern Liberties, ..35		51	@	53
Mechanics' Bank,	20	27¾	@	27½
Southwark Bank,.....50		70	@	73
Kensington Bank,.....50		60	@	61
B. Penn Township,.....22½		29	@	29½
Western Bank,.....40		63½	@	64
Manuf. and Mechanics', .25		27	@	27½
Bank of Commerce,.....50		56	@	57
Girard Bank,.....50		13	@	13½
Bank of Pittsburg,.....50		50½	@	55
Exchange Bank,.....50		48	@	49
Merchants and Manuf...50		51	@	51½
Philadelphia, 6 per cent., ..		102¾	@	103
United States Bank,.....		2½	@	3
Bank of Louisville,.....100		100	@	100½
Northern Bank, Ky.,...100		105½	@	106½
Bank of Kentucky,.....100		101¾	@	102
Union Bank, Tenn.,...100		51½	@	52
Planters' Bank of Tenn., ..		52½	@	53
N. O. Gas Light Bank Co.,	111	@	112	
Morris Canal. ....25		16¾	@	17
Reading Rail Road, ....50		20¼	@	20½
Do. Bonds, 6 p. ct. 1870,		68¾	@	68½
Do. Mortgages, 1860,...		72	@	73
Com. & Vicks. R. R. B.,	100	18	@	18½
Phil. and Trenton R. R.	100	128	@	130
Phil. W. Balto. R. R. ....50		25½	@	26
Harrisburgh R. R. ....50		47½	@	48
Schuylkill Navigation, ...50		18½	@	19

BALTIMORE, 23 MARCH.

Maryland, 6 per cent.,.....	102½	103
Virginia, 6 per cent.,.....	101	102
Baltimore, 6 per cent., 1890,	103¾	104
B. and O. R. R. Stock,.....	55	55½
Do. do. Bonds, 1854,	98½	99½
Do. do. Div. Bonds,	92½	93
Bank of Baltimore, .....100	94	95
Merchants' Bank,.....100	96	97
Union Bank,	75	67½
Mechanics' Bank,.....15	16½	16½
Commerc'l and Farm,....33½	35½	36
Western Bank,.....20	20½	21
Farmers and Planters'...25	26½	27½
Chesapeake Bank,	25	26
Marine Bank,.....30	29	30
Farmers and Merch'ts',...40	35½	37½
Franklin Bank,.....12½	11½	11½
Farmers' Bank of Md.,...50	49	50
Patapsco Bank,.....25	22½	23

UNCURRENT MONEY.

Patapsco Bank,	par.	
Havre de Grace,.....	½	@ 1
Cumberland,	½	@ 63
Maryland, interior,	½	@ ½
Bank of Virginia,	¾	@ ¾
Do. do. Branches,...	¾	@ ¾
Farmers' Bank of Va.,	¾	@ ¾
Do. do. Branches,	¾	@ ¾
Exchange Bank of Va.,	½	@ ¾
Do. do. Branches,	½	@ ¾
Bank of the Valley,.....	½	@ ¾
Do. do. Leesburg,..	½	@ ¾
Do. do. Romney, ..	¾	@ ¾
Wheeling,	¾	@ 1
New York City,.....	par.	
Philadelphia,	par.	
Pennsylvania, Country,.....	¾	@ 1
New England, Country,.....	¾	@ ..
Ohio,	1	@ 1½
Indiana,	1	@ 1½
Kentucky,	1	@ 1½
North Carolina,	1	@ 1½
South Carolina,	½	@ 1
Georgia,	¾	@ 1
New Orleans,	½	@ ..
Tennessee,.....	2	@ 2½

NEW YORK, 23 MARCH.		BOSTON, 25 MARCH.	
New York, 6 per cent., 1860	115 @ 117	Albany, W. R. R. 6's,	@ 105½
Do. 6 per cent., 1865	116 @ 116	Do. do. 1865	104 @ 104½
Do. 5 per cent., 1862	107 @ 108	Boston 6's,.....1853	100½ @ 101
Do. do. 1858	105 @ 106	Boston 5's,.....1860	@ 98
N. Y. City, 7 per cent., 1857	111 @ 115	East Boston Co.,.....	14½ @ 15½
Do. 5 per cent., 1856	100¾ @ 101	Massachusetts 5's,....1859	97 @
Do. Do. W. Ln. 1858	101 @ 102	Massachusetts Sterlings,..	100½ @ 101
N. Y. and Eric R.R., new, 6	65½ @ 65¾	Atlantic Bank,.....	105 @ 107
Syracuse and Utica, .....8	130 @	Atlas Bank, 101	@
Auburn and Rochester, ...8	84 @ 84½	Boston Bank,....(par 50)..	55 @ 55½
Long Island,.....	16½ @ 16½	Boylston Bank, 104	@ 105
Providence and Stoning,...5	47 @ 47½	City Bank,.....	101 @ 102
Tonawanda,....Ex. div..20	115 @ 116	Cochituate Bank,.....	99½ @ 100
Harlaem,	54½ @ 54½	Columbian Bank,.....	101 @
Mohawk,	79 @ 79½	Eagle Bank,	103 @ 103½
Utica and Schenectady,....	126½ @ 126½	Exchange Bank,	104 @ 104½
Hudson River, .....6	59 @ 60	Freeman's Bank,.....	109 @ 110
Bank of New York, .....10	136½ @ 137	Globe Bank,	108 @ 109
Manhattan Bank, .....7	110 @ 111	Granite Bank,.....	100 @ 100½
Merchants' Bank,.....8	114 @	Grocers' Bank,.....	99½ @ 100
Mechanics' Bank,.....5	112 @ 125	Hamilton Bank,.....	102½ @ 103
Union Bank,.....10	129 @ 131	Market Bank, ... (par 70)..	82 @ 83
Bank of America, .....7	105½ @ 105½	Massachusetts, . (par 250)..	240 @ 245
City Bank,.....8	114 @ 116	Mechanics' Bank, (S. B.)..	106 @ 107
Phenix Bank, .....6	101 @ 101½	Merchants' Bank,	110 @
Tradesmen's Bank,.....15	130 @	New England Bank,.....	106 @ 106½
Fulton Bank, .....10	120 @ 122	North Bank,	97 @ 98
Del. and Hudson C. Co.,...24	155½ @ 168	Shawmut Bank,.....	102 @
Butchers and Drovers',...10	120 @ 125	Shoe and Leather Dealers',..	112 @ 114
National Bank,.....8	111 @ 112½	State Bank, (par 60)..	63 @
Merchants' Exchange,....8	109½ @ 110	Suffolk Bank,	130 @ 135
Leather Manufacturers',...7	108 @ 112	Traders' Bank,.....	101 @ 102
Bank of the State of N.Y., 7	100 @ 101	Tremont Bank,	104½ @ 105
Bank of Commerce, .....6½	103¾ @ 104	Union Bank,.....	103½ @ 104
Mech. Banking Asso'n, ...7	98 @ 99	Washington Bank,	96½ @ 97
Amer. Exch. Bank, .....8	115 @ 116	American Insurance Co.,... 127	@
N. Y. L. I. and T. Co.,...8	116 @ 120	Boston Ins. Co.,	98 @ 100
Farmers' L. and T. Co.,... 34½	@ 34½	Boylston Fire and Marine,..	110 @
Ohio Life and T. Co.,.....	@ 100	Fireman's Ins. Co., (par 25)	41 pr. ct. adv
Canton Co.,.....	47½ @ 47½	Franklin Ins. Co.,.....	96 @ 97
Bank of Louisiana,.....8	126 @ 130	Hope Ins. Co.,	106½ @
Louisiana State Bank,....6	90 @ 95	Manufacturers' Ins. Co.,... 134	@
N. O. Canal and B. Co.,...6	76 @ 78	Mercantile Marine,	93½ @ 94
Mech. and Traders' Bank, 6	84 @ 86	Merchants' Ins. Co.,.....	125 @ 130
Ohio, 6 per cent.,.....1870	110 @ 111	National Ins. Co.,... (par 50)	64 @
Do. 7 per cent.,.....	103¾ @ 103¾	Neptune Ins. Co.,	158 @ 160
Ill. Int. Imp. Stock,....1847	46¾ @ 47	Suffolk Ins. Co.,.....	90 @ 95
Indiana Bonds,.....	41 @ 45	Tremont Ins. Co.,	122 @
Do. State Fives,.....	77 @ 77½	United States,.... (par 50)	59½ @
Arkansas, 6 per cent.,	30 @	Warren,	70 @ 75
Alabama, 5 per cent.,.....	79 @ 82	Washington,.....	91 @ 92

BANK ITEMS.

NEW YORK.—**BANK CIRCULATION.**—Two communications upon the subject of New York and New England Banking, Bank Circulation, Deposits, &c., are *in type*—but are crowded out of the present No. They will be inserted in our next.

THE ATLAS BANK.—The Atlas Bank, Boston, was removed, on the 11th March, from No. 60 State Street, to No. 10 Kilby Street, corner of Doane Street.

RHODE ISLAND.—*Notice.*—The Phenix Bank, Westerly, R. I., soon after it was robbed in December last, of sixteen thousand dollars, suspended the issue of its bills, and procured new plates, the emissions from which are dated January 1, 1850.

The Bank having redeemed nearly all their old circulation, (with the exception of the *stolen money*,) will hereafter redeem the *old bills*, at their counter, all of which are dated *previous* to January 1, 1850.

The Suffolk Bank, Boston, will continue, as usual, to redeem the new bills of this Bank.

ETHAN FOSTER, *Cashier.*

Westerly, March 8, 1850.

MARYLAND.—Acts were passed at the late biennial session of the Legislature for the establishment of the following new banks.

- I. The Farmers and Mechanics' Bank of Carroll County.
- II. The Merchants Mutual Exchange and Banking House.
- III. The Cecil Bank, at Port Deposit, Cecil County.
- IV. Farmers and Mechanics' Bank of Kent County.

Also to incorporate the Chesapeake and Delaware Rail Road Company, and the National Fire Insurance Co. of Baltimore.

PENNSYLVANIA.—Whereas, an artful fraud has been, for some time past, practised in this city to the injury of the various banking institutions who have signed this advertisement, by their cashiers, which consists in cutting or tearing a portion from several notes, and joining the pieces thus obtained, by some adhesive matter, so as to make another note, and then by passing as well the mutilated notes as the note formed by this process upon the unwary public: Now, therefore, for the protection of the community, and to put a stop to this nefarious practice, the several banks who have subscribed this advertisement by their cashiers, offer the sum of five hundred dollars to any one who will detect and prosecute to conviction the perpetrator of this crime. And all persons are cautioned against taking either these fabricated notes, or the notes which are mutilated to form them, as the several banks who are parties to this notice are advised by counsel, that they are not responsible for the same. [*Signed by the Cashier of each of the Philadelphia Banks, February, 1850.*]

THE SUSQUEHANNA COUNTY BANK.—Mr. Streeter, Chairman of the Committee on the Judiciary, has reported in behalf of the Committee, a bill providing for the appointment of a Board of Commissioners, with power to compel the attendance of witnesses and the production of papers, for the purpose of examining into, and investigating the concerns of the Susquehanna County Bank. The bill provides that the Commissioners, or a majority of them, shall give notice in one or more newspapers printed in Susquehanna County, for two successive weeks, that they, or a majority of them, will meet, at a certain time and place to be designated by them, in the borough of Montrose, in the county of Susquehanna, and make report of their proceedings to the next Legislature, on or before the third Monday of January next.—*Harrisburg Telegraph.*

VIRGINIA.—The Exchange Bank of Virginia has been rechartered; the new charter to expire in the year 1857, when the charters of the other banks will also expire.

SAVANNAH.—Bank Robbery.—George I. Bulloch, Cashier of the Central Rail Road and Banking Company, absconded on Thursday, 28 February, carrying with him a large amount of the funds of the bank. The deficit has been ascertained to amount to \$103,000, in notes of the bank.

Five thousand dollars reward.—Central Rail Road and Banking Company of Georgia.—*Savannah, 4th March, 1850.* The above sum will be paid for the apprehension and placing in custody of Mr. George I. Bulloch, the absconding Cashier of this Bank. He is charged with having stolen, in notes of the Company, the sum of one hundred thousand dollars, mostly of the larger denominations.

An additional reward of five per cent. will be paid on any money returned, with or without him. He is about five feet seven inches high, medium size, dark hair, dark eyes, dark complexion, black beard, fine teeth, speaks slow and soft, steps quick when walking. He was last seen in this city, so far as can be ascertained, on the night of Wednesday last, 27th Feb.

By order of the Directors.

R. R. CUYLER, *President.*

A NEW BANK IN SAVANNAH.—A bill has passed the Georgia Legislature to incorporate a bank in the city of Savannah, to be called the "Bank of Savannah," with a capital stock of five hundred thousand dollars. A bill has passed the same Legislature in relation to the agencies in Georgia of foreign banks. The bill provides that all agencies of banks in other states, shall be taxed in the same manner and to the same extent as the local banks, and that the mother banks of such foreign agencies shall be compelled, whenever required, to redeem their issues with specie at places where the agencies are located.

THE BANK OF SAVANNAH.—Books of subscription to the capital stock of the "Bank of Savannah," were opened at the office of Joseph Bancroft, on Monday, the 4th March, and continued open for three days, between the hours of ten and two o'clock. Solomon Cohen, Lewis F. Harris, I. W. Morrell, Asa Holt, W. W. Starke, Hiram Roberts, Henry Lathrop, Allen A. Denslow, *Commissioners.*

CENTRAL RAIL ROAD AND BANKING CO.—Solomon Cohen, Esq., has been elected Cashier of the Central Rail Road and Banking Co. at Savannah, in place of George I. Bulloch.

GEORGIA.—An act to be entitled an act to amend an act entitled an act to make bank and other corporations subject to garnishment, and to regulate proceedings against garnishees in certain cases, assented to Dec. 24th, 1832, and the several acts amendatory thereof, so far as relates to the proviso in the third section of said act.

SECTION 1st. *Be it enacted by the Senate and House of Representatives of the State of Georgia, &c.,* That the proviso in the third section of said act exempting banks and other corporations from liability to be garnished for the salaries of the officers of said banks and corporations, be and the same is hereby repealed.

SECTION 2d. *And be it further enacted by the authority aforesaid,* That all banks, banking corporations and other corporations in this State, except municipal corporations, shall be liable to be garnished for the salaries of its officers in all cases where such salary exceeds the sum of five hundred dollars per annum.

SECTION 3d. *And be it further enacted by the authority aforesaid,* That all laws and parts of laws militating against this act, be and the same are hereby repealed.

Approved 21st Feb., 1850.

BANK OF THE STATE OF MISSOURI vs. N. CHILDS, JR.—It will be recollected, that soon after the arrest of N. Childs, Jr., charged with embezzlement of the funds of the Bank of the State of Missouri, the officers of the Bank sued out an attachment against him, which was levied on all the property, real and personal, of Mr. Childs. The bonds given by the Bank on the commencement of this action, were to the amount of \$250,000. Yesterday, the case was called in the Circuit Court for trial, when Mr. Leslie, counsel for the Bank, took a *nonsuit*. This terminates the case.—*St. Louis Rep., March 6.*

OHIO.—An act has been passed by the Legislature of Ohio, authorizing the *Clinton Bank of Columbus* to become a Branch of the State Bank of Ohio.

At Cincinnati, the money market is more stringent, but eastern exchange was in good supply at $\frac{3}{4}$ per cent. premium, at sight. The deliberations at the general bank convention at Columbus, have resulted in a general agreement to carry out the objects of the bank agency established in Cincinnati, namely, supplying the community with eastern exchange, and so obviating the necessity of brokers' creating it by drawing coin from the banks. The board of control of the State Bank of Ohio have adopted measures to facilitate the same ends; and a strong disposition exists among the Kentucky banks to come into the movement. Twenty banks are now associated under the old agency, and all are ready to double their original deposits if necessary.—*Cincinnati Gazette*.

SOUTHERN BANK OF ALABAMA.—The books for subscription to the capital stock of the Southern Bank of Alabama, will be opened on the first Monday of April next, under the superintendence of the undersigned Commissioners appointed by the Governor.

The books will be kept open not less than ten days, nor more than thirty days, at the Banking House of the Branch Bank of the State of Alabama, at Mobile, between the hours of 12 m. and 2 p. m. of each day. J. E. Saunders, H. Barney, J. A. Hitchcock, C. LeBaron, J. H. Garner, H. O. Brewer, H. A. Schroeder, W. L. Powers, C. Robinson, *Commissioners*.

FARMERS' BANK OF KENTUCKY.—The books for subscription to the capital stock of the Covington Branch of the Farmers' Bank of Kentucky, will be opened at the Mayor's Office, in the City of Covington, on Monday, the 25th day of March, 1850, under the superintendence of the undersigned Commissioners. John S. Morgan, Jno. W. Stevenson, Septimus T. Wall, B. W. Toley, C. B. Sanford, Chas. A. Withers, Jno. K. McMickle, A. L. Greer, M. M. Benton, *Commissioners*.

The amount of capital to be employed at the Farmers' Bank in Frankfort is \$300,000; at Covington \$600,000; at Maysville \$400,000; at Princeton \$300,000; at Henderson \$250,000; at Mount Sterling \$200,000; at Bardstown \$150,000; at Somerset \$100,000.

Notes on the Money Market.

BOSTON, 25 MARCH, 1850.

Exchange on London, 60 days, 8 $\frac{1}{2}$ @ 8 $\frac{1}{2}$ premium.

The money market is quiet in our principal cities. At New York the rates are easier than at Boston. This has been the case for twelve months past, at least. The money doctors condemn the banks for this, and charge upon the latter the existing stricture. To us, for some months, it has seemed that the banks are guiltless of any sin of omission or commission. They go on, in the dull routine of circulation and loans, each striving to do all the legitimate business within its reach, and to obtain as large a circulation as practicable. In truth, however, the community has done too much business—credits have been too easy and too long, and the California trade has temporarily absorbed a portion of the active capital of the State. There is, too, a tendency of capital from other quarters towards New York. A higher rate of legal interest attracts thither much of the capital that would otherwise remain in the adjoining States.

The terms for negotiable paper in State street, may be quoted as follows—Sixty day paper, A, No. 1, 8 @ 10 per cent. The banks are not able to do one half the paper that offers—consequently large amounts are thrown into the hands of private capitalists,

and the rates vary from eight to twelve per cent., according to the character of the paper.

A decline is observable in foreign exchange. Bills for the steamer of the 20th were remitted in some cases at 7 @ 7½ for produce bills, while the best signatures brought 8¼ @ 8½. Bills on Paris, sixty days, 535 @ 531½. Remittances of sterling bills were made in some instances to France, by parties who have not perfect confidence in the existing French government.

Notwithstanding the scarcity of money, our merchants have their hands full of business: trade is active—the manufacturer, the mechanic, the merchant, the shipmaster, are all actively employed. If money is scarce, and exorbitant rates of interest paid in many cases by the Boston merchants, these rates are obviously sustained by commensurate profits. According to a writer, whose views are already fully given in our present volume, "high profits show that capital may be readily and beneficially invested in the different branches of industry, and wherever this is the case, it will be better for the borrower to pay a higher rate of interest, than it would be for him to pay a lower rate, in countries where there is less facility of employing his stock with advantage. The borrower who pays ten or twelve per cent. for capital in the United States, generally makes a more profitable bargain than the English borrower who pays only four or five per cent."

There have been several arrivals of gold dust from California during the month of March. The accounts vary as to the sums brought, but we may assume the aggregates to be about two and half millions of dollars. Even this sum per month will not counterbalance the outlay of capital for California account. The arrivals of gold are heralded as vast accumulations and as important accessions to the active capital of the country. Both the gold from California and its results are, in a commercial point of view, over-estimated. The Mint Report states the aggregate receipts of California gold, to 15th March, to be as follows: at Philadelphia, \$9,475,000; at New Orleans, \$1,904,000—a total of \$11,379,000 for the period of twelve months past. Granting that the production of gold will be hereafter twenty-five millions of dollars per annum, what is this sum compared to the aggregate annual productions of the old States? *Only one per cent!* and perhaps ten per cent. of the note currency of the country. The aggregate production of the country is not less than two thousand millions of dollars. The coal mines of Pennsylvania are as productive as the new mines of the Pacific, and in fact exert a more favorable influence upon the country. They produce, without absorbing, capital. There are other home products, too, of vastly more importance, which require the encouragement of our own government and our own people. The coal and iron, and more especially the cotton fabrics, if properly estimated and duly cared for, are worth ten times all California can yield for a few years to come.

The arrivals of a few hundred thousand dollars in gold dust have likewise a tendency to produce inflation in trade. With each arrival, there is an increased fever for emigration. Each man and each firm calculate upon doing a large business in California, forgetting that there is an abundant field of operations at home or in the old States.

There is a perceptible rise in the value of property and rents at New York, Boston, and other cities. It is the mere fever of speculation, much like that of 1835 and 1836, accompanied with similar indications of inflation. New banks, new insurance companies, new corporations of various kinds—all suddenly brought forward—and all based upon anticipated capital from California and in some measure upon the present prices of cotton being sustained throughout the year.

A portion of the same labor and capital, now absorbed by California, if applied to the iron manufactures of Pennsylvania, and the cotton manufactures of the South, would, *under proper legislation*, accomplish much for the country. Eastern Pennsylvania produces annually about 3,200,000 tons of coal, worth about \$3.50 per ton. Here is a

clear revenue to the people of that State of at least eleven millions of dollars per annum, besides what is produced west of the Alleghanies. The wheat crop of the Union is valued at 137 millions annually; corn, 215 millions; hay, 106 millions; hogs, 115 millions; iron, lead, marble, granite, coal, and other mines, 74 millions; and even the single item of potatoes, *twenty millions of dollars*. These are a few among the annual products of the Union, as enumerated and valued by the Patent Office. Nor are they, in our opinion, over-estimated. They are among the many subjects of *the home-market* which deserve the fostering care of legislation. The home market consumes *annually* to the amount of 1,850 millions, and the foreign market to the amount of 150 millions, yet the latter holds so prominent a position in the halls of legislation that the home market is lost sight of. The pauper labor of Great Britain and the Continent is encouraged at the expense of our own people.

The importance of coal and iron, as products of a nation, is demonstrated in the last Edinburgh Review, to which our readers are referred. It is there stated that the annual produce of the British mines is 25 millions sterling, without any gold or silver; and that the subterranean wealth of Great Britain is about equal to that yielded by the surface. England alone produces thirty-two millions tons of coals per annum, (of which London consumes more than one-tenth) valued at sixteen shillings per ton, (£4) or a total of 128 millions dollars. The cotton trade of Great Britain, too, exhibits marked features. That country imported from the United States,

In 1848, 1,300,000 bales, valued at \$30 per bale,	. . .	\$39,000,000
In 1849, 1,500,000 " " " \$40 " "	. . .	\$60,000,000

The cotton manufactured goods exported by Great Britain in 1848, are shown by Parliamentary documents to have been £20,000,000, or \$100,000,000. Thus after providing cottons for her own population of twenty-eight millions of people, Great Britain *re-exports* cotton for the same period to the value of at least fifty millions of dollars beyond the whole cotton received, *home consumption and foreign exports included*. In other words, she provides her own people with cotton gratis, and furnishes the world at large with cotton goods to the value of fifty millions of dollars beyond the price paid for the whole imported into the country. Or, as the London Economist expresses it (*ant^l*, 455): "The cotton trade in this country is now a matter of primary national importance. On it the daily food of hundreds of thousands of our fellow countrymen depends. On it, by far the largest amount of capital devoted to any branch of trade, *relies for its profitable occupation*. On it our export trade, with all the important consequence directly and indirectly attached to it, *depends for more than twenty-six millions*, out of a total of about FIFTY-FIVE MILLIONS STERLING. * * * As an article of necessity, contributing to the general comforts and prosperity of the country, an abundant and cheap supply of cotton is *second only to that of food*."

DEATHS.

IN GEORGETOWN, (Mass.) On the 2d day of March, 1850, Benjamin Little, Esq., aged sixty-nine years. President of the Manufacturers' Bank in that place from its commencement in 1836 till his death; and also Postmaster of the town from 1824 till 1845.

IN YORK, (Penn.) On Friday, the 8th day of March, Charles A. Barnitz, Esq., aged sixty-two years. President of the York Bank, and for nearly forty years a prominent member of the Pennsylvania Bar; a member of the Senate of that State in 1816, and a member of the United States House of Representatives in 1832.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

VOL. IV.

MAY, 1850.

No. XI.

CHRONICLES OF THE STOCK EXCHANGE.

[Continued from April No.]

CHAPTER X.

ON the 2d of November, 1793, as Mr. Martin, broker of 'Change Alley, was occupied in his business, he was applied to by a young man of somewhat effeminate appearance and of good address, to sell £16,000 scrip. As Mr. Martin was explaining to the applicant that an introduction was necessary, a Mr. Lyons, also a member of the Alley, esteemed a reputable person, passed, and the young man, to remove Mr. Martin's doubts, immediately pointed to Mr. Lyons, as thoroughly aware of his respectability. The latter, on being questioned, said he knew the stranger intimately, at the same time expressing his dissatisfaction at not being employed by him. The introduction was sufficient for Mr. Martin, and he sold that day £10,000 out of the £16,000 intrusted to his care. The seller, by some curious chance, or for some subtle reason, did not make his appearance to receive the proceeds, nor did he leave an address to which it might be sent. On the following morning, however, Mr. Martin received a visit from him at his private residence; but on being informed that the whole of the stock was not sold, his demand for payment was delayed. The day on which the remainder of the scrip was disposed of was a holiday at the bank, and from this simple circumstance arose the discovery of a curious fraud. The business at the Stock Exchange on public holidays is trifling, and the buyer, instead of hurriedly depositing the scrip in his pocketbook, had leisure to remark that there was some irregularity about it. Mr. Martin at once stepped over to the bank, checked the document, and discovered the forgery.

The scheme to which this gentleman had so nearly fallen a prey was cunningly contrived. The effeminate applicant to Mr. Martin was the sister of Lyons, disguised in male attire, — Lyons having placed himself in the way at the proper moment to give the necessary character; and, had it not been for the chance circumstance alluded to, would have profited largely by the deceit. The scheme failed; Lyons was apprehended; and, rather than give his sister the affliction of appearing against him, he pleaded guilty; thus sacrificing the slight chance of life which remained, to spare the feelings of her whom he had betrayed into crime.

In 1796 a loan for eighteen millions was proposed. The usual inquiries were made by the interested parties, and the Chancellor of the Exchequer positively declared that it should be conducted upon principles of free and open competition. The day was appointed to arrange its preliminaries. Mr. Mellish, Mr. James Morgan, and Mr. Boyd, were competitors; and when they had assembled, Mr. Boyd requested a few words in private with the Chancellor. The request was granted; and the surprise of Messrs. Mellish and Morgan may be conceived, when the Chancellor, on returning, proposed, that, if the latter bid for the loan, Mr. Boyd should be at liberty to supersede them on paying half per cent. above the highest offer. This was decidedly and indignantly refused; and the Chancellor, without any other proposition, at once agreed to take the terms offered by Mr. Boyd, although it was fully understood by all that there should be no final settlement on that day. The real causes of this extraordinary proceeding are difficult to ascertain; but the excuse offered by the Chancellor was, that Boyd had some claim on government, in consideration of the previous loan not having entirely expired. Allowing this, the state had no right to remunerate Mr. Boyd at the expense of others; and as very little of the previous scrip remained in his possession, it was, whatever partisanship might allege in excuse, a gross dereliction of public duty, and a great misdirection of public interest, to allot a loan without competition, at a loss of £499,500 to the public. At any rate, the contract was notified as open, the Governor of the Bank was authorized to declare it so, and the Chancellor expressed no doubt upon the subject.

There was much comment at the time. There was also a curious story in circulation of bills to the amount of £700,000 having been drawn on the treasury in fictitious names, and with fictitious dates; and it was asserted that, when the loan was contracted, it was absolutely known by the Cabinet that the king's speech would inevitably raise the funds, and add five per cent. to the gains of the contractor. Before the first payment, £2,160,000 was the profit on a contract for eighteen millions.

During the loans so frequently mentioned, it was curious to witness the bidders arising at early dawn; waiting from two until ten in the morning, and then see them rush, with all the eager impetuosity of gain, to grasp a share of the proffered good.

When it became known that, on the 12th of May, 1789, an insurrection had broken out at Paris, it was but little imagined that its effects would press upon the resources of England for ever, increase her tax-

ation, and embarrass her councils ; and as news came from time to time of the excesses of the mob, the destruction of the Bastille, and the murder of the monarch, it was received in accordance with the political principles of the listener.

The first effect of the revolution shook the state to its foundation. A strong democratic tendency passed through Europe, and England shared the peril. A feeling of public wrong was prevalent. A fierce movement convulsed the populace. Debating societies were established, and the misgovernment of the nation was exposed. The public-houses were filled with orators, and the cry for reform was incessant. The press teemed with warnings and appeals. Societies corresponding with the Jacobin clubs of Paris were established. Some of the first men in England welcomed the revolution with enthusiasm, while the masses hailed it with delight. The Convention was congratulated ; and it is surprising that, with democratic principles, a democratic spirit, and a numerous array of men of rank on the popular side, England should have preserved her constitution.

William Pitt, the minister of the day, took a bold and determined position. " It is not reform they want," he said, " it is revolution. They wish to react the troubles of France ; to murder the king ; and establish a republic." The people petitioned, and were neglected. They agitated, and were punished. The youth of England clamored for more freedom ; and revolutionary principles spread far and wide. Persons of rank and property were alarmed, and formed associations against anarchists and levellers. Parliament was summoned before its time ; the Alien Bill was passed ; the naval and military forces were augmented ; and when the French Convention declared they would assist the disaffected subjects of all monarchical governments, the English ministry demanded a disavowal. The demand was refused ; the French ambassador was ordered to leave the kingdom ; and, in 1793, the war which added so terribly to England's encumbrances was declared.

At this time the position of revolutionary France was remarkable. From the commencement of the change, the princes of Europe regarded it with dislike ; and the death of Louis was sufficient to decide all crowned heads against the movement. So soon, therefore, as war was declared, treaties were formed with the principal Continental powers. In six months, seven treaties of alliance, and six of subsidies, were concluded. Sweden coalesced with Russia, Prussia, and Austria. The German empire followed. Bavaria, Suabia, and the Elector Palatinate joined the hostile league. Naples followed the example of the Holy See ; and the young republic, menaced from without and divided within, saw her territory invaded by half a million of the most warlike troops in Europe.

But the danger was met boldly. The combined armies which were to destroy democracy and establish kingly supremacy were checked at the first onset. The republic resolved to conquer, and the waste of life was disregarded. Conscriptions were frequent ; reinforcements arrived constantly ; and the army of the allies gave way. But to roll back the tide of war was insufficient for a victorious and a military people. The invasion was carried from their soil, and the invaders were dishonored on

their own hearths. A great man had arisen; and Italy fell before the genius of Napoleon. Holland was conquered; Prussia and Spain sued for peace; the savage Russ and the disciplined Austrian alike gave way before the fierce enthusiasm of the soldiery, and the greatness of the captain.

In the mean time, the aspect of affairs in England was alarming. Ineffectual trials for high treason agitated the people. Every effort to pervert casual discontent into determined rebellion was made. The price of provision was high; the system of subsidies impoverishing; and taxation saddened the homes and hearts of the people.

The emperor had received seven millions, Prussia a million and a half; and a host of minor powers had coalesced from similar causes. But if the trials of the people were fearful, the difficulties of the government were numerous. Disaffection among the populace, a powerful and organized opposition within the House, a general hatred of the war without, an oratory unsurpassed in the senate, an invective unsurpassed in the street, an empty exchequer, a starving people, and quarterly loans, were difficulties which even the fine eloquence of William Pitt, and the large majorities he commanded, found it hard to surmount. Riots which endangered the royal person ensued; hundreds of thousands clamored against the taxation which oppressed them; and England seemed on the brink of revolt.

But a yet more dangerous era awaited the land. The navy, which had saved us from invasion, mutinied; the gold of the country followed her subsidies; the Bank of England ceased to pay her notes in specie; the power of France increased; Austria only remained to check the republic on the Continent; and Lodi witnessed a defeat which paralyzed the Imperial power. The passage of the Alps followed; and, within thirty miles of his capital, humiliating terms were dictated to the Emperor of Austria.

England now stood alone against France. An invasion was threatened; but it stirred a spirit of resistance which will long remain a memorable passage in English history. Every village had its volunteers, every corporation its company; and, whatever their defects may have been in the eyes of military science, there was scarcely a man who would not have marched to certain death to preserve the freedom inherited from his fathers. Song and sermon alike inspired them; night after night watch-fires were prepared on the lonely hills of the country; and the slightest sound or symptom of invasion would have called forth its devoted sons and servants.

These things are greatly to the praise of our countrymen; and the following list of subsidies, up to 1801, will prove it was no trifle with which they contended, when they strained every power to meet the financial difficulties of the time:—

Prussia	1794	£1,223,891	10s.	6d.
Sardinia, 1793 to 1796		500,000	0	0
Emperor, 1795 and 1796		6,220,000	0	0
Ditto	1797	700,000	0	0
Portugal	1797	247,205	0	0
Ditto	1798	120,013	13	0
Russia	1799	825,000	0	0
Emperor and Elector of Bavaria		500,000	0	0

Emperor	1,066,666	13	4
Russia	545,494	0	0
Bavaria	501,017	6	0
Emperor	150,000	0	0
	£12,599,288	2	10

But though England witnessed the power of the republic aggrandized on the Continent, — though the blood she had shed and the money she had spent were ineffectual on land, — she yet retained her ancient supremacy at sea. The name of Nelson was a word of dread; and the maritime force of France was crushed by that victory which crowned a series of splendid successes in the Bay of Aboukir, and which, known as the battle of the Nile, went like a trumpet call throughout Europe: The despondency of the Continent passed away; the system of coalition, so dear to William Pitt, was again called forth; and Austria, Russia, Turkey, and Naples once more joined the victorious island. Loans were again made. Germany had another million, Russia half that amount, and other sums passed to other powers. But the exertion was vain, the loans were fruitless; and in 1802 that peace, of which it was said “every man is glad, but no man is proud,” was concluded in the treaty of Amiens.

In the same year the sinking funds were united, to assist in discharging the debts then existing; and one per cent. on loans subsequent to 1802 was again appointed, to swell the amount. This fund at its commencement was limited to four millions, but this limitation was repealed; and the application of expired annuities, and of saving by the reduction of interest, was also repealed.

In the latter part of the century, a beneficial change was made in the provision for the naval expenses. Prior to this period, £4 per man per month was the allowance to meet the entire cost of the department; after this time, the expenses of the navy were supplied, like other charges, from the loans periodically raised.

Though the discontent of the English people was often roused, yet the stories which were occasionally circulated, — of forced loans in France, — of Parisian banking-houses being surrounded by soldiers, — of money-chests violated, and of moneyed men plundered, — had considerable effect in quieting them. It is probable that many of these were inventions; some of them were understood to be so; but when it is known that entire yearly incomes were often collected, and called income-tax, there are few financial follies of our neighbours which we should not be inclined to credit.

A curious proposition to pay off the national debt was very seriously made in 1798. A profound disquisition upon the evils which arose from it, and the ruin to which it was leading, was followed by an intricate array of figures, a close calculation of the population, and an analysis of their incomes. Somewhat excited by the grave beginning, the public were not a little disappointed to find that, by deducting one day's provision per week for a certain time, and allowing compound interest on it, the great financial difficulty of the day might be overcome. The volume was privately printed, in quarto, at considerable expense; but whether it

emanated from a lunatic asylum, or whether it sent the writer to one, cannot be ascertained.

It must be evident from the brief record of the war just given, that business in the funds had increased greatly. Prior to 1801, the market of 'Change Alley, in the coffee-house where the brokers met, was, as a public place, open to any who chose to make it his resort. The jobber who reckoned his transactions by hundreds of thousands was jostled by the man who was disposed, either morally or materially, to pick pockets; while the loans which had increased the national debt to 550 millions, the exchequer-bills, which were circulated as freely as the government dared, and the companies, which were augmented in proportion, formed an amount of business that, in the opinion of the principal persons, demanded a building to bear some proportion to the importance of its transactions. It was resolved, therefore, to choose a plot of ground as near the Bank as possible, and to meet the required expenses by private subscription. Whatever errors may be indigenous to the Stock Exchange, illiberality can scarcely be classed among them; and so successful were the proceedings, that, on the 18th of May, 1801, Mr. William Hammond, chairman of the committee of management, laid the first stone of the first building erected exclusively for the business of the Stock Exchange. Beneath the stone the following inscription, engraved on copper, was placed:—

“On the 18th of May, in the year 1801, and forty-one of George III., the first stone of this building, erected by private subscription, for the transaction of business in the public funds, was laid in the presence of the proprietors, and under the direction of William Hammond, William Steer, Thomas Roberts, Griffith Jones, William Grey, Isaac Hensley, Jo. Brackshaw, John Capel, and John Barnes, managers; James Peacock, architect. At this era, the first of the Union between Great Britain and Ireland, the public funded debt had accumulated in five successive reigns to £ 552,730,924. The inviolate faith of the British nation, and the principles of the constitution, sanction and secure the property embarked in this undertaking. May the blessing of that constitution be secured to the latest posterity!”

To secure respectability in the members, vote by ballot was adopted, and ten guineas per annum fixed on as the subscription.

The peace of 1801 was a welcome respite to all save the members of the Stock Exchange; where it was said, “There were not commissions sufficient to pay for summer excursions, nor confidence enough to make a bankrupt.” Great efforts had been made to reduce the price, which continued to ascend; although Goldsmid was said to have stood in the market and sold to any amount at the lowest price of the time. The attempt proved vain; and the endeavour to control public opinion was paid for by this house to the amount of £ 180,000.

It was difficult to believe, at first, that war had really ceased. There was a continued excitement until the treaty was signed; all places of public resort were thronged with inquirers; betting ran high about the articles; the chances of exchequer-bills and new lotteries were discussed; and when the truce was announced in the city, it was also announced that the preliminaries of a new loan would be arranged. Talleyrand was talked of as having employed his information and capacity in gaining large sums; foreigners generally were busy in making or marring their

fortunes; and it was ascertained that, in 1803, they held upwards of eighteen millions of government securities. When it was known that the preliminaries were signed, the tumultuous joy of the nation is beyond expression; and Lloyd's was instantly crowded. The people ran about, congratulating one another on the happy event; the different steeples displayed the union-flag by day, and at night a general illumination took place; consols rose from 59 to 66½, and there were twenty-one defaulters on the next settling day.

The loan, known as the loyalty loan, attracted much attention in the early part of the century. The period at which it was contracted was a critical one for the empire. Abroad, Prussia and the princes of the Empire had withdrawn from the confederacy against France; Austria demanded assistance; Holland was bound by fear to the French republic. Stagnation of trade, scarcity of specie, want of provisions, and discontent among the people, marked the period at home. The supplies for the year were difficult to obtain; an appeal was made to the loyalty of the nation, and that appeal was answered. Some subscribed in the hope of gain; others to curry favor; and, with all these various interests, eighteen millions were subscribed in a few days. As an additional inducement, it was promised that the capital, if claimed, should be repaid within two years after a definitive treaty of peace. The peace of Amiens came in 1802, and the holders were, therefore, entitled to demand, on the 27th of March, 1804, £ 100 sterling for each £ 100 stock, although the latter was at a heavy discount. It need hardly be added, that the claim was made; and, as money was not sufficiently plentiful, it was arranged that, for every £ 100 of the three per cent. loyalty loan, £ 100 Navy five per cent. should be given, and for the difference between the money-price of the latter and £ 100 sterling, the holder should receive the amount in three per cents. The whole entailed a heavy loss upon the country, and this was more to be regretted, because upwards of eight millions of this loan had been gathered by the Jews, and by two city banking-houses.

A few months evinced the uncertainty of the peace. Jealous and watchful, both powers stood ready to renew the combat. The First Consul insulted our ambassadors; dismantled fortresses; annexed whole countries to France; sent armies against the free citizens of Switzerland; demanded the banishment of French emigrants, and the abridgment of the liberty of the press; until, unable to subdue their passions, the love of peace which had once swayed men's minds changed to a fierce desire for war. In May, 1803, the English ambassador demanded an explanation, and was insolently told that Great Britain was unequal to cope with France.

During this period great anxiety prevailed throughout London, concerning the completion of a negotiation on which so much depended. The more thoughtful hoped that the peace of the world would not be disturbed; and great was the pleasure, therefore, of these good citizens, when, on the 5th of May, 1803, in passing the Mansion House, their attention was arrested by the following letter, conspicuously displayed in the place usually allotted to important information. It was short, but to the purpose:—

"Lord Hawkesbury presents his compliments to the Lord Mayor, and has the honor to acquaint his Lordship, that the negotiation between this country and the French republic is brought to an amicable conclusion."

The glad tidings soon reached the Stock Exchange, and the funds rose to seventy on the opening of the market. In a short time, however, suspicion was aroused. Men doubted, though they scarcely knew why; and the price fluctuated, with a downward tendency. Many of the members, as they arrived from their residences at the West, where the news ought to have reached, were utterly ignorant of the intelligence. The faith of the bulls failed them, and the boldness of the bears increased. It soon became confidently asserted that the news was fictitious; and when the treasury received information of the report and its origin, a letter was sent by the authorities, terming the important document a scandalous forgery. Amid a confusion, an uproar, and a noise, at that period unprecedented, the Lord Mayor communicated in person the contents of his second letter. Business was immediately suspended; the guilty and the guiltless were alike suspected; and when a price was named, it was at a reduction of seven per cent. A subscription was entered into to assist in discovering the parties implicated; all bargains were declared void; and the only important result was in a number of actions at law, the benefit of the legal profession, and the impunity of the projectors.

The 16th of May was a memorable period for the country and for the Stock Exchange. The personal insult offered by the French Consul to the representative of his Majesty; the evident determination of the same people to break all ties and truces, rendered an appeal to arms once more necessary; and on that day the fierce and fatal war which followed the truce of Amiens, — which desolated the fairest fields of Europe, — which crushed the ambitious man who provoked it, — and which added two hundred and sixty-three millions to the national debt, — was proclaimed.

In 1806, Joseph Elkin Daniels, a conspicuous character in the Alley, and known for some time as a dealer in securities, availed himself of the confidence of the members of the Stock Exchange, to perpetrate a fraud as novel as it was notable. As a dealer in the funds for time, he was well known; and his frequent transactions, combined with the trust which his character had achieved, gave his broker a confidence in his proceedings of which he proved utterly unworthy. The time was an important one. The Continent was struggling against the iron yoke of Bonaparte. Austria was making that last great struggle with her enemy which ended at Austerlitz; rumors were plentiful, and the price of stock varied greatly, when the man Daniels came to the broker, and desired him to buy omnium on account. The price was high, but his request was complied with. Omnium continued to advance, and Daniels continued to buy, although the price increased from ten to thirteen premium. When the broker had completed his orders to the amount of £ 30,000, he grew anxious for his money, and applied for payment. Daniels, however, quieted him by saying, he was so sure the price would rise, that his friends would lend him on the security of the stock, to enable him to make the most of his speculation, and that he should, therefore, hold the entire amount. The

statement seemed a fair one. Daniels was believed to be honest, and the broker handed him £30,000 omnium, for which Daniels gave him his draught on Smith, Payne, & Smith.

The first part of this man's fraudulent scheme was now acted. He knew the check would not be presented until the afternoon, and that he was, therefore, free from danger for a few hours. He immediately took the omnium to other brokers, represented to them an urgent necessity for money, sold it, and having been paid checks for the amount, immediately presented them to the bankers on whom they were drawn, and received the amount in cash. He then went to all whom he knew, or would trust him, borrowed money on the security of his own checks, — a common practice on the Stock Exchange, — with remarkable boldness, remained in London until near the hour when he knew his own draught would be presented and refused, and then left, laden alike with gold and a guilty conscience.

The total amount of fraud was estimated at £50,000. Telegraphic notices were transmitted to the principal ports of the United Kingdom; the Lord Mayor despatched officers in all directions; the chief sufferers went express to various places, on the chance of detaining him; and every exertion was made to bring to justice the man who had violated every principle of common honesty, and so greatly shaken the honorable confidence of the members of the Stock Exchange. Two thousand seven hundred pounds which he had strangely left at his banker's, were attached; two hundred guineas were offered for his apprehension; his lodgings were examined, and the property found was seized by the officers of justice.

The search was too active not to be successful; and Daniels was discovered in the Isle of Man. Here a new difficulty arose. The Manx laws protected the culprit, the governor's permission being required to apprehend him; and, when procured, so numerous was the island peopled with men like Daniels, that the officers, afraid of arresting him in open day, took advantage of night to remove their prisoner. The proceeds of the robbery were found; and when his departure was known, the island rose tumultuously at the violation of a right on which the safety of half the population depended.

Great excitement was caused by his arrival in England; but, after a careful legal consultation, it was decided that he could not be convicted on any criminal charge; and Joseph Elkin Daniels escaped the legal penalty of that fraud which gave so severe a shock to the members of the Stock Exchange.

In the same year, it was ascertained that the amount of foreign property in the British funds was twenty-two millions; and it is scarcely out of place to mention, that, by some patient calculator, it was found that one guinea invested at the Christian era, at five per cent., compound interest, would have increased to a greater sum than could be contained in five hundred millions of earths, all of solid gold.

In the early part of the present century an attempt was made to resist the tax paid to the city, of forty shillings per annum, by stock-brokers, as unreasonable and unjust. Various members of the body refused to pay;

the corporation and the brokers were at issue; and, in 1805, a hundred summonses were applied for, though a few only were granted, to test the disputed right. Among these was one to Francis Baily, who undertook the championship; and from the conviction that the claim was unjust, refused in the above year to pay the sum demanded. As the justice, though not the law, is yet doubted by some, a brief retrospect of the various acts affecting brokers may not be out of place.

The act of 8 and 9 William III., c. 32, — alluded to in an earlier part of the volume, — was the first that could affect stock-brokers, as in that reign they and their misdeeds began to flourish. The following forms a portion of the preamble to the act: —

“Whereas divers brokers and stock-jobbers have lately set up and carried on most unjust practices, in selling and discounting tallies, bank-stock, bank-bills, shares and interest on joint stock, and other matters, and have and do unlawfully combine to raise or full the value of such securities, for their own private advantage; and whereas the numbers of such brokers and stock-brokers are very much increased within these few years, and do daily multiply, — be it enacted, that from and after May, 1697, no person shall act as broker until licensed by the Lord Mayor and Court of Aldermen of the said city of London.

“That the number of brokers shall not exceed one hundred, and that the admittance fees shall not exceed 40s.

“That the names of the brokers shall be publicly affixed on the Royal Exchange, in Guildhall, and other public places in the city.

“That any persons acting as brokers without being admitted as aforesaid, shall forfeit £ 500, and persons employing them £ 50; and that any person not being a sworn broker acting as such, shall forfeit £ 500, and for every offence stand three times in the pillory.

“That all brokers shall keep a book, to be called the Brokers’-book, to enter contracts, and in cases of omission, forfeit £ 50 for every offence.

“That they shall not receive more than ten shillings per cent. for brokerage. That, if they shall deal in any articles on their own account, they shall forfeit £ 500, and never act as brokers again.

“That no person buying or selling tallies, corn, or any other provision, or coal, shall be esteemed a broker within the meaning of the act.”

In 1707, this, which was for ten years, expired; and although various petitions, according to the interest of the petitioner, were presented, it was not renewed. A new act was then brought in, by which a yearly tax of forty shillings was levied against all brokers; and it is doubtful whether this would have been passed, had not a deficiency been created by the repeal of one concerning specie.

In 1711, a committee of the House was appointed to consider the acts relative to brokers; and a recommendation ensued to revive the act of 1697. In compliance with this, a bill was brought in, read a first and second time, but was not passed; and in the reign of Queen Anne, the charge for brokerage of 10s. per cent. was reduced to 2s. 9d. It is now 2s. 6d.

In 1746, and in 1756, new bills were brought in, but rejected, which materially affected stock-jobbers; and in 1765 it was ordered that a bill

be brought in to restrain the ill practices of brokers ; but this, like the others, was not passed.

The ground of defence occupied by Mr. Baily was somewhat subtle. In 1806, this gentleman published a pamphlet, called "The Rights of Stock-jobbers defended," in which he explained his principles of action, and detailed the course which had been taken. He says : — "The right of the city of London to call upon stock-brokers to be sworn in before the Court of Aldermen, has long been contested and opposed by that body. It is resisted by them, in the first instance, under the impression that they are merely agents, and ought not to be considered as brokers more than many other persons, who, under the name of tailors, merchants, and tradesmen, act by commission in the purchase and sale of goods."

With these ideas Mr. Baily contested the right, not, as those who knew him will readily credit, from narrow views or confined notions, but because he believed he was supporting a principle founded in justice. These views, however, he found it impossible to maintain. A case was produced by the city, in which it was decided that a person buying and selling stock came within the meaning of the act ; and the efforts of Mr. Baily proved futile.

For those who feel disposed to investigate the subject, a list of acts relating to brokers will be found in the Appendix.

In 1807, Lord Henry Petty proposed a new plan for a sinking fund ; which, however, was only a revival of the principle of borrowing with one hand and spending with the other ; and, as the ministry which planned it were not long in office, it was not continued after the first year.

CHAPTER XI.

Unfounded Charge. — Joint-Stock Companies. — Speculators. — Mark Syrot. — Sketch of the House of Baring. — Policies on the Life of Bonaparte. — Rumors of his Death. — David Ricardo. — Forgery of Benjamin Walsh. — Excitement of the Nation. — Increase of the National Debt. — Sinking Fund. — Unclaimed Dividends. — Francis Baily.

ALTHOUGH shares in life assurance companies form part of the professed business of the Stock Exchange, yet the better class rarely reach the hands of the brokers. They are held in such high and deserved estimation, that they remain in the possession of families for generations, passing as heirlooms, with the same confidence in their value as if they were freehold. As an instance of this, it was noticed in the papers that the first public sale of the stock of the Royal Exchange Assurance Corporation occurred in 1812.

The charge of employing official information to speculate in the funds has often been brought against public men. These accusations have

often been made with cause, but generally with caution. In August, 1805, however, a letter was received by the head of the government, signed by Ambrose Charles, a clerk in the employment of the directors of the Bank of England, in which Lord Moira, a cabinet minister, was accused of availing himself of his official information to speculate in the stocks. The name of the broker employed by his Lordship was given; and letters which implicated him were said to have been publicly exhibited on 'Change. The underlings of newspapers were declared to be in communication with the accused nobleman; and the document concluded with the offer of proving these assertions, should Lord Grenville require further information.

The letter was too important to be overlooked; and the prime minister gave the required interview to the writer, who, persisting in his assertion, calmly and confidently declared its truth; and was proceeding with his story, when, with a dramatic effect rarely witnessed off the stage, the door of an adjoining apartment was opened, and the accused confronted his accuser. There appears to be no other evidence of what passed at this interview than that given by Ambrose Charles, which, being entirely favorable to himself, cannot be trusted. No proof was tendered of the assertion; but the morning on which the letter had been sent, the writer remarked to a fellow-clerk, "I have done a deed which will immortalize me." The subject was made a matter of legal inquiry; affidavits from all who had been named as having inculpated his Lordship evinced his complete innocence, and the entire evidence proved the falsehood and folly of the criminator. The charge was eventually dismissed as untenable; and the whole affair can only be regarded as one of those morbid cravings after notoriety which arise equally from a diseased brain and an idle vanity.

In 1807 and 1808, a general and feverish love of speculation was abroad. Joint-stock companies were the feature of the day; canals, bridges, and life assurance being the great favorites, which, if injurious to the speculator, were beneficial to the country. To this period London owes Waterloo and Vauxhall bridges, with many more of those public works forming to the foreigner objects of so much interest.

It has lately been the custom to speak with contempt of joint-stock associations, although it is to such bodies that England is indebted for her greatest and her grandest undertakings. The Bank of England, which has been called the bank of the world, — the railways, which bear comfort and civilization to the remotest hamlets, — the canals, which convey our commerce and irrigate our lands, — our docks, which contain the wealth of the East and of the West, — our life-assurance companies, which comfort many a desolate hearth and home, — are the result of joint-stock companies. The evil is passing; but the good is permanent.

A similar outcry is always raised against projectors and speculators. Swift employed his pen in ridiculing them; Scott introduced one to turn him into contempt; Addison employed his fine genius in satirizing them; Steele wrote one of his best essays on them. The smaller herd of wits have swelled the cry; and they to whom mankind are preëminently indebted

ed are named with contempt, and treated with derision. The projectors of all great works have been disdainfully regarded at one period or another. The men who first planned our bridges have been neglected; the promoters of railways, which are now paying well, and rejoicing our rural homesteads with the polish and the luxury of cities, were a by-word to the mass. And yet the finest minds of the day are employed in projecting. The discoverer of steam-power was a projector; Arkwright was only a projector; Thomas Gray was the same. What does not England owe to men who bore the burden and the heat of the day in the introduction of projects, which, once household luxuries, they have made household necessities! The cottage of the poor is comforted, the mansion of the rich is gladdened, with works for which projectors were ridiculed and speculators ruined. We cannot cast our eyes around without these works meeting our view. They add a grace to our persons, they cheapen our luxuries, they adorn our homes.

The mere man of routine thinks it a sacred duty to laugh at those of whose services he is glad to avail himself; while the banker, the merchant, and the moneyed tradesman first treat him as an intruder, and then buy shares in the discovery they disdainfully rejected. The world is rich in the names of those who have benefited and been neglected by their fellow-men.

One of the greatest capitalists of the reign of George III. died in 1808. Mark Sprot, a name which will recall many a pleasant anecdote to members of the Stock Exchange, born a younger brother, with a younger brother's portion, achieved, by his own exertions, one of those fortunes which arose out of the loans of the French war. In 1780 he settled in London, with moderate means; and, from occasional visits to the Bank and Stock Exchange, formed an intimacy with the members of the moneyed interest. He soon saw that, with small risk, he might make great gain, and commenced a career which ended in splendid success. In 1799, he was one of the contractors for the lottery; and, in 1800 and the three following years, he was at the head of those who bid for the loans.

During the trial of Lord Melville, Mark Sprot was examined, in consequence of having borrowed money from Mr. Trotter. The latter, on a comparatively trifling income, had built a splendid mansion; and as attention had been drawn to the circumstance, Mr. Sprot's name was involved. When examined by the committee, and asked whether he did not act as banker to members of both Houses, "I never do business with privileged persons," was the shrewd, but daring reply. This answer originated, probably, from the following anecdote.

On one occasion a broker applied to Mr. Sprot, and with great sorrow told him that he was a ruined man. Mr. Sprot was surprised, for he knew the speaker was careful, industrious, and not likely to speculate. He asked the cause, and the broker replied, that he had been employed largely by a principal, who, the prices having gone against him, had refused to pay his losses. Mr. Sprot immediately inquired his name; and on being told it was a noble earl, of whose resources he was well aware, could scarcely believe he heard correctly.

He knew him to be in possession of large landed estates ; and, when informed that his Lordship had refused to give any reason except that it was not convenient, Mr. Sprot told his visitor not to be alarmed, that he would not press his claim, and concluded by making an engagement with him to visit his Lordship.

Together they went, and were received with patrician dignity. Mr. Sprot deliberately detailed his business, and received the cool reply, that it was not convenient to pay. But the energetic jobber was not a man to bow before rank, unless accompanied by worth ; and Mr. Sprot unhesitatingly declared, that, if the account were not settled by a certain hour next day, he would post his Lordship as a defaulter. The latter grew alarmed, and attempted to conciliate ; but the conference closed with the repeated determination of Mr. Sprot to post him. Long before the hour appointed, however, his Lordship's solicitor waited on the broker to arrange the payment ; and thus the honor of the earl was preserved, and the credit of the broker saved in the money-market, through the acuteness and determination of Mark Sprot.

In 1810, an application was made to Parliament for permission to erect and secure to the public the right of admission to an open market for the sale and purchase of national securities, on the ground that the public ought not to be excluded from the room in which business in the public funds is contracted. The bill was introduced by Sir William Curtis, and rejected by the senate.

The history of the house of Baring — which, though generally regarded as mercantile, is largely connected with the loans — has been termed an evidence of the power of a few active young men to advance themselves to immense fortune, and to distinguished marks of favor from the sovereign. Various origins are attributed to the members of the firm, and the Herald's College has been employed to give the dignity of ancestral honors to the family. In 1793, the first baronet of the name was created, and the signal services of Sir Francis to the East India Company, of which he was a director, were greatly appreciated.

It has been stated, — but as the writer is uncertain of his authority, he gives it with caution, — that they were originally German weavers, who came over to London, and, being successful in business, were, through the interest of William Bingham, of Philadelphia, appointed agents to the American government. Considering, therefore, the large resources at their command, it is not surprising that, during the loyalty loan in 1797, the head of the house made one hundred thousand pounds for three consecutive days ; or that, in 1806, it was sarcastically said, "Sir Francis Baring is extending his purchases so largely in Hampshire, that he soon expects to be able to inclose the country with his own park paling."

In 1805 this gentleman, the first algebraist of the day, retired from business with a princely fortune, and shortly afterwards died, full of years and honors. A green old age, a career closed at the pinnacle of prosperity, and a death-bed surrounded by sons and daughters, whom the descendant of the German weaver had lived to place in splendid independence, was his enviable lot. The great commercial house which he had raised to so proud a position was continued by his sons, and may be

considered the most important mercantile establishment in the empire. Freehold estates to the amount of half a million, besides enormous personal property, rewarded his great capacity, and his yet greater integrity.

The house of Baring, notwithstanding some periods when doubt and almost dismay hung over it, yet retains the power and position bequeathed by Sir Francis; and, as an instance of the fortune and capacity of its members, it may be mentioned that the late Lord Ashburton, when bearing, as Sir Robert Peel feelingly expressed it, the honored name of Alexander Baring, realized £ 170,000 in two years by his combinations in French *Rentes*.

From 1810 to 1815, the business in every department of the Stock Exchange increased greatly. Loan after loan came rapidly forward, was as rapidly taken, went to a premium, was merged in the funded debt, and was succeeded by fresh demands for fresh loans. The public feeling was so strong, even during those fearful campaigns which preceded the fatal field of Austerlitz, when the futile threat of invasion was frequent, and "the army of England" assembled at Boulogne, that no ministry could have maintained its power unless it had been a war ministry. And when the event of that battle, known as the "battle of the three emperors," was made public, when the entire powers of the Continent were at the feet of Napoleon, and William Pitt, the soul of the coalition, died from fear of the calamities that threatened, the people of England were unchanged in their resolute defiance. Enmity towards the French was an article of faith. Hatred to their leader was taken from the mother's breast, and nourished by the stories which day by day engrossed the public mind, or violated public feeling. At one time, the commercial world was excited with the story that all the specie in all the private banks of France had been seized. At another, some cruelty which outraged humanity passed current with the vulgar. Stories of the conscription harrowed the feelings of parents; tales of insurrection, suppressed with heartless cruelty, raised the indignation of the child. The evening fireside derived its great attraction from the talk about Bonaparte; and it is no exaggeration to say, that nurses stilled their querulous charges, or that mothers hushed their children, with that dreaded name. Policies were opened on his life; and so uncertain was it considered in 1804, that fifty-five guineas per cent. were paid to insure it for one year. No fiction was more favorite or more frequent than that which detailed his death; and in this the powerful invention of the romancer was often proved. Poison and steel, the dagger of the conspirator and the bullet of the republican, were constantly asserted to have ended his career. On one occasion, it was universally credited that the great Corsican was no more. A despatch had been received by Lord Grenville announcing his death, and circumstantially detailing its manner. No doubt was entertained; the funds rose, and the news spread. Some very loyal persons set the bells ringing in a suburban village, and the whole affair bore the aspect of truth. The story circulated wore an appearance of romance entirely in keeping with the career of the man whose death was announced. It was stated that Napoleon, having called a council of war, to which he had invited one of the wild chiefs of the desert, who professed

attachment till he could procure revenge, had been shot by him in open council ; and, on the signal thus given, the wild hordes of the desert had slain Bonaparte and his devoted followers in the land so recklessly invaded. News was not then so frequent, information was not so widely diffused ; and the document was credited much longer than it would have been a quarter of a century later. It deserves to be mentioned as a curiosity, that the forgery was not attributed to members of the Stock Exchange, but to a pair of "state speculators," assisted by "members of the lower House." But though it was not caused by them, they felt its effect in the fluctuating price, and several were ruined by the ingenious device of these "state speculators" and "members of the lower House."

Among the names conspicuous in the city for character and capacity, stands that of the great political economist, David Ricardo, who, at the early age of fourteen, was introduced by his father, a Hebrew of the Hebrews, to the mysteries of the Stock Exchange. The mind of the younger Ricardo was of an inquiring character. He began to study the principles of the creed in which he had been educated. The result was his secession from the faith of the ancient people, and his abandonment to his own resources by his father. Those resources were small ; but his conduct and character had interested the members of Capel Court, and, to their honor, with a liberality which not unfrequently distinguishes them, the oldest and most influential came to his assistance. The extraordinary powers of Mr. Ricardo were soon developed in the acquisition of a considerable fortune ; and, having hitherto employed but little time in study, he amply and nobly redeemed his lost hours. At twenty-five he commenced mathematics, and with great application studied chemistry and mineralogy, fitted up a laboratory, formed a collection of minerals, and bestirred himself with all the energy of his character. These sciences, however, he soon abandoned, and, having accidentally become acquainted with Adam Smith's "Wealth of Nations," he employed his great thought upon the subject of political economy, in which he soon became distinguished. He led the van in the bullion controversy ; his principles were those on which the present bank charter is founded ; and, in 1817, he published that great work on his favorite science so familiar to the commercial reader.

His reputation preceded him to the senate ; and his opinions on the above subjects were deferred to with respect. When Mr. Peel's bill was introduced, in 1819, his name was called for from all sides of the House ; and, in 1823, David Ricardo, an acute, patient, and comprehensive thinker, a firm and faithful friend, and an honor to the body of which he was a member, died, at the early age of fifty-two.

Few trials, which were not for life, have excited so much interest in the city, as that in which Benjamin Walsh — a member of the senate, a member of the Stock Exchange, and a confessed felon — stood at the bar of the Old Bailey, on the charge of defrauding Sir Thomas Plomer. The bench was crowded with the rank and respectability of the city. The melancholy appearance of the prisoner, his grave bearing, and dejected countenance, excited the interest of the spectators, and spoke the regret of the culprit.

In 1811, Sir Thomas informed his broker, Mr. Benjamin Walsh, M. P., that, having bought an estate, it would be necessary to sell out a large amount of stock to complete the purchase. Mr. Walsh advised Sir Thomas not to sell directly, as there was every prospect of the funds rising; and, the title of the estate not being complete, this advice was complied with. About the middle of November, however, Mr. Walsh changed his opinion, and repeatedly urged Sir Thomas to sell his stock, alleging his belief that the price would fall. Again the broker's suggestion was complied with; but, as it was sold before the money was required for the estate, it was recommended by the prisoner that, to prevent it from lying idle, exchequer-bills should be purchased with the proceeds. Sir Thomas again consented, and gave a check amounting to £22,000 to Mr. Walsh, who promised to lodge the notes at Goslings', the bankers to Sir Thomas, and hand the latter their receipt. In the evening, however, he presented their acknowledgment for only £6,000, and making some excuse for not having paid in the remaining exchequer-bills, promised to deliver them on the following day; adding that, as he had not settled for them, he had repaid the difference to the account of Sir Thomas. The latter, on his way home, called at his bankers', and found that, though the £6,000 in exchequer-bills had been deposited, the check of Mr. Walsh for the £16,000 had been received too late for presentation. No suspicion was, however, attached to the transaction until next day, when the check was refused payment. Sir Thomas was immediately informed, and an inquiry instituted. It was soon found that the money thus iniquitously gained, had been disposed of in paying his brother £1,000, in purchasing £11,000 American stock, and in investing £500 in Portuguese doubloons. The prisoner was found guilty; but certain points, reserved for the judges, being interpreted favorably, he was discharged from Newgate, and expelled from the House of Commons.

In 1813, Mr. Vansittart introduced a modification of Mr. Pitt's sinking fund; and, among other objects, proposed to rescind the alterations of 1786 and 1792, and to restore them to the position in which they would have stood if no such alteration had taken place. By this Mr. Vansittart designed to provide that relief which the public would have obtained from the original plan, *to restrain the excessive increase of the sinking fund*, and to secure the redemption of each loan within a period of forty-five years from its commencement. For these purposes it was proposed, —

1st. That, as a sum equal to the debt of 1786, bearing an interest nearly equal to the interest of that debt, is now vested in the hands of the commissioners, so soon as the interest of the redeemed debt shall be equal to that of the debt of 1786, that debt shall be declared discharged; and the sums hitherto appropriated for the interest and sinking fund shall be appropriated to bear the charge of future wars; and that no new taxes shall be imposed for new loans till the same amount to a sum equal to the interest of that released.

2d. That, as loans to the extent of £86,796,375 were charged on the consolidated fund in 1802, without any sinking fund attached to them, it is proposed, in order to place the public creditors in a position equal to

that they held in 1792, that the one per cent. sinking fund on the above sums be replaced to it.

3d. That, as the amount of exchequer-bills has much increased, a sinking fund of one per cent. shall be annually provided for any addition to the exchequer-bills in circulation, for the discharge of which no funds are provided.

4th. That, instead of allotting the sinking fund of one per cent. to discharge each separate loan, the whole funds shall be united, and applied to discharge the first contracted loan; and that each successive loan shall be redeemed, and its charge released, in the order of its contraction, by the united produce of the sinking funds appropriated for the redemption of the loans contracted since 1792; but the whole sinking fund created by the act of 1786 to be continued, and applied until the total redemption of the debt.

During the latter part of Bonaparte's career, the price of the funds varied enormously. In the course of an hour, a difference of eight and ten per cent. was not unknown. The loans were as eagerly sought as they were frequently made; nor is this surprising, when it is remembered that eighteen and twenty per cent. occasionally rewarded the scrip-holder.

The pulse of the people was feverish, and easily excited; and the papers of the day display the intense anxiety which hung over the public mind during the eventful years of 1814 and 1815. The prices of the funds dropped and rose like a barometer. It is scarcely an exaggeration to say, that they were regarded as an oracle; and, while the public professed to disbelieve all Stock Exchange rumors, simply because they were so, they continued to inquire the variations in the price, and almost regarded them as a cause rather than a consequence. The annals of the world contain no more exciting period. For years, the English had seen battle after battle won by the great conqueror. They had seen disciplined armies vanquished by raw levies; veteran troops cut to pieces by young conscripts; and the prestige of his name had haunted them for the fourth part of a century. To destroy his power, they had submitted to painful privations; they had borne with taxation which almost amounted to tyranny; they had levied loans which enriched the few and impoverished the many.

The national debt had increased to 800 millions; and now the reward had come, and the people read with undisguised and unlimited pleasure, of field after field yielding to British prowess; of towns stormed; of achievements which made them proud of the name they bore; until that prophecy, which had been derided for years, became a lasting fact; British troops paraded in triumph through the streets of Paris; and men felt that their sufferings and their sorrows had not been vain, but that the treasure they had lavished had reaped its reward.

So important to our financial department was the close of this war, that the decrease of the expenditure was at once declared to be two millions per month; and, accustomed as the money power of England had been to loan succeeding loan, the Stock Exchange could scarcely understand the declaration of the Chancellor, that he neither intended to

ask for money, nor to touch the sinking fund. The immediate effect of the battle of Waterloo on the funds was only three per cent., nor was it until the capture of Napoleon became positively known, that they rose to their previous price.

It is not unworthy of remark, that, from 1688 to 1814, sixty-three years witnessed bloody and expensive wars, while only sixty-one years were employed in recovering from the effects of so demoralizing a system.

The well-known attempt to defraud the Stock Exchange occurred in 1814; but the features of the hoax were so like that of 1806, and its effects so similar on the members, that a brief notice is deemed sufficient. Prior to February, 1814, various brokers were employed by persons, some of whom were not accustomed to speculate in Capel Court, to purchase government securities to the amount of £ 826,000. Among other and less important individuals, were Lord Cochrane and Mr. Cochrane Johnstone, M. P., who, when information arrived that some French officers had landed at Dover, with the news of Bonaparte's death, took advantage of the consequent rise, to sell the stock they had previously purchased. In a short time, however, it was discovered that the "French officers" were fictitious, and that the news was false. Every endeavour was made to discover the inventors of the plot; suspicion was pointed at persons who had bought so largely and sold so well; and Lord Cochrane, Mr. Johnstone, M. P., with several more, were tried for conspiracy, and found guilty. The committee of the Stock Exchange did not, as in the previous case, cancel the bargains made, but left the parties to the remedy which the law provided. Mr. Johnstone fled from the country, and Lord Cochrane was dismissed from the navy. But public opinion has reversed the decree, and reinstated his Lordship in that service of which he was the pride and the ornament.

In consequence of the above fraud, it became necessary to serve certain law processes on many of the members; and an attorney's clerk, ignorant of the custom of the Stock Exchange, or confident in the sanctity of his mission, ventured boldly in. The solemn character of the law was no defence, and scarcely was his errand known, when he felt as willing to retire as he had been anxious to enter. The disgraceful mode in which a stranger is usually treated by the jobbers and brokers was carried out in its fullest extent, and it was not until he had received his initiation into the manners of the members that he was allowed to leave the mart dedicated to Mammon.

In 1815, the first French loan was negotiated in London. The fall of Napoleon, the return of Louis le Gros, the personal expenses of the monarch, and the pecuniary concessions of the government, demanded a supply to which French capitalists were unequal; and a successful attempt was made to borrow in the English market.

In the following year an act was passed, authorizing the transfer of stock upon which no dividend had been claimed for ten years, to the commissioners for the reduction of the national debt.

It has been the writer's duty in another work to advocate the cause of the holders of unclaimed dividends. The unfairness with which they are

treated is neither to be palliated nor justified. The eagerness and anxiety of government to obtain money is too often gratified at the expense of morality; and it is thus with the unclaimed dividends. Every difficulty is thrown in the way of the public; and, though the above act distinctly ordains that, *immediately after the transfer, the names, residences, descriptions, and amount shall be kept open for inspection at the Bank*, it is useless for the public to apply, as they are politely, but peremptorily, refused all information. It is only fair to conclude that this is at the instance of government, as the Bank receive no benefit from their violation of the act of Parliament.

It is not often that the repudiation of a dividend causes a rise in the price of the stock; such, however, was the case in a loan of five millions to Austria, the interest of which was to be remitted by the Emperor. Shortly before it became due, intelligence arrived that Austria was unable to meet the claim. The stock at once rose two per cent., as it was known that the faith of England was pledged to the fundholder, and that henceforth the interest must be provided by the English government.

A laudable endeavour was made in 1821 to abolish the system of gambling known as options; and, after a serious consideration, the committee of the Stock Exchange resolved, that any member guilty of the practice should be expelled the house. It was soon found that rules are more easily made than followed; and a powerful opposition was organized, in which the Hebrew party took the lead. Large sums were subscribed towards the erection of a new building; and the schism grew so serious, and numbered such important parties in its ranks, that the committee deemed it wise to make an amicable arrangement, and abandon the resolution they had so hastily made.

Up to 1822, the Royal Exchange was the theatre in which business in the foreign funds was transacted. When, however, this business became a feature of sufficient importance, a foreign Stock Exchange was formed in connection with Capel Court.

A very important question became mooted concerning these loans. On several occasions, when bargains for time were made, and the loser refused to pay his differences, the broker made them good, believing his principal was not liable under the act of Sir John Barnard. At last the question was legally argued; and it was ascertained from the decision of several judges, that the provisions of the above act did not extend to loans for foreign countries.

Francis Baily — a name as well known in the scientific as in the monetary world — retired from the Stock Exchange in 1825, and the man who, in the midst of the most exciting pursuit in the world, was worthily chosen president of the Royal Astronomical Society, sheds an honor on the class to which he belonged, and should have been an exemplar to the men with whom he associated.

As a boy, studious beyond his years, he was called — half jestingly, half seriously — the philosopher of Newbury; and, having left school at fourteen, remained in a mercantile situation until he was twenty-two, when, for the mere love of adventure, he embarked for the New World, travelled through a great part of the far West, and passed eleven months

among the aborigines, without once meeting the shelter of a civilized roof.

In 1800, he went on the money market, where he soon became conspicuous, publishing within a few years many works which were justly regarded with great favor: and, in 1806, defended, though unsuccessfully, the rights of the brokers. In 1814, he drew up the report of the committee on the great fraud of that year, arranged the evidence against the perpetrators completely and conclusively, and was one of those men of whom the Stock Exchange—from which he retired with a fortune won by uprightness and intelligence—was not worthy.

The triumphs of Mr. Bailly in his favorite pursuit are recorded in the minds of all who prize the science which he so dearly loved. A list of his labors would be misplaced in the present volume; but Sir John Herschel has recorded them in his memoir of the scientific member of that place, which is too much open to the reproach, that it narrows men's minds as much as it enlarges their purses.

~~~~~

## LEGAL MISCELLANY.

SUPREME COURT OF THE UNITED STATES, DECEMBER TERM, 1849.

JOSEPH J. KENNEDY, TRUSTEE, &C., AND H. SHULTZ, APPELLANTS, VS. THE BANK OF THE STATE OF GEORGIA, THE CITY COUNCIL OF AUGUSTA, JOHN MCKINNE, AND G. B. LAMAR.

*On Appeal from the Circuit Court of the United States for the District of Georgia.*

Mr. Justice McLean delivered the opinion of the court.

Henry Shultz and Lewis Cooper in the year 1813, obtained from the State of South Carolina, a charter for a bridge over the Savannah river opposite the town of Augusta, in Georgia, for the term of twenty-one years; and in 1814, the State of Georgia granted to them a charter for the term of twenty years. In 1816, Henry Shultz and John McKinne being the joint owners of the bridge, formed a partnership in the business of banking, under the name of the "Bridge Company of Augusta;" the bridge was valued at seventy-five thousand dollars, and it, with other property named, constituted the partnership stock. In 1818, Shultz sold and transferred his interest in the partnership, to Barna McKinne. The consideration of this purchase was the sum of sixty-three thousand dollars, which Shultz owed to the firm, and which was credited to him on their books.

In a short time the firm became greatly embarrassed. Among other debts, they owed to the Bank of the State of Georgia the sum of forty thousand dollars; and they obtained from it a further loan of fifty thousand dollars, with the view, as was stated, to relieve the Bridge Company. To secure the payment of the sum of ninety thousand dollars to the bank, the McKinnes mortgaged the bridge, eighty negroes, and some real estate, the 10th of June, 1819. Previous to this the "Bridge Bank" stopped payment. On being informed of this fact, Shultz resumed his place in the firm, by procuring a transfer of Barna McKinne's interest. He advanced \$15,000 of his

own funds to pay deposits in the bank, and took other steps with his partner, to sustain the credit of the bridge bills in circulation.

In 1821, a petition was filed by the Bank of Georgia in the Superior Court for Richmond County, praying a foreclosure of the above mortgage; and at the May term of that court a rule was entered to foreclose the mortgage unless the principal and interest due on it should be paid; and at May term, 1822, the rule was made absolute. The sum of \$69,493 was found to be due to the bank on the mortgage, and the property was directed to be sold. The sale was enjoined by Shultz, Christian Breithaupt, and others, by filing a bill against the bank in the Circuit Court of the United States for the District of Georgia, which among other things, prayed that the property might be sold, and the proceeds applied to the payment of the creditors of the Bridge Company, and particularly to those who had obtained judgments. An order was made for the sale of the bridge, and commissioners were appointed to make the sale. The sale was made the 28th of November, 1822, to the bank, for the sum of \$70,000. For this amount the bank issued scrip, which by the order of the court, was deposited with its clerk.

In the further progress of the suit the Judges in the Circuit Court were opposed in opinion on the following points: 1. Whether the complainants were entitled to relief. 2. What relief should be decreed to them. These points being certified to the Supreme Court, at the January term, 1828, the cause was dismissed for want of jurisdiction. The record did not show that a part of the defendants were citizens of the State of Georgia.

At the January term of the Supreme Court in 1830, Messrs. Wilde and McDuffie, being counsel for the parties, agreed in writing, that the cause should be reinstated, and that the pleadings should be amended by alleging, "that the stockholders of the bank were citizens of Georgia," and that the cause be argued. The court dismissed the case on the ground that the whole cause was certified, and not questions arising in its progress. And the case was remanded to the Circuit Court, with "directions to proceed according to law."

The mandate was received by the Circuit Court at their May term, 1830, and the case was reinstated on the docket. And at the same term "the cause came on to be heard on the amended bill, answers, exhibits, and evidence, and the court having considered the same, it was ordered and decreed, that the sale of the Augusta Bridge, made by virtue of certain powers of attorney and the consent of the parties, and held and conducted under the direction of commissioners heretofore appointed under this court, be, and the same is hereby ratified and confirmed, and the said Bank of the State of Georgia vested with a full, absolute, and perfect title to the said bridge and its appurtenances, under the sale; freed, acquitted, released, and discharged from all manner of liens, claims, or incumbrances, at law or in equity, on the part of the said Henry Shultz, John McKinne, Barna McKinne, &c."

"And it is farther ordered and decreed by the court, by and with the consent of the parties, complainants and defendants, that the scrip issued by the Bank of the State of Georgia for the sum of seventy-one thousand six hundred and eighty-six dollars and thirty-six cents," &c., "be cancelled and delivered up to the bank by the clerk," &c., "and that the bill of

complaint as to the several other matters therein contained, be dismissed with costs." Under which decree is the following agreement: "We consent and agree that the foregoing decree be entered at the next or any succeeding term of the said Circuit Court of the United States, district of Georgia, signed George McDuffie, Sol. for complainants, and R. H. Wilde, Sol. for the defendants." Dated Washington, April 10th, 1830. And the court say, "the within decree having been drawn up, agreed to, and subscribed by the solicitors, on behalf of the parties, complainants and defendants, on motion of Mr. Wilde, ordered that the same be filed and entered as the decree of this court," signed by both of the judges

Fifteen years after the above decree was entered, the bill now before us was filed by Yarborough, as trustee of Henry Shultz, an insolvent debtor, and for the creditors of Henry Shultz, and Henry Shultz in his own right, which they say is in the nature of a bill of revivor and supplement, against the Bank of the State of Georgia, the City Council of Augusta, John McKinne and Gazaway B. Lamar. In this bill the proceedings in the original suit are referred to and many of them stated at length, and they are made a part of the present procedure. And the complainants pray that the said original bill, with all its amendments, the answers, decrees, decretal orders and evidence, may be reinstated and revived for the causes set forth, to the extent of the several interests of the parties to this bill.

By way of supplement, the complainant Shultz states, that, under the Insolvent Debtor's Act of South Carolina, he executed an assignment of all his estate in trust, for his creditors, to Thomas Harrison, on the 13th October, 1828. That his interest in the bridge was transferred by his assignment. Afterwards, the complainant, John W. Yarborough, was appointed trustee of Shultz, for the benefit of his creditors. That the bridge and its appurtenances having been originally pledged, as copartnership property by John McKinne and Shultz, for the redemption of the bills issued by them, the lien, never having been released, still remains. And if the mortgage executed to the bank be valid, the bank and all claiming under it occupy the ground of mortgagees in possession, and are bound to account for the rents and profits of the bridge, the same never having been sold under the foreclosure of the mortgage. That the bridge and its income are first liable to the redemption of bridge bills. After these are paid, one half of the surplus in the hands of the complainant, Yarborough, as trustee, to satisfy the creditors of Shultz, &c.

On the 4th of May, 1838, the bank conveyed its interest in the bridge to G. B. Lamar, for the sum of twenty thousand dollars, by a quit claim deed. That Lamar purchased with a full knowledge of the title, and held the same, receiving the profits, up to 21st January, 1840, when he conveyed his interest in the bridge to the City Council of Augusta, for the sum of one hundred thousand dollars. The Legislatures of Georgia and South Carolina extended their charter of the bridge to the bank, the 23d December, 1840, reserving all liens upon it. That Yarborough, as trustee, out of the sale of the property of Shultz, paid bridge bills and judgments on such bills to the amount of about seventy thousand dollars, and that the unsatisfied creditors have the equity of now requiring a like amount of the copartnership property of the bridge company, to be applied in payment of their individual claims.

And in addition to the above payment, Shultz avers that he has paid out of his private means, for the redemption of bridge bills, a sum of about one hundred and fifty-three thousand two hundred and ninety-six dollars. That the total amount paid by him out of his private funds, on account of bridge bills, was four hundred thousand eight hundred and twenty-six dollars, which he insists in equity he is entitled to receive, next after the redemption of the outstanding bridge bills. There is outstanding in bridge bills, about the sum of ninety-two thousand dollars.

And the complainants allege that the decree, as entered on the original bill, is void as to all the parties except as regards the claim of Breithaupt, as the solicitor for the complainants in said bill did not represent the creditors of Shultz, and no act of the solicitor could impair their rights. That all the right of Shultz passed out of him by virtue of his assignment for the benefit of his creditors. That the decree was a fraud upon them. That the sale of the bridge by the commissioners was void, as John McKinne, an equal partner of Shultz, never assented to it. That the Bank of Georgia, and all those who have held and are now holding under it, are in equity bound to account. But if the sale of the bridge shall be held valid, the complainants allege, the bank is bound to account for the amount of the purchase money and interest, and for the net sum of tolls received. And the complainants pray that the original bill, with all the proceedings had thereon, may be revived and stand as before the decree was entered in 1830; that the said decree may be opened, reviewed, and reversed; that the mortgage to the bank may be declared null and void; and that the sale may be set aside, &c.

The defendants demurred to the bill on the ground "that the complainants have not, by their bill, made such a case as entitles them in a court of equity to any discovery from the defendants respectively, or any or either of them, or any relief against them or either of them, as to the matters contained in the bill," &c. And afterwards John McKinne filed his answer, admitting the general allegations in the bill.

This bill has been considered by some of the defendants' counsel as a bill of review. But it has neither the form nor substance of such a bill. Since the ordinances of Lord Bacon, a bill of review can only be brought for "error in law appearing in the body of the decree or record," without farther examination of matters of fact; or for some new matter of fact discovered which was not known and could not possibly have been used at the time of the decree. But if this were a bill of review it would be barred by the analogy it bears to a writ of error, which must be prosecuted within five years from the rendition of the judgment. *Whiting et al vs. Bank of the United States*, 13 Peters, 15.

Nor is this properly denominated a bill of revivor. When in the progress of a suit in equity, the proceedings are suspended from the want of proper parties, it is necessary to file a bill of revivor. A supplemental bill is filed on leave and for matter happening after the filing of the bill, and is designed to supply some defect in the structure of the original bill. But this does not appear to be strictly of that character. The complainants denominate it a bill, "in the nature of a bill of revivor and supplement." It must be treated as an original bill, having for its objects the prayers specifically set forth.

The proceedings on the original bill, under which the property now claimed was sold, are not before this court in their appellate character. We cannot correct the errors which may have intervened in that procedure, nor set it aside by a reversal of the decree. That case is collateral to the issue now before us.

The complainants insist that the proceedings in the original suit, embracing the interlocutory decree under which the property was sold, and the consent decree of the 5th of May, 1830, were void for want of jurisdiction in the Circuit Court. It is not necessary now to inquire, whether the Circuit Court had power to enjoin proceedings under the judgment in the State Court. The injunction was issued at the instance of Shultz and for his benefit, and no question of jurisdiction was raised. But as there was no allegation in the original bill of citizenship of the stockholders of the Bank of Georgia, it is supposed the proceedings were *coram non judice*.

When the points on which the opinions of the judges of the Circuit Court were opposed, were brought before the Supreme Court, at their January term, 1828, the cause was dismissed for want of jurisdiction. But afterwards, at the January term, 1830, of the Supreme Court, by the agreement of counsel, the record was amended by inserting the allegation, "that the stockholders of the bank were citizens of Georgia," and the cause was reinstated on the docket and dismissed, because the whole case was certified and not the points on which the judges differed, as required by the act of Congress. The cause was then sent down to the Circuit Court by a mandate, which directed that court to proceed therein according to law."

This court, it is contended, have no power to amend a record brought before them, and consequently the above entry was void.

There is nothing in the nature of an appellate jurisdiction, proceeding according to the common law, which forbids the granting of amendments. And the 32d sec. of the judiciary act of 1789, allowing amendments, is sufficiently comprehensive to embrace causes of appellate, as well as original jurisdiction, 1 Gallis, c. c. 22. But it has been the practice of this court, where amendments are necessary, to remand the cause to the Circuit Court for that purpose. The only exception to this rule has been, where the counsel on both sides have agreed to the amendment. This has been often done, and it has not been supposed that there was any want of power in the court to permit it. The objection is, that consent cannot give jurisdiction. This is admitted; but the objection has no application to the case. Over the subject matter of the suit and of the parties, the court had jurisdiction, and the amendment corrected an inadvertence by stating the fact of citizenship truly.

When a cause is brought before this court on a division of opinion by the judges of the Circuit Court, the points certified only, are before us. The cause should remain on the docket of the Circuit Court, and at their discretion may be prosecuted.

But if no amendment had been made, would the orders and decrees in the case, by the Circuit Court, have been nullities? That they would have been erroneous and liable to be reversed, is admitted. In Skillern's exrs., vs. May's exrs., 6 Cranch, 267, "a final decree had been pronounced and by writ of error removed to the Supreme Court, who reversed the

decree, and after the cause was sent back to the Circuit Court, it was discovered to be a cause not within the jurisdiction of this court; but a question arose whether in that court it could be dismissed for want of jurisdiction, after the Supreme Court had acted thereon. The opinion of the judges being opposed on that question, it was certified to the Supreme Court for their decision. And this court held, "that the Circuit Court was bound to carry the decree into execution, although the jurisdiction of that court be not alleged in the pleadings."

The judgments of inferior courts, technically so called, are disregarded unless their jurisdiction is shown. But this is not the character of the Circuit Courts of the United States. In *Kempe's lessee vs. Kennedy*, 5 Cranch, 185, this court say, "the courts of the United States are all of limited jurisdiction, and their proceedings are erroneous, if the jurisdiction be not shown upon them. Judgments rendered in such cases may certainly be reversed, but this court is not prepared to say that they are absolute nullities, which may be totally disregarded."

And again, in the case of *McCormick vs. Sullivan*, 10 Wheaton 199, in answer to the argument that the proceedings were void, where the jurisdiction of the court was not shown, the court say the argument "proceeds upon an incorrect view of the character and jurisdiction of the inferior courts of the United States. They are all of limited jurisdiction, but they are not on that account inferior courts, in the technical sense of those words, whose judgments, taken alone, are to be disregarded. If the jurisdiction be not alleged in the proceedings, their judgments and decrees are erroneous, and may, upon a writ of error or appeal, be reversed for that cause. But they are not absolute nullities.

From these authorities, it is clear, that the proceedings in the original case are not void for want of an allegation of citizenship of the stockholders of the bank. They were erroneous, and had an amendment been made, might have been reversed, within five years from the final decree, by an appeal or a bill of review. But the mandate of this court which contained the amendment, as to the citizenship of the stockholders of the bank, agreed to by the counsel, was filed on the 6th of May, 1830, in the Circuit Court, and it necessarily became a part of the record of that Court. This was before the final decree was entered, and it removed the objection to the jurisdiction of the court. After this the decree could not have been reversed for want of jurisdiction. In the case of *Bradstreet vs. Thomas*, 12 Peters, 64, the court held an averment of citizenship in a joinder in demurrer, not being objected to at the time, was sufficient to give jurisdiction.

The sale of the bridge is alleged to be void, as it was made without the consent of John McKinne, who was an equal partner with Shultz.

The court ordered the bridge to be sold by Walker and Fitzsimmons, commissioners, and that the parties should execute powers of attorney to the commissioners authorizing the sale. All the parties concerned executed the powers except McKinne, and his refusal or neglect to do so prevented the sale. But afterwards, the court, with the assent of the complainants, ordered the bridge to be sold for a sum not less than fifty thousand dollars, by the same commissioners, who were authorized to take possession of the bridge and receive tolls until the sale was made.

McKinne does not complain of this sale, and Shultz consented to it. It was manifest from the embarrassment of the bridge company, that the bridge must be sold, and the nature of the property seemed to require a speedy sale. All objection to that sale, by the parties on the record, must be considered as having been waived by the consent decree in May, 1830. That decree "ratified and confirmed" the previous sale of the bridge. That the counsel who consented to that decree represented the parties named on the record, is not controverted. A decree thus assented to and sanctioned by the court must stand free from all technical objections.

But it is urged, that the consent of Shultz to the final decree did not bind his creditors, to whom he had assigned the bridge and his other property under the insolvent act of South Carolina.

That assignment was made on the 13th of October, 1828. The bridge was sold by the commissioners under the interlocutory decree of the court in 1822; and the proceeds were held by the bank, subject to the order of the court. There was no abatement of the suit by the assignment of Shultz. The insolvent laws of South Carolina had no extra territorial operation. They can only act upon the persons and the property within that State. The assignment did not affect property in Georgia, which was in the custody of the law; property which had been sold, with the express consent of Shultz, under the authority of a court of chancery, and the proceeds of which were kept subject to the distribution of the court.

The trustee of Shultz took no step to connect himself with the proceedings in the Circuit Court, although two years elapsed after the assignment, before the final decree was entered. For about seventeen years he seems to have been passive in this matter, and until the present bill was filed. After so great a lapse of time, without excuse, he cannot be heard to object to a decree which was entered by consent. The power of attorney given by Shultz to the commissioners, which authorized them to sell the bridge, for the purposes specified, was conclusive upon him and all claiming under him; and the decree which was agreed to by his counsel followed as a necessary consequence of the sale.

It does not appear that the holders of bridge bills had a specific lien upon the bridge. They were creditors of the bridge company, and could claim the rights of creditors against a fraudulent conveyance of the bridge and of its proceeds. But such a claim must be duly asserted and diligently prosecuted. A failure in this respect for fifteen years might well be construed into an acquiescence fatal to the claim. We cannot now, under the circumstances stated, look into the decree to ascertain whether in the distribution of the proceeds of the sale of the bridge and of the other property, the court may not have mistaken the rights of some of the creditors of Shultz.

The objection that the mortgage to the bank under a statute of Georgia was void, is not open for examination. If anything was settled by the decree, it was the validity of that instrument. And this remark applies to several of the other objections made by the complainants. McKinne was a party on the record, and through his counsel assented to the final decree; but the counsel of Shultz now object to its validity, because McKinne did not assent to the sale of the bridge. And this objection is, for the first time, made in the bill before us. And it is not made by McKinne.

Within five years after the decree was entered, he might have reversed it, if erroneous, by an appeal or a bill of review. And that time having long since elapsed, the decree must stand as concluding the rights of parties and privies, unless it shall be held to be void. It cannot be so held as we have shown, on the reasons assigned in the bill. Fraud in the obtainment of the final decree is not alleged in the bill. If this were stated and proved, it would authorize the court to set aside the decree. But even this would not affect the sale of the property, unless the purchasers should be, in some degree, connected with the fraud.

The final decree in the case, which covered and adjusted the whole subject of controversy before the court, was not only assented to by the counsel, but was drawn up and agreed to by them. The court adopted it as their own decree, and entered it upon their record. It confirmed the sale of the bridge, and made a distribution of the proceeds. The bill was dismissed as to certain matters where relief was not given. The proceedings were not void for want of jurisdiction in the court. Nothing was left for its future action. The whole controversy was terminated. And here the matter rested for fifteen years, until the bill before us was filed. It asks the court to set aside the decree, and reinvestigate the whole matter of the former suit. No fraud is alleged against the decree. The want of jurisdiction in the court, as urged, is not sustained. Errors in the procedure cannot now be examined. The decree of the Circuit Court is, therefore, affirmed.

[Attest]

WM. THOMAS CARROLL,

*Clerk Supreme Court U. S.*


---

LATE DECISIONS IN MASSACHUSETTS.

BEFORE THE SUPREME JUDICIAL COURT OF MASSACHUSETTS, BOSTON, MARCH, 1850.

R. E. DEMMON ET AL., ASSIGNERS, VS. THE BOYLSTON BANK.

This was an action of assumpsit to recover the sum of \$520.14, money had and received. It appeared that Jan. 3d, 1848, S. & W. I. Adams, being co-partners in business, made their promissory note of that date, for the sum of \$478.60, payable to the order of Emery & Tirrell, in one month from date. On the 15th of the same month, Emery & Tirrell endorsed the note, and had it discounted at the Boylston Bank. Feb. 4th, 1848, Messrs. Adams applied to the Master in Chancery for the benefit of the insolvent law, and a warrant in the usual form was issued on the same day. The first publication was in the morning newspapers on the 5th of Feb., on which day the note became due, the 6th of February being Sunday. The plaintiffs were duly chosen assignees at the first meeting. The Messrs. Adams, at the time of filing their petition, had an account, as depositors with the Boylston Bank, and at that time had the sum of \$520.14 standing to their credit on the books of the bank. This money was duly demanded of the bank, both by the messenger and the assignees, after their respective appointments: but the bank refused to comply, claiming to hold the money as a set-off to the note which had not been paid off by

Messrs. Adams. On the 19th of February, the note was charged by the bank in account against Messrs. Adams, and entered to their debit.

At the time when the note became due, Messrs. Emery & Tirrell had deposited to their credit in the bank, an amount of money more than sufficient to pay said note. On the 5th of February, Emery being a director in the bank, and in behalf of Emery & Tirrell, endorsed on the note waiver of demand and notice, and gave to the bank a bond of indemnity for any liability incurred by the bank for holding the money in off-set to the note. At the October term, the bank paid into court the sum of \$44.00.

These facts being agreed upon, the Court of Common Pleas ordered judgment *pro forma* to be entered for the defendants; from which judgment the plaintiffs appealed to this court.

SHAW, C. J. He said that the view taken by the court in this case would render it necessary to decide several questions raised by the counsel in the arguments. The question, when the first publication of notice was to be considered as made—whether at the time the notice was put in type and struck off on paper, or at the time when the newspaper was issued to the public; and whether the note offered in set-off had matured, at the time of the first publication, so as to give the defendants at that time a right of set-off at common law, had no insolvency intervened, did not require consideration. That it was immaterial whether the note offered in set-off by the defendants was or was not payable at the time of the first publication. It was then a debt absolutely due, though not payable until afterwards, and could be set off under the insolvent law of the State. The right of set-off accrued at the time of the first publication, and it was no answer to say that the money was on deposit, to be drawn from day to day. It was deposited and not liable to be drawn. The warrant and the first publication changed the rights of the parties, which then became fixed. The case of *Rose vs. Hart*, 8 Taunton R. 499,\* was a leading case on the subject. Before that case, it had been doubted whether goods could be the subject of set-off; but it was decided that mutual credits which could be the subjects of set-off, must be such as would terminate in cross debts. In the present case, the note discounted by the bank in the regular course of business, became the property of the bank at the time it was so discounted. At the time of the first publication of notice, it constituted a debt absolutely due to the bank, though not payable till afterwards, and the bank was therefore entitled to set it off against the amount due from them to the insolvent debtors, as deposited. Judgment for the defendants.

A. E. GILES, for the plaintiffs; M. MORTON, Jr., for the defendants.

\* *Rose and others, Assignees of Smart, vs. Hart*. Before the English Court of Common Pleas, 58 Geo. III. (1818). Action of Trover for cloths left by Smart before his bankruptcy, with the defendant, who was a fuller, to be dressed. There was then a balance due from the bankrupt to the defendant, for work done on other cloths. The assignees tendered the sum due for work done on the cloths in his possession and demanded possession, but defendant refused to deliver them up, unless paid his general balance. The court decided that the defendant, who received these cloths for the purpose of dressing only, had no right to detain them for his general balance.

See also a case reported in this volume of the Bankers' Magazine, p. 512.

## THE COAL TRADE OF LONDON.

From the *British Almanac* for 1850.

The area of all the coal-fields of Great Britain has been roughly estimated at 9,000 square miles. The produce is supposed to be about 32,000,000 tons annually, of which 10,000,000 are consumed in the iron works, 8,500,000 tons shipped coastwise, 2,500,000 tons exported to foreign countries, and 11,000,000 distributed inland for miscellaneous purposes.

The exact declared values of the quantities exported in three recent years were—

|      |           |           |
|------|-----------|-----------|
| 1846 | . . . . . | £971,174  |
| 1847 | . . . . . | 968,502   |
| 1848 | . . . . . | 1,096,356 |

The port of Newcastle ships nearly one-half of all the coals exported. France takes about two-thirds of all the coals exported from Great Britain. Of the eight-and-a-half million tons shipped annually from one port to another, about two and a half millions are shipped from Newcastle alone. The number of collieries belonging to Newcastle and the Tyne is about 130; the fixed capital invested in them is supposed to amount to not much less than ten millions sterling; and the vend or sale is from six to seven million tons annually. The increase in the home vend, at the Tyne, between the years 1800 and 1845, was 212 per cent.; in the foreign vend, 1,254 per cent.; and in the aggregate, or total vend, 270 per cent.

The coals sent to London in four consecutive years amounted to the following large quantities:—

|      | <i>Tons.</i> |
|------|--------------|
| 1843 | 2,663,114    |
| 1844 | 2,563,166    |
| 1845 | 3,463,630    |
| 1846 | 2,975,627    |

Of these quantities about eleven-twelfths are supplied by the three rivers, Tyne, Wear, and Tees. The Tyne alone supplies about two-fifths of the whole. The quantity brought to London by railway and canal is a very small fraction of the whole. The quantity brought by ships alone in 1848 was 3,418,340 tons, besides a small quantity by inland conveyance. The proportion of the entire produce of the Northumberland and Durham collieries which is brought to London, is probably one-third; and as there are about 35,000 persons employed in connection with those collieries, we may perhaps be justified in saying, that 12,000 persons are employed in the North in digging and shipping coals for London. Of all the coals brought to London, it is computed that about one-eighth part is required by the gas companies.

The Northumberland and Durham coal owners have certain arrangements among themselves, concerning the quantity and price of the coals forwarded to London; and the legislature has had much difficulty in breaking down or lessening the monopoly thus occasioned. After the coals have left the pit,

they have to traverse rail or tramways—from a few yards to a dozen miles in length—to the banks of the Tyne (supposing this to be the river at which the coals are shipped). Here they have to do with *fitters* and *keelmen*. Fitters, who used to be designated *hostmen*, are coal brokers or factors residing at Newcastle; they manage all the transactions between the coal owners on the one hand, and the ship owners or other purchasers on the other. The keelmen are laborers who bring the coals down the Tyne in short strong barges, and hoist them into the holds of the coal ships which are moored near Shields; but by means of *staiths* or stages erected at the banks of the river, in connection with the colliery railways, coals are now more frequently precipitated at once into the vessels, without the aid of keelmen; and the ship, so laden, proceeds on her voyage to London.

Numerous indeed are the items which raise, step by step, the price of coals to a London consumer. In the year 1830, the port charges at Newcastle alone, for coals shipped to London, comprised no fewer than nine items—the Richmond Shilling, Scarborough Pier dues, Bridlington Pier dues, Whitby Pier dues, Trinity Lights, Low Harbor Lights, Private Lights, Tynemouth Light, and town dues. These were reduced in after years, principally by means of the abolition of the “Richmond Shilling.” Then, arrived in the Thames, commenced the London dues. These at different periods have assumed the forms of orphan dues, metage dues, London Bridge dues, coal market dues, Coal Meters’ Compensation dues, water bailage dues, groundage dues, permit fees, and registry fees. Many of these have been commuted from time to time. But the numerous Newcastle dues were smaller in amount than those of London, and bear a still less ratio at the present time. The “Richmond Shilling” was originally a grant made by the Hostmen’s Company of Newcastle to Queen Elizabeth (in return for privileges conceded by her) of one shilling per chaldron on all coals shipped from the Tyne. Charles the Second made over this grant to his children by Louisa Querouaille (afterwards Duchess of Portsmouth); whence has sprung the ducal house of Richmond. By the early part of the present century, this duty realized a very large amount; insomuch that the government commuted it for a perpetual annuity of £19,000 per year, payable to the Richmond family; in the purchase of which annuity the government expended more than half a million sterling! Although it is impossible to give a correct average, where the larger items are continually changing, we shall perhaps approach the truth in saying, that in the price paid for a cargo of good coals at the Coal Exchange of London (say at the present market price of about 18s. per ton), about 8s. is the value when the coals have reached the hold of the ship in the Tyne; 8s. for the transit from the Tyne to the Thames; and 2s. for various Thames dues.

But to proceed with our account. The ships employed to bring coals to London amount to a large number. Three hundred years ago, the use of coal had only just commenced in the metropolis; wood having previously been used. Two or three ships were enough at first to furnish the supply. By the year 1615, the number had increased to 200; by 1700, to 600. In 1805 there were 4,856 cargoes; in 1820, 5,884; in 1830, 7,108; and in 1840, 9,132. In 1845 there were 2,695 ships, which brought 11,987 cargoes, containing 3,403,320 tons; and in 1848 there were 2,717

ships, which brought 12,267 cargoes, amounting to 3,418,310 tons. Taking the number of ships actually and regularly employed in bringing coals to London at 2,700, with eight men to a ship (which is about the average), this gives about 22,000 persons so employed. The freight from the Tyne to London, including the Tyne dues, varies from about 7s. to 11s. per ton, according to the state of the weather and the amount of competition. The average cargo of a coal ship is somewhat under 300 tons.

Arrived in the Thames, the laden coal ship passes through numerous official ordeals. There is first the registering in the city books, and the payment of the city dues and fees; there is the routine of arrangement whereby the coal factor or broker (whose place of business is at the Coal Exchange) effects a sale of the cargo to the coal merchants; and there are the singular regulations concerning the discharging or *whipping* of the coals from the ship into the barges of the merchant who has bought the cargo. The Corporation arrangements are sufficiently illustrated by an abstract of the several Acts of Parliament—the Coal Exchange arrangements deserve a little further elucidation.

The coal factors of London, acting in conjunction with the coal owners of the north, agree among themselves as to the number of cargoes which they will offer for sale on any one market day. This is to depend partly on the number of ships which enter the Thames between one market day and another, and partly on the market price of coals. They press the coals for sale only in certain quantities, in order to prevent the price from descending below a certain point. On the other hand, the Corporation, to prevent these regulations from becoming too close a monopoly, acts on a specified set of by-laws; so that the ultimate price to the consumer is the result of a balance between many conflicting agencies. Sometimes there have been 400 cargoes of coals in the Thames at one time, waiting for their turn to be sold according to the arrangements among the factors. There is a coal factor's office at Gravesend, and a coal trade office at Newcastle; and there is such a constant correspondence between these two offices and the coal factors of London, that the exact state of the market at both ends of the route is known at all times to those concerned.

In a Parliamentary Report of 1836, the following account of the dealings at the old coal exchange was given:—"There are three market days, Mondays, Wednesdays, and Fridays, continued as before, though not required by statute, and the hours to sell and buy are from twelve to half past two o'clock, as by the former act of parliament. Every factor has a list, setting forth the sorts of coal he has for sale on the Coal Exchange every market day; and when a cargo is sold, an agreement is entered into with the buyer, the price and conditions of payment being stated in detail, and the buyer agrees to pay 1½d. per ton for half metage. All sales are private sales. The merchants may buy at all hours; but the factor will not enter his purchase on that day if it should be made after half past two o'clock; after that hour, say on Monday, any person may buy for the next market day to deliver on Wednesday; but no factor will sell to deliver on Tuesday, as that would be against the regulations; and the factors will not take the consignment of coals, unless the owner complies with their rules and regulations; that is, to have their cargoes sold in rotation. Factors

are paid by a commission of one half per cent. on the amount of sale, and three pence per ton factorage; and they take the risk of the merchants for payment." These regulations have been continued with but little change ever since; it is possible that a few modifications and improvements may be introduced in the arrangement of the new building. The old Coal Exchange belonged to private individuals till 1807, when the Corporation purchased it, to make it an open Coal Market. It was in 1845 that the leading firms in the coal trade petitioned the Corporation to build a new Coal Exchange. The Corporation assented; Mr. Bunning, the City Clerk of the Works, was commissioned to make plans and drawings; and the remarkable building just finished is the result.

As the meters' establishment of London was abolished in 1831, the coal owners, factors, and merchants, have agreed among themselves on a system of weighing, to ensure accuracy of dealings. A committee of owners and merchants (or sellers and buyers) manages the system and pays for the services of a large number of weighers; the buyer and seller sharing the expense between them. In 1830 the expenses incurred by the merchant, from the time he bought a ship load of coals to the deposition of the coal in the cellar of the consumer, amounted on an average to as much as 11s. per ton—comprising commission, lighterage, cartage, shootage, metage, market dues, land metage, and other items. By the year 1836, these expenses had been reduced to 7s. and at the present time they must be considerably lower. The coal owners and merchants have nothing to do with each other under ordinary circumstances, although they are the real sellers and buyers; the factor acts for both: the merchant is responsible only to the factor, and the factor to the owner. Excepting in the case of very large purchases, for gas works, breweries, and other extensive establishments, all the coal used in London passes through the hands of the merchants, who for the most part have their own barges, wharfs, wagons, and horses.

The actual discharge of the coals from the ships to the barges drawn up alongside, is a distinct system from all the other arrangements. The Corporation, the coal factors, the coal merchants—none of these are concerned in the matter. The ship owner acting for the coal owner, or for the party who pays the freight of the vessel, hires and pays for the services of the men who make the transfer of the coals. For some reason or other, the crews of the coal ships seldom perform this duty; they either do not like it, or they are not equal to it, or the captain prefers another plan. The persons employed are coal-whippers, strong laboring men whose services are always available for this work. They work in gangs, usually of nine each; and the agreement is always so much per ton for the whole gang. The terms are usually about a penny per ton per man. The coal merchant who has bought the cargo sends his barges to the side of the ship; and the gang of coal-whippers work on until they have emptied the cargo into the barges. Some of them descend into the hold, and fill the baskets or boxes with coals, and others draw up the laden baskets by means of ropes and pulleys, and empty the contents into the barges. The work is the coarsest and rudest kind of manual labor. Nine men can *whip* about eighty or ninety tons in a day. The men can often earn 1s. an hour each while at work; but

the number of hours' work obtainable in a week is subject to much fluctuation. It seems plain, however, that the earnings are decidedly above those of laboring men generally. There are from 1,600 to 2,000 men thus employed in the Thames; and they have often found means to make the position of interlopers into their trade anything but agreeable.

Until within the last few years, these strong and hardy men suffered themselves to be duped in an extraordinary way by publicans and petty shopkeepers on shore. The custom was for the captain of a coal ship, when he required a cargo to be *whipped*, to apply to one of these publicans for a gang; and a gang was thereupon sent from the public house. There was no professed or pre-arranged deduction from the price paid for the work; the captain paid the publican, and the publican paid the coal-whippers; but the middleman had his profit in another way. The coal-whipper was expected to come to the public house in the morning; to drink while waiting for work; to take drink with him to the ship; to drink again when the day's work was done; and to linger about and in the public house until almost bed-time, before his day's wages were paid. The consequence was that an enormous ratio of his earnings went every week to the publican. The publicans were wont to rank their dependents into two classes—the "constant men" and the "stragglers;" of whom the former were first served whenever a cargo was to be whipped; in return for this, they were expected to spend almost the whole of their spare time in the public house, and even to take up their lodgings there. As the coal-whippers contrived by intimidation to keep out strangers from their trade, so the publicans and their immediate adherents were able to harass those who wished to escape from this truck system; and the "penny-a-ton men" used to receive many a drubbing from the "penny-farthing men." The captains preferred applying to the publicans rather than engaging the men themselves, because it saved them trouble; and because (as was pretty well understood) the publicans carried favor with them by indirect means. Grocers and small shopkeepers did the same; and the coal-whippers had then to buy bad and dear groceries, instead of bad and dear beer and gin. The legislature tried by various means to protect the coal-whippers; but the publicans contrived means to evade the law. About 1834, Lieut. Arnold tried how far an individual could remedy the system, by establishing a coal-whipper's office, in which the men could receive the whole of their earnings, without the necessity of such constant resort to a public house; his attempt was a benevolent one, but it was hotly opposed by the publicans, and was not supported to any great degree by the coal owners and shippers. At length was passed, in 1843, an Act which has placed the coal-whippers in a more systematized position. The whole is a remarkable instance of what small matters (as they first appear) the legislature will sometimes interest itself in.

When the coal-whippers have discharged the cargo from the ships to the barges, the coal owner, ship owner, Corporation, factor, coal-whipper—all have done their part. The merchant is then the only party concerned. He has (if in a large way of business) his own barges, wharfs, wagons, horses, sacks, weighing machines, screens, and every thing requisite for transferring the coals to the cellar of the consumer. If he is in a smaller way, he probably buys from the larger merchant. There are nearly 1,000

persons in London who sell coals—from the merchant whose establishments are of great magnitude, to the small shopkeeper who sells a penny-worth either of coals or of greengrocery. The price of coals, as given in the London market in the daily papers, is the price up to the time when the coals are whipped from the ships to the merchants' barges. It includes, 1st, the value of the coals at the pit's mouth; 2d, the expense of transit from the pit to the ship; 3d, the freight of the ship to London; 4th, the Thames dues; and 5th, the whipping. The difference between the market price and the price paid by consumers, is made up of the expense incurred by the coal merchant for barges, wharfs, wagons, horses, wages, &c., together with his profit and risk.

There is still one matter more to complete the chain of operations. The emptied coal ships must get back to Newcastle; and as there are not cargoes enough from London to freight them, they must take in ballast to make the ships heavy enough to sail in safety. This ballast is chiefly gravel or sand dredged up from the bed of the Thames in and near Woolwich Reach. The Trinity House takes upon itself this duty. The captain, when he requires to sail, applies to the Ballast Office, and the required weight of ballast is sent to the ship in lighters belonging to the Trinity House; the captain paying so much per ton for it. About eighty tons on an average are required for each vessel; and the quantity thus supplied by the Trinity House is, we believe, about 10,000 tons per week. Some of the ships are ballasted with chalk taken from Purfleet; all ballast taken from higher up the river than that point, must be supplied by the Trinity House. When the ship reaches the Tyne, the ballast is of no further use, but it must not be emptied into that river; it has therefore to be deposited on the banks of the river, where huge mounds are now collected, two or three hundred feet high. It is a curious example of the mode in which commercial enterprises often originate, that parties have found it worth their while to make a railway from near South Shields to a point on the sea-shore a mile or two distant, on purpose to deposit there the ballast which has become more and more an incumbrance on the banks of the river; the ship owners pay a small price per ton for the removal of the ballast from their vessels. It is something more than a metaphor, to designate this a transfer of the bed of the Thames to the banks of the Tyne; it has a per centage of truth in it.

Thus we find, that about 12,000 are engaged in mining and shipping coals from London; 22,000 in navigating the coal ships from the North to the Thames; 2,000 in "whipping" the coals from the ships to the merchants' barges; and 1,000 in selling the coals to the consumers in London. How many are engaged as coal bargemen upon the Thames and upon the canals, coal heavers at the wharfs, and coal wagoners in the streets, we have no data for determining.

The new Coal Exchange of London, in Lower Thames street, which has been recently opened with such *eclat* by Prince Albert, is, with some slight defects of taste, a really handsome architectural mass. The building designed by Mr. Bunning, presents externally two principal fronts of Portland stone, in the Italian style of architecture; one being in Lower Thames street, and the other, of similar elevation, in St. Mary-at-Hill—the principal

entrance being at the corner by a semi-circular portico of considerable height, with columns and entablature of the Roman Doric order. Above the portico, on a plain circular pedestal, is a lofty tower, also of Portland stone; the lower story having Ionic columns and entablature, supporting a stone pedestal with ornamental scrolls, on which the upper story is erected, with ornamental pilasters and entablature, and covered with a conical roof, surmounted by a gilded ball. Within the tower is the principal staircase, leading to the various rooms and offices in the several stories of the building, and lighted with large plate glass windows. The public hall, or area for the merchants, is a rotunda 60 feet in diameter, covered in by a glazed dome, the apex of which is 74 feet from the floor.

### ANTHRACITE COAL TRADE.

Table showing the quantity of Coal sent to Market annually, from its commencement, in 1820, to 1849, inclusive.

| Years. | Prepared from Official Documents. |                            |                      |                      |                          |                    |                    | Total Supply. |
|--------|-----------------------------------|----------------------------|----------------------|----------------------|--------------------------|--------------------|--------------------|---------------|
|        | Total Lehigh.<br>Tons.            | Total Schuylkill.<br>Tons. | Larkswanna.<br>Tons. | Pine Grove.<br>Tons. | Lykens' Valley.<br>Tons. | Shamokin.<br>Tons. | Wyo-ming.<br>Tons. |               |
| 1820,  | 866                               | .                          | .                    | .                    | .                        | .                  | .                  | 866           |
| 1821,  | 1,078                             | .                          | .                    | .                    | .                        | .                  | .                  | 1,078         |
| 1822,  | 2,441                             | .                          | .                    | .                    | .                        | .                  | .                  | 2,441         |
| 1823,  | 5,823                             | .                          | .                    | .                    | .                        | .                  | .                  | 5,823         |
| 1824,  | 9,541                             | .                          | .                    | .                    | .                        | .                  | .                  | 9,541         |
| 1825,  | 28,396                            | 6,500                      | .                    | .                    | .                        | .                  | .                  | 34,896        |
| 1826,  | 81,280                            | 16,767                     | .                    | .                    | .                        | .                  | .                  | 98,047        |
| 1827,  | 82,074                            | 81,390                     | .                    | .                    | .                        | .                  | .                  | 163,464       |
| 1828,  | 90,282                            | 47,284                     | .                    | .                    | .                        | .                  | .                  | 137,566       |
| 1829,  | 26,110                            | 79,978                     | 7,000                | .                    | .                        | .                  | .                  | 112,063       |
| 1830,  | 41,760                            | 89,984                     | 42,700               | .                    | .                        | .                  | .                  | 174,444       |
| 1831,  | 40,966                            | 81,864                     | 54,000               | .                    | .                        | .                  | .                  | 176,830       |
| 1832,  | 75,000                            | 209,271                    | 84,500               | .                    | .                        | .                  | .                  | 368,771       |
| 1833,  | 123,000                           | 252,971                    | 111,777              | .                    | .                        | .                  | .                  | 487,748       |
| 1834,  | 106,244                           | 226,692                    | 43,700               | .                    | .                        | .                  | .                  | 376,636       |
| 1835,  | 131,260                           | 339,508                    | 98,846               | 5,500                | .                        | .                  | .                  | 575,104       |
| 1836,  | 146,522                           | 432,045                    | 104,500              | 9,978                | 5,439                    | .                  | .                  | 698,484       |
| 1837,  | 225,937                           | 523,152                    | 115,387              | 16,726               | 6,430                    | .                  | .                  | 867,632       |
| 1838,  | 214,211                           | 433,875                    | 76,321               | 16,636               | 6,006                    | 4,104              | .                  | 751,181       |
| 1839,  | 222,042                           | 442,608                    | 122,300              | 19,227               | 5,373                    | 11,930             | .                  | 823,479       |
| 1840,  | 226,591                           | 452,291                    | 148,470              | 19,468               | 5,303                    | 16,928             | .                  | 867,045       |
| 1841,  | *142,907                          | 585,542                    | 192,270              | 15,306               | 6,176                    | 22,164             | .                  | 964,265       |
| 1842,  | 271,913                           | 541,504                    | 206,258              | 31,437               | 181                      | 10,098             | 47,346             | 1,107,732     |
| 1843,  | 267,126                           | 677,313                    | 227,606              | 22,879               | .                        | 9,870              | 57,740             | 1,262,632     |
| 1844,  | 376,363                           | 840,379                    | 251,006              | 27,719               | .                        | 18,087             | 114,906            | 1,623,469     |
| 1845,  | 430,933                           | 1,086,068                  | 286,072              | 31,208               | .                        | 10,136             | 178,401            | 2,002,877     |
| 1846,  | 522,518                           | 1,236,581                  | 318,400              | 55,346               | .                        | 12,646             | 188,003            | 2,338,494     |
| 1847,  | 643,568                           | 1,572,794                  | 388,200              | 61,233               | .                        | 14,904             | 289,598            | 2,970,597     |
| 1848,  | 680,198                           | 1,652,834                  | 434,267              | 56,988               | 2,000                    | 19,357             | 237,271            | 3,062,860     |
| 1849,  | 800,987                           | 11,599,513                 | 454,240              | 78,299               | 25,000                   | 19,658             | 258,030            | 8,235,777     |
|        | 5,365,315                         | 18,468,693                 | 3,746,812            | 467,924              | 61,905                   | 163,871            | 1,371,645          | 25,126,185    |

\* Great frost which injured the Canal.

† Reading Railroad to December 27th only.

Table showing the Imports of Foreign Coal into the United States, annually, from 1821, to the 1st July, 1849.

|       |        |       |        |       |         |        |         |
|-------|--------|-------|--------|-------|---------|--------|---------|
| 1821, | 22,122 | 1829, | 45,388 | 1836, | 108,482 | 1843,  | 41,168  |
| 1822, | 34,528 | 1830, | 68,186 | 1837, | 158,450 | 1844,  | 87,078  |
| 1823, | 30,438 | 1831, | 36,508 | 1838, | 129,088 | 1845,  | 85,771  |
| 1824, | 7,226  | 1832, | 72,978 | 1839, | 181,551 | 1846,* | 156,855 |
| 1825, | 25,645 | 1833, | 92,482 | 1840, | 162,867 | 1847,† | 148,021 |
| 1826, | 35,665 | 1834, | 71,626 | 1841, | 155,394 | 1848,  | 196,251 |
| 1827, | 40,257 | 1835, | 49,969 | 1842, | 141,528 | 1849,  | 198,218 |
| 1828, | 32,302 |       |        |       |         |        |         |

\* From 1st December, 1846, to 30th June, 1847.

† For the year ending 30th June, 1848.

Coal imported into the United States during the year ending on the 30th of June, 1849.

|                                        | Tons.          | Value.           |
|----------------------------------------|----------------|------------------|
| From England, . . . . .                | 63,079         | \$156,154        |
| “ Scotland, . . . . .                  | 1,469          | 2,721            |
| “ Ireland, . . . . .                   | 600            | 1,437            |
| “ British American Colonies, . . . . . | 131,565        | 245,693          |
| “ other places, . . . . .              | 1,500          | 3,277            |
| <b>Total, . . . . .</b>                | <b>198,213</b> | <b>\$409,282</b> |

PENNSYLVANIA.—The following table shows the amount of toll collected at the several offices during the year, on the articles of iron, coal, flour and grain, viz. :

| Names of Officers.               | Iron.              | Coal.               | Flour, &c.         |
|----------------------------------|--------------------|---------------------|--------------------|
| Easton, . . . . .                | \$14,315.19        | \$115,845.16        | \$7,077.22         |
| New Hope, (no report), . . . . . |                    |                     |                    |
| Bristol, . . . . .               | 1,259.46           | 76.47               | 95.40              |
| Philadelphia, . . . . .          | 2,840.43           | 9,321.09            | 94.76              |
| Paoli, . . . . .                 | 1,914.52           | 197.21              | 1,320.34           |
| Parkersburg, . . . . .           | 830.87             |                     | 13,902.11          |
| Lancaster, . . . . .             | 2,408.27           |                     | 15,226.16          |
| Columbia, . . . . .              | 6,935.28           | 6,306.39            | 442.39             |
| Portsmouth, . . . . .            | 1,627.42           | 1,355.88            | 113.86             |
| Harrisburg, . . . . .            | 3,874.38           | 2,406.82            | 1,650.13           |
| Newport, . . . . .               | 298.75             | 234.00              | 2,608.25           |
| Lewistown, . . . . .             | 2,422.99           | 85.32               | 7,028.09           |
| Huntingdon, . . . . .            | 2,529.00           | 55.00               | 5,133.00           |
| Hollidaysburg, . . . . .         | 15,234.00          | 22,285.99           | 402.81             |
| Johnstown, . . . . .             | 12,243.00          |                     | 87.25              |
| Blairsville, . . . . .           | 3,334.59           | 19.97               | 2,807.39           |
| Freeport, . . . . .              | 276.63             | 13.20               | 172.80             |
| Pittsburgh, . . . . .            | 367.64             | 1,145.17            | 9,272.97           |
| Dunnsburg, . . . . .             | 4,760.46           | 924.26              | 6,834.65           |
| Williamsport, . . . . .          | 116.37             | 21.46               | 2,719.94           |
| Northumberland, . . . . .        | 12,976.34          | 1,014.80            | 11,461.11          |
| Berwick, . . . . .               | 1,598.57           | 90,766.70           | 76.72              |
| Liverpool, . . . . .             | 1,047.17           | 5,021.66            | 2,446.32           |
|                                  | <b>\$93,211.33</b> | <b>\$257,096.54</b> | <b>\$90,972.17</b> |

## BANK OF ENGLAND DIVIDENDS.

SCENES FROM THE LIFE OF AN UNPROTECTED FEMALE.

(From Punch.)

Scene—The Bank. An Unprotected Female escapes from the hands of her cab-driver, after an hour of stoppages, prayers, fears, remonstrances, gigglings, and general uncomfortablenesses of all kinds.

*Unprotected Female* (before the Bank entrance). Thank goodness! (Gazes eagerly round her.) Oh! I wonder where Mr. Jones is. (St. Paul's clock strikes "Three.") Oh! it's 3 o'clock, and I ought to have been here at 2. (She enters the court.) I thought he would have waited. (To the stately Beadle in the cocked hat.) Oh, please, has Mr. Jones been here?

*Stately Beadle* (vacantly).—Jones? There's a deal o' Joneses.

*Unprotected Female* (with unsolicited communicativeness).—It's Mr. Jones who is in the city, and has always come with me to draw my dividends; and he said he would meet me here to-day, at 2; but the horrid cabman would get into a stoppage, and it's past 3, and I do n't see him; and I've got all my papers here; and if you please, do you think they'd give me the money? and where am I to go? and it's too bad of Mr. Jones; for he knows I'm not used to business; and, please, could you direct me to the Funds?

*Stately Beadle* (whose attention has wandered a good deal during the above).—Fust door to the right.

*Unprotected Female*.—Oh, thank you!

[Enters the door of the Rotunda, which, it being a dividend day, is filled with an average of half a dozen customers to each clerk.]

*Unprotected Female* (looking about her in alarm).—Oh, I wish Mr. Jones was here. (Addressing herself to the nearest group of two very impatient city gents, an embarrassed elderly lady, a deaf old gentleman, and a widow, all upon one clerk.)—Oh! please, I've come for my dividends. (Finding herself not listened to, she raps the counter.) Please, I've come for my dividends.

*Clerk* (in the same breath).—Two three five—how will you have it? What d'ye make it? Eight four six, eight and eight. Take it short? Seven three two. (Despatches his group with incredible rapidity and good temper. To the Unprotected Female.) Now, Ma'am, please.

*Unprotected Female*.—If you please, I'm come for my dividends—

*Clerk* (rapidly).—Dividend-office.

[Dashes into the business of the next half-dozen customers, leaving the Unprotected Female in utter helplessness.]

*Unprotected Female*.—Oh, they won't attend to me. It's shameful! They durst n't treat me so if Mr. Jones was here (violently thrusting herself to the desk.) but I must have my dividends.

*1st Customer* (politely).—Dividend-office, Ma'am.

*2d Customer* (indignantly).—It is n't here, Ma'am.

*3d Customer* (humorously).—First door round the corner, Ma'am.

*4th Customer* (savagely).—Now, Ma'am, get out of the way.

*Unprotected Female* (gazing wretchedly from one to the other).—Oh, it's my dividends.

*Clerk* (with contemptuous pity).—Here, Forester, tell her.

[Forester gently conducts the *Unprotected Female*, vehemently protesting, to the Long Annuities Dividend-office.]

*Forester* (thoughtfully to himself).—Elderly lady. Longs, is n't it, Ma'am? Here you are.

*Unprotected Female*.—Oh, thank you; I'm sure I did n't know (goes to the nearest desk and addresses herself to nobody in particular).—Please, I've come for my dividends.

*Clerk* (seizing a disengaged moment and whipping open transfer-book).—What name?

*Unprotected Female* (not understanding).—Eh? What?

*Clerk*.—What? Go to the W's?

*Unprotected Female* (bewildered).—The W's?

*Clerk* (pointing with his pen).—Over the way—fourth desk—there!

*Unprotected Female* (mechanically obeying and accosting clerk at the desk indicated).—Please, I've come for my dividends, and they told me to come to the W's.

*Clerk*.—Name?

*Unprotected Female* (replunged into bewilderment).—What?

*Clerk*.—Christian name.

[Running over the "Watt's" with his finger in the transfer-book]

*Unprotected Female*.—Martha.

*Clerk*.—No Martha Watt here. Must have made a mistake, Ma'am.

*Unprotected Female* (in great wretchedness).—Oh, they told me to come.

*Clerk*.—How do you spell your name?

*Unprotected Female*.—ST—

*Clerk* (indignantly).—Then what do you come to the W's for? You gave me name "Watt."

*Unprotected Female* (explanatorily).—No, I said "What?"

*Clerk*.—Well, "Watt." That do n't begin with ST.

*Unprotected Female*.—No—my name is n't Watt. I only said "What." It's Struggles is my name—Martha Struggles.

*Clerk* (relieved and kindly).—Go to ST and give your name, and they'll give you a warrant.

*Unprotected Female*.—Oh—I do n't want a warrant—I've come for my dividends.

*Clerk* (impatiently).—Te—Te—Te. Why do n't you bring somebody with you?

*Unprotected Female* (glad of the opportunity, is about to explain the defection of Jones).—Oh, you see, Mr. Jones—

*Clerk*.—Well—well—never mind Mr. Jones—go to the ST's—there (pointing with his pen), and take what they give you. Now, Sir. [To the next payee.]

*Unprotected Female* (gaining the ST's at last with unusual directness).—Martha Struggles, and I've come for my dividends.

*Clerk* (discovering the name).—How much ?

*Unprotected Female* (plunging into her bag and bringing up a handful of papers).—It 's all down here.

*Clerk* (hastily).—Put it down. Now, Ma'am.

[Proceeds to dispose of other applicants.]

*Unprotected Female* (after performing a series of complicated calculations, puts in her paper triumphantly).—That 's it.

*Clerk*, reading out (waggishly).—289734—two hundred and eighty-nine thousand, seven hundred and thirty-four pounds—Ma'am ?

*Unprotected Female*.—No—no—two hundred and eighty-nine pounds, seven shillings and three farthings, and I do n't mind the copper.

*Clerk* (referring to book).—No such sum under that name in Long Annuities. What stock ?

*Unprotected Female*.—In the Funds.

*Clerk*.—Bank Stock, Consols, Reduced, Three-and-a-quarters, or terms of years ?

*Unprotected Female* (solemnly, but with much alarm).—No, it 's all in the Funds.

*Clerk*.—Yes, but what stock ?

*Unprotected Female* (in a tone intended to inspire respect).—In the Government Securities, every farthing of it.

*Clerk* (suddenly).—Oh ! you 've got your stock receipts there. Let me look. [Holding his hand.]

*Unprotected Female* (suspiciously).—Oh, but Mr. Jones said I was n't. They 're my securities.

*Clerk* (half amused, half hopeless of arriving at a result).—Hold 'em tight, Ma'am ; only let me look. Longs, and Three-and-a-quarters. (Makes out the warrant for the Long Annuities' Stock.) Now, sign there, Ma'am. (Pushes the Dividend-book over to her. *Unprotected Female* is about to write her name promiscuously). No, no. Opposite there—So.

*Unprotected Female* (suddenly seized with a qualm).—But you 'll pay me ?

*Clerk*.—Dear, dear, dear ! Now, sign there. (Giving her the warrant.) So. (Signs.) Now, take that to the Rotunda, and they 'll give you the money.

*Unprotected Female*.—Oh, but can 't you, please ? I 'd rather have it here.

*Clerk*.—No. We do n't pay here. There, it 's that round room you came through.

*Unprotected Female*.—Oh, but I asked there as I came on, and they would n't.

*Clerk*.—But they will now, if you show 'em that. Now do go, Ma'am. These gentlemen are waiting.

[Pointing to a group which has been jointly and severally consigning the *Unprotected Female* to very unpleasant places during the above colloquy.]

*Unprotected Female* (very humbly to the group).—I 'm sure I 'm very sorry—but Mr. Jones—(Her explanation is cut short by a rush of payees ;

and she wanders back to the Rotunda. Addressing First Clerk, who has his hands full already)—Please, could you pay me my dividends?

*Elderly Gentleman.*—Wait a moment, Madam.

*Unprotected Female.*—They said you would if I showed you this.

[Holding up warrant. Elderly Gentleman is disposed of.]

*Unprotected Female.*—Oh! please, could you?—

*Brisk Clerk.*—There 's three before you, old lady.

[Brisk Clerk is disposed of.]

*Unprotected Female.*—Now, if you please.

*Severe Widow* (with much asperity).—I beg you 'll wait for your turn, Ma'am.

*Unprotected Female* (in a tone of dignified retort). Oh! by all means, Ma'am. (*Severe Widow* is disposed of). Now, please, my dividends. [Hands over warrant.]

*Harassed Clerk* (snappishly).—How do you make it?

*Unprotected Female.*—Oh! I did 't make it. It was my poor Uncle Thomas left it to me.

*Harassed Clerk* (glaring at her as with a desire to annihilate her).—Add it up. How much is it?

*Unprotected Female* (with a ray of intelligence).—Oh! it 's £289 7s. 0¼d. But I do n't mind the copper.

*Harassed Clerk* (flinging back the warrant).—It 's only for £200.

*Unprotected Female.*—Oh! then they 've cheated me; I thought they would. Here are my securities.

[Shows stock certificates.]

*Harassed Clerk* (comprehending at a glance).—£200 in Longs, the rest in Three-and-a-quarters. If you bring the warrant for the rest, I 'll pay you. You can only have £200 on this.

*Unprotected Female* (clasping her hands in despair).—Oh, they did n't give me anything but that, and they said you 'd pay me if I showed it you—and now you won't—Oh—

*Harassed Clerk* (on the verge of an explosion).—Bless the woman!

*Unprotected Female* (passing suddenly from the depths of despair to the summit of felicity).—Oh, there 's Mr. Jones! Oh, Mr. Jones!

[Rushes towards that individual, who enters the Rotunda; all but falls into his arms, and the scene closes on her rapture of relief.]

---

[The most splendid of all the halls in the Bank of England, is *the Rotunda*, in which all the 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.]

## BANK CIRCULATION.

To the Editor of the Bankers' Magazine.

I observe you commend highly the plan adopted in this State for a basis of bank note issues for circulation.

Supposing that the stocks of this State will always be in credit to make the six per cent. stocks at par, (which *may* or *may not* be the case) the security for the redemption of notes, in case of *failure of the bank*, is good. But is a bank to issue notes simply for the sake of *currency*? or is it to afford aid by ordinary loans to do various businesses of the country where it is located, viz., for the purchase of cattle, sheep, poultry, hogs, produce, &c., for periods from 60 to 120 days?

I assume that to induce sound and prudent men of capital to engage in banking, the circulation should be *equal* at least to the capital. Now what has the bank to lend? Surely not capital, for that is entirely invested in stocks and deposited permanently with the comptroller, and unavailable *to itself* for the redemption of its notes while it continues to do business. It can loan, then, only its *credit* in the form of bank bills, and its loans must be only on such paper as can be available at any time to provide the means for the redemption of its bills. Is this the character of the paper for ordinary loans in the interior of the State of New York? In a region of the country where such a bank is located, its resources are actually diminished, for the *cash capital* is withdrawn and loaned to the government, and the *credit* by bank notes substituted.

It is absurd to suppose the circulation cannot be secured except by deposit of stocks. The great error, not only in this State, but in most other States, has been in permitting banks to issue two dollars of notes for one dollar of capital, and in many States even more.

In prosperous times and high prices, many a bank has gone quite out to this limit in circulation. It is not at all surprising that in a sudden revulsion of the money market, many a bank in such a state of expansion, before it could get into harbor, has been driven upon the *breakers*.

If the circulation had been limited to the amount of the capital, I hesitate not to say, that not one in ten of the failures would have occurred that have in this State, and even then the bills having preference over all other credits, as they do now, would have been redeemed from the assets of the bank.

Look at the result of the Canal Bank failure, the bills entirely redeemed. In the February No. of your Magazine you give some extracts from the message of the Governor of Alabama, who suggests the passing of a law for the organization of a bank; one of the provisions suggested by him is, "4. The amount of bills issued should not at any time exceed thrice the amount of stock actually paid in." The history of banking, without a prophet's ken, would tell us where such a bank would be after a few years or perhaps months.

The plan of stock security for bank notes may answer better for the cities where but a small amount of notes is needed in proportion to the amount of

commercial transactions. This system is scarcely entered upon yet, as a large proportion of the circulation is that of incorporated banks whose charters have not yet expired. A few years will tell a different story.

Western New York, Feb. 21, 1850.

C. A.

NOTE. We think some security is requisite in behalf of the community for bank issues, but we would not confine such securities to State Stocks. We think bonds and mortgages should form a large part of such basis, say one third or one half, superadded to a large paid-up capital. It is an evil to have too many banks, with small capitals. In large cities none should be chartered with a less capital than five hundred thousand dollars, and none in the interior with less than one hundred thousand dollars. The 48 Individual Banks in New York, with an average capital of \$30,000 each, are not, strictly speaking, *Banks*. They cannot claim the title. They are *private bankers*. This will be seen when we say, that of these forty-eight,

|    |                          |           |                |
|----|--------------------------|-----------|----------------|
| 3  | have a capital less than | . . . . . | \$5,000        |
| 7  | " " of                   | . . . . . | 5,000          |
| 11 | " " of                   | . . . . . | 10,000 or less |
| 9  | " " of                   | . . . . . | 20,000 "       |
| 6  | " " of                   | . . . . . | 50,000 "       |
| 6  | " " of                   | . . . . . | 75,000 "       |
| 5  | " " from 75,000 to       | . . . . . | 100,000        |
| 1  | only " above             | . . . . . | 150,000        |

BANK DEPOSITS AND LOANS.

To the Editor of the Bankers' Magazine.

In your Journal of February we find remarks in relation to the relative condition of the banks of New York, Boston, Philadelphia, and Baltimore. You observe "In Boston and Baltimore the loans exceed their capital and deposits combined, in the other cities the loans of the banks are less;" and farther—"These figures show that the banks of Boston are quite as extended as their own customers and friends would recommend."

From these observations it is fairly inferred, that in your estimation the condition of the banks of Boston is not as good as those of New York and Philadelphia. We are unable to comprehend the reasons which should induce you to arrive at such a conclusion; in our estimation the condition of Boston is far preferable to that of New York, so far as the figures indicate, and we offer you our views, in a comparison of the two, as illustrating the grounds of our opinion.

As compared with *population*, we admit, that the *capital* of the Boston banks is greatest, but we are not aware that *excess of capital* is any objection to the condition of banks. If the people of Boston have more capital to appropriate to banking than New York, no one would object to its appropriation to that object, and certainly no one would deem their *responsibility* less because of such appropriation. In mercantile society, and we

think in banking, the test of responsibility is the proportion of capital to liabilities. Adopting this rule in relation to these banks, we have, in the one case, capital \$19,600,000, and immediate liabilities, deposits and circulation, \$13,200,000; a proportion nearly as 3 of capital to 2 of liabilities; in the other we have capital \$25,000,000, and immediate liabilities \$2,600,000, a proportion of only 2 of capital to 3 of liabilities. Now no man offered the obligations of two individuals standing in these relations of capital and liabilities, would hesitate for a moment which to accept as most responsible.

Again, we have Boston with capital \$19,600,000, loaning \$31,000,000: loans exceeding capital a little over 50 per cent. New York with capital \$25,000,000, loaning \$49,000,000, loans exceeding capital nearly 100 per cent.: of two merchants, one holding bills receivable to the amount of 50 per cent. of his capital, and the other 100, which would be esteemed most responsible? These two exemplifications are, it is true, but correlations of each other, yet they present the subject in two aspects, and enable us to judge better of the relative condition of the responsibilities under consideration.

Again, we have in New York immediate liabilities \$32,600,000, and specie \$6,800,000. Boston, to have specie in the same proportion, should have \$2,750,000, instead of which she has only \$2,120,000; but Boston is not the point of contact with foreign exchange, the only source of disturbance; this circumstance is more than an equivalent for the difference in their amounts of metal, which is only \$630,000, without taking into account the difference in the use of credit by the two groups of banks.

The opinion adverse to the banks of Boston has its origin, doubtless, in the general, but mistaken idea, that deposits are a legitimate basis for bank operations. To a certain extent the idea and practice are correct, but beyond that, the practice is in the highest degree pernicious. Circulation and deposits, to the extent of the necessities of the *commercial* public, are nearly fixed quantity; beyond that, deposits become not only an unsafe basis for bank operations, but tend, if used for that purpose, to deceive both banks and the public. All such deposits are simply *capital seeking investment*; if, now, the bank is loaning it, and its owners are seeking to do so, we have *two equal* amounts in market seeking investment, while in truth there is only one sum to be loaned. Suppose that the legitimate commercial deposit in New York is twelve millions, we have then thirteen millions, which its owners are desirous to invest in public or private credit. The banks are basing operations upon the same, and *they* are seeking to invest it also. We have now twenty-six millions seeking investment, and the tendency is to advance the price of all securities, and to depress interest; and to *this* cause, doubtless, is to be attributed mainly the difference of the two markets. Boston is the *strong* point, New York the *weak* one, so far as banks are concerned, as time will demonstrate.

HANCOCK.

NOTE BY THE EDITOR. Our correspondent misconceives the object of our remarks in the February No. They were made in consequence of repeated complaints in State street and by some of the daily press, to the effect that the banks were disinclined to accommodate, to their full ability, the business commu-

nity—that they were in some measure the cause of the pressure existing in Boston for 6 or 12 months past. Our remarks were intended to show that the Boston banks had done and are doing all that their means will permit, and that there is no disinclination on their part to accommodate their customers, as far as prudence will dictate. It will be seen by reference to our last No. that the banks have yet quite a large line of discounts, although their specie is diminished since 1847-8.

Deposits are, to a large extent, used for bank discounts. They form a large source of the profits of banking, and it is generally considered safe to use fifty per cent. of such deposits for discounts. A bank can generally rely upon them, and they do not under ordinary circumstances fluctuate. We do not look upon the 26 millions of bank deposits in New York "as capital seeking investment." On the contrary, this sum is the aggregate of surplus cash in the community, held by men of business for daily cash operations. It is their reserve fund, changing hands frequently—drawn to-day and re-deposited to-morrow. From five to eight millions of these deposits are daily checked out of the Wall Street banks—but it creates no uneasiness. The aggregate deposits are, at the end of the day, undiminished.

~~~~~

ENGLISH RAILROADS.

The following table of the weekly receipts on the English Railroads, for four months past, with the number of miles opened and the average rate of earnings per mile, will prove serviceable in arriving at a just estimate of the progress of railroad business.—*London Times*, 19th November.

	MILES OPENED.		AVERAGE WEEKLY EARNINGS PER MILE.		AGGREGATE WEEKLY RECEIPTS.	
	1848.	1849.	1848.	1849.	1848.	1849.
7 July, .	3.936	4.797	£51	£49	£202,391	£232,364
14 " .	3.950	4.807	50	48	198,420	229,046
21 " .	4.013	4.837	54	49	220,498	239,833
28 " .	4.047	4.888	50	50	213,049	242,946
4 August, .	4.047	4.888	57	50	230,913	240,912
11 " .	4.074	4.932	60	53	254,399	263,548
18 " .	4.074	4.941	57	53	233,095	260,485
25 " .	4.074	4.941	55	50	225,143	248,912
1 September,	4.074	4.941	54	50	219,823	244,248
8 " .	4.091	4.941	55	50	225,735	245,550
15 " .	4.134	5.001	55	48	231,072	238,772
22 " .	4.134	5.038	56	46	231,478	233,299
29 " .	4.167	5.048	54	48	226,250	230,180
6 October, .	4.167	5.048	56	50	235,785	250,423
13 " .	4.407	5.089	50	44	221,998	222,749
20 " .	4.407	5.089	50	46	222,859	231,100
27 " .	4.407	5.089	50	45	221,639	230,149
3 November,	4.407	5.087	46	43	200,365	219,780
10 " .	4.407	5.087	44	43	194,101	218,076

GREAT BANK ROBBERY.

From the New York Journal of Commerce, Jan. 5, 1850.

Were we to state that a bank in this city had been robbed of \$400,000, public indignation would be aroused against the perpetrators of the villany; a large reward would be offered; police officers would be running to and fro; the telegraph would be set in motion; and every possible means resorted to for the recovery of the money, and the detection and conviction of the offenders.

But what if it should turn out that the bank, instead of being robbed as reported, had robbed others of \$400,000? Would not the same measure of indignation burst upon it from an outraged community, and the universal cry be, "Bring the offender to justice?"

If we rightly understand the facts, the case of the Dry Dock Bank more nearly corresponds to this description than some professed likenesses do to their originals. That there may be no mistake here, we copy the following outline from Sandford's Chancery Reports, vol. 3, p. 215. The case is entitled "The New York Dry Dock Company v. the American Life Insurance and Trust Company and others." It was tried before Vice Chancellor Sandford, in 1846.

"A banking company in New York, which had stopped payment, being desirous of borrowing a large sum of money, applied to a Trust Company usually lending money in New York, for a loan of their certificates of deposit payable at short dates, and offered to secure the payment of the amount, by their own obligations and a mortgage on real estate of sufficient value. The Trust Company agreed to issue their certificates bearing five per cent. interest, payable in London within two years, for £48,000, sterling, on receiving the bank's promissory notes for £50,000 sterling, payable in London at the rate of \$5 for each £1 sterling, with six per cent. interest, within seven years; secured by a conveyance of the real estate to trustees, containing a provision that the bank should pay to the Trust Company in New York, the respective instalments of the £50,000, with interest at seven per cent., forty days before each instalment should mature in London, at the rate of \$5 for every £1 sterling. It was understood by the parties, that the Trust Company would negotiate the bank's obligations in London, with their own guaranty, in order to meet their certificates of deposit. The arrangement was consummated between the parties.

"Held, 1. That the transaction was a loan by the Trust Company to the bank, and not an exchange of paper, or a sale.

"2. That the reservation of £2,000, or four per cent. on the principal sum secured to be paid, rendered the contract usurious.

"The notes of the bank were negotiated in London, to bankers there. Held, nevertheless, that the contract was governed by the laws of New York.

"Whenever a commission, in addition to legal interest, is charged by the lender, on discounting a bill or note, or on making advances thereon, unless it be for some real service distinct from the loan itself, and then be a moderate and reasonable charge, it will be referred to the use of the money loaned, and render the transaction usurious.

“ On applying for a loan, the borrower offered to the lender’s agent a collateral advantage, which was likely to be prejudicial to the former, and was certain to be profitable to the latter. The offer was accepted and the loan was made. *Held*, that the offer constituted one of the terms and conditions of the loan.”

This decision of Vice Chancellor Sandford, after being reversed by the Supreme Court of this State, has been recently affirmed by the Court of Appeals, which is the tribunal of last resort, and therefore the case stands permanently decided in favor of the bank, *on the ground of usury*. In other words, the court has decided that the Dry Dock Bank, having, while its credit was impaired, and money extremely scarce, promised to pay something more than legal interest on \$220,000 or \$230,000, which it *actually received* on loan from the American Life and Trust Company, (of Baltimore,) or from James Morrison, of London, through the intervention of said Company, is under no legal obligation to return said money, or any part of it.

We are not disposed to deny that this decision is in conformity to law, i. e., to a law of this State respecting usury: but if so, it shows more impressively than anything which has before come to our knowledge, the abominable injustice of said law, which is a disgrace to our statute book, to the legislature which enacted it, to the people which tolerate it, and to humanity itself. It offers a standing premium for fraud, deception, ingratitude, and downright robbery; a premium, in the case before us, amounting to something like \$400,000. In some respects the kind of robbery which it invites, is worse than highway robbery,—the latter involving no ingratitude, treachery, or fraud, but an open, undisguised purpose, expressed in the words, “your money or your life.”

The \$400,000 above mentioned is made up by the addition of unpaid interest of the \$250,000 principal on the Dry Dock certificates. The aggregate may be a little more or a little less than \$400,000. We do not pretend to exactness.

The case of James Morrison is a very hard one. From a remark of Daniel Lord on the trial before the Vice Chancellor, it appears probable that the very money received by the Dry Dock Bank on the Trust Company’s certificates of deposit, came from Mr. Morrison. In January, 1840, the Trust Company owed him £45,288 13s. 9d., for which he held most of the Dry Dock Bank’s bills of credit as collateral. The Trust Company, in that year, in order to get up its own bonds, or certificates, as the case may be, paid him £5,000, and assigned to him £44,500 of the bills of credit, which he accepted as in full for the rest of the debt, “believing them,” as he testified, “to be valid and available securities, and [issued] upon sufficient and lawful consideration.” At the time of this settlement, the Trust Company, he says, “were able to pay him, and he would have enforced payment in cash, if he had not relied in full faith on the bills of credit so transferred.”

We wish now to ask the president and directors of the Dry Dock Bank, and also the stockholders, by what semblance of justice, or what pretence of right, they can retain and use for their own purposes this large amount of money, which they know is not their own? True, they have law on their side, but if this is a valid reason why they should appropriate to themselves,

without equivalent, the property of another or others, it would be an equally good reason for the perpetration of rape, arson, or murder. Men unrestrained by law, show what is in their hearts. If they take another's property, because an absurd and wicked law enables them to do it with impunity, it is fair to presume that they would commit other moral crimes if not restrained by law. We say *moral* crimes, for be it ever remembered that the moral turpitude of an action is in no degree abated by the fact that it can be perpetrated according to law. Men with the Bible in their hands, need not be informed that to deprive a man of his property by a technicality of law, against all equity, right and justice, is, in a moral point of view, *stealing*, as much as though the same property had been taken from him by stealth in his absence or in the dead of night. A man may very innocently come into possession of the property of another, as, for instance, when he finds a gold watch or a pocket book in the street. But if he is honest, he will neither retain nor desire to retain it, but take the earliest opportunity to restore it to its proper owner. Just so in the present case. If the Dry Dock Bank is morally honest, it will lose no time in restoring to its proper owners the money not its own, of which it finds itself unexpectedly in possession. We say unexpectedly, for to suppose that the actual result was contemplated at the outset, would be to suppose premeditated and preconcerted fraud, for which a residence in the State Prison would be the only proper punishment. But we impute no such thing to the Dry Dock Bank, or its directors, past or present. We have no doubt that, when the loan was negotiated, it was the purpose of the directors to return the money in good faith, and that the idea of evading payment, under a plea of usury, would, if suggested, have been scouted with indignation. By what evil counsels, or under what star they have been led to do the very thing which in anticipation they would have so much abhorred, we cannot imagine. It is a sad and grievous transaction, the stain of which can never be washed out, except by a restoration of the ill-gotten gain to its rightful owners.

We make these remarks on the supposition that the bank has never in any way repaid the money which it received from the sale of the Trust Company's certificates, and never intends to.



APPROPRIATE TESTIMONIAL.—A number of depositors and customers of "The Bank of Baltimore," have caused to be made by Messrs. S. Kirk & Son, silver-smiths, in their best style, a beautiful and valuable service, and have presented the same as a testimonial of esteem, to Charles R. Taylor, Esq.

Mr. Taylor, for many years past, has been teller in the Bank of Baltimore, and has retired from that service, favored with the warmest feelings of many, and the regard of all, who have had transactions with him in his official capacity, and has withdrawn for the purpose of engaging in the exchange and banking business on his own account. All who have had opportunities of knowing his eminent fitness for the post of confidence just relinquished, can estimate how satisfactorily will be conducted the business in which he has just engaged.—*Balt. Patriot*.

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 Grocer's 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 leger 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 peculate 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 woollen 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 woollen 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 are 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 bagsfull 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 fireproof. 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 bags full 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 three 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 versâ*. 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 counter-signing 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. Round 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 employées. 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.

☞ *For further particulars see a subsequent portion of this No.*



ARCHBISHOPS AND BISHOPS OF ENGLAND.

WITH THE DATES OF THEIR CONSECRATION AND TRANSLATION, AND THE ANNUAL VALUE OF EACH SEE.

<i>Consecrated.</i>	<i>Names.</i>	<i>Sees.</i>	<i>Dates.</i>	<i>In room of</i>	
1828,	John B. Sumner, D.D. <i>Primate of all England,</i>	} Canterbury,	1848,	Howley, <i>dec.</i>	£15,000
1837,	Thomas Musgrave, D.D. <i>Primate of England,</i>		} York,	1847,	Harcourt, <i>dec.</i>	£10,000
1824,	Chs. James Blomfield, D.D.	London,		1828,	Howley, <i>tr.</i>	11,700
1831,	Edward Maltby, D.D.	Durham,	1836,	Mildert, <i>dec.</i>	8,000
1826,	C. Richard Sumner, D.D.	Winchester,	1827,	Tomline, <i>dec.</i>	10,500
1820,	John Kaye, D.D.	Lincoln,	1827,	Pelham, <i>dec.</i>	4,000
1824,	Christopher Bethell, D.D.	Bangor,	1830,	Majendie, <i>dec.</i>	4,000
1827,	Hon. Hugh Percy, D.D.	Carlisle,	1827,	Goodenough, <i>dec.</i>	3,000
1827,	George Murray, D.D.	Rochester,	1827,	Percy, <i>tr.</i>	5,000
1829,	Richard Bagot, D.D.	Bath & Wells,	1845,	Law, <i>dec.</i>	5,000
1830,	James Henry Monk, D.D.	Gloucester & B.	1830,	Bethell, <i>tr.</i>	3,700
1831,	Henry Phillpotts, D.D.	Exeter,	1830,	Carey, <i>tr.</i>	2,700
1836,	Charles Thomas Longley, D.D.	Ripon,	1836,	<i>new</i>	4,500
1837,	Edward Denison, D.D.	Salisbury,	1837,	Burgess, <i>dec.</i>	5,000
1839,	George Davys, D.D.	Peterboro',	1839,	Marsh, <i>dec.</i>	4,500
1839,	Henry Pepys, D.D.	Worcester,	1841,	Carr, <i>dec.</i>	5,000
1840,	Connop Thirlwall, D.D.	St. Davids,	1840,	Jenkinson, <i>dec.</i>	2,500
1841,	T. Vowler Short, D.D.	St. Asaph,	1846,	Carey, <i>dec.</i>	4,200
1842,	Ashurst T. Gilbert, D.D.	Chichester,	1842,	Shuttleworth, <i>dec.</i>	4,200
1843,	John Lonsdale, D.D.	Lichfield,	1843,	Bowstead, <i>dec.</i>	4,500
1845,	Thomas Turton, D.D.	Ely,	1845,	Allen, <i>dec.</i>	5,500
1845,	Samuel Wilberforce, D.D.	Oxford,	1845,	Bagot, <i>tr.</i>	5,000
1847,	James Prince Lee, D.D.	Manchester,	1847,	<i>new</i>	4,200
1847,	Renn Dickson Hampden, D.D.	Hereford,	1847,	Musgrave, <i>tr.</i>	4,200
1848,	John Graham, D.D.	Chester,	1848,	Sumner, <i>tr.</i>	4,200
1849,	Samuel Hinds, D.D.	Norwich,	1849,	Stanley, <i>dec.</i>	4,465
1849,	Alfred Ollivant, D.D.	Llandaff,	1849,	Copleston, <i>dec.</i>	4,500
1847,	Robert Lord Auckland,	Sodor & Man,	1846,	Short, <i>tr.</i>	2,000

BANKING AS A PROFESSION FOR YOUNG MEN.

BY A TELLER.

Communicated for the Bankers' Magazine.

The terms Banking and Banker, as used in the United States, have a different signification from the same term as used in England. In England the term Banker is applied to a person who makes it his business to deal in exchange, buy and sell stocks, loan money or negotiate loans for others, and who has an office of discount and deposit. The phrase "rich Banker," so common in England, when rendered into the American, would be "rich Broker." In the United States the word Banker is applied to a person who is an officer in a regularly incorporated institution, doing business under a charter as a stock company; and it is of this profession and not of the English broker, that I intend to speak.

It is generally true in mercantile life and in the learned professions, and *always* true in banking, that in order to insure success, a young man must have some end in view towards which all his exertions shall tend. Every young man should have some well-defined plan of life marked out before him, and all his energies should be directed to the realization of it.

Many have some general object in view, such as getting rich, or getting beyond hard work at some time of their life; while but few have a specific, noble mark, towards which they are aiming. This is the reason why there are so many second-rate young men to be found in every profession, and why so many men of riper years are neither one thing nor another—strung up and dangling between something and nothing—breathing in the unsatisfying east wind of a glorious mediocrity, and hoping that an undefined something may turn up, one of these days, which shall relieve them and place them in an undefined blissful somewhere. According as a young man aims, so will his arrow fly. According to the energy with which he strives, and the talents which he brings to bear, so will he rise. But what are the objects to be aimed at by a young banker? for what end should he strive, and what is there ahead to reward his toil? What are the advantages of the banker's profession? The advantages enjoyed by persons in this profession, for the attainment of everything desirable in life, are very great, and the inducements held out by the profession to ambitious, enterprising young men, are enough to satisfy any reasonable person. A high eminence and a name are as sure of attainment as in any other business.

It should be the object of every young man who enters the profession, to become thoroughly acquainted with every part of it. He should strive to become familiar with it all, from the great general principles down to the minutest detail. While in a subordinate situation, he should not be satisfied with merely doing the work which is laid upon him, but while in this situation, he should be fitting himself for the next place above him. His aim should be to rise as rapidly as is consistent with a healthy growth, till he has placed himself at the head of an institution; and then his ambition should be, to be first in his profession, to reach an eminence and carry his

bank with him. To aim merely at a cashiership, or to be president, is a low aim ; but to be known as the best cashier or president in the country, is an aim well worthy of any man, and is the only one which should satisfy a young man entering this profession. A young man can rise as rapidly and as surely in this, as in any other profession ; he can also rise as *slowly* and as surely, and he can remain as immutably stationary, as in any other calling under heaven. There are plenty of stopping-places adapted to all phases of mediocrity, and these stopping-places are very tenacious of their prey. A man once fixed in any of them, is there for life.

No one should enter the business unless he is determined to reach the top of the ladder. If a man is not somewhat ambitious, and unless he can see through a pretty long transaction, he generally becomes a fixture. Any one can tell, in the course of his first year, whether he is adapted to the business, and whether he will succeed. If a young man begin to feel the trap-door of a second-rate station, or a subordinate clerkship, pressing him down as he is trying to ascend the ladder, let him make a desperate effort to raise it ; but if he cannot succeed, let him at once betake himself to some other ladder, under some other opening.

Let no one enter this profession with the expectation of becoming suddenly, or even speedily, rich, for this expectation will be disappointed ; neither let any entering the profession be afraid of ever becoming poor. Labor is generally liberally rewarded, and talent is generally appreciated. There are some, it is true, in banks, who receive but small pay, and who delve for years in subordinate situations, but such are generally men not largely endowed with talent, whose aim is nowhere, and who consequently are paid about as much as they are worth. A man of talents and energy is always sure of good pay ; sufficient for all the expenses attendant upon a genteel style of living, besides a handsome margin for moderate investment for the satisfaction of that great maelstrom account generally known as " sundries." He is always sure of a competence.

"A competence is all we can enjoy,
O be content where Heaven can give no more."

It is impossible to name exactly the amount of salary which a young man may expect to receive. It depends a little upon the locality and size of the bank, and a great deal upon what the young man himself is. A moderate young man in a moderately-sized bank, generally has a salary very nicely fitted to him, while an energetic, talented young man, in a good institution, can be the recipient of almost any sum that he has the face to ask for. Some idea upon which to base expectations may be formed from a knowledge of the fact, that tellers' salaries range from \$500 to \$1,800 per annum ; cashiers' from \$800 to \$5,000, and presidents' about the same. In some banks the office of president is a mere sinecure ; in such banks the president receives no salary, but takes it out in honor. Let a young man fix in his mind the salary that he thinks he ought to be worth, and then work for it, and he will generally receive it. A banker, from the nature of his position in the financial world, has often opportunities thrown in his way for making money besides his salary, but this should not be counted upon by a young man, for it is very uncertain. If a young banker is working for a name, a

reputation, and,—which follows as a matter of course,—for a high salary, his best course is to keep himself free from anything like speculating, shaving, or dabbling in stocks. He should engage in no other business but his bank, and he should keep himself as far as possible from any course in which there is the least possibility of becoming in any way involved or embarrassed.

There is less anxiety of mind in this profession than in most others. It is true that the banker has a great many cares, and his mind has about as much as it can well do, but there is none of that terrible anxiety of mind which waits upon the merchant who has his warehouses full of goods, prices falling, and money scarce. The merchant at times is elated by prosperity, and again he is weighed down by anxiety, and either extreme, or the transition from one to the other is very wearing; but the banker has at *all* times enough to think of. He is never troubled with the alternations of excitement and depression; his mind is constantly active, not overtaken, and consequently its action is always healthy. During business hours he works hard, but at night he can throw off all care, and devote himself, if he choose, to literary pursuits, and to self improvement.

There are times in great commercial distress, when confidence is destroyed, that banks are crowded and pressed very hard; but with ordinary management they can be carried safely through. No bank ever failed where there was good management and no speculation. All that is required is caution and prudence: but the most incessant exercise of caution and prudence will not amount to that anxiety which produces sleepless nights.

A banker can have a great deal of time to devote to mental culture, and to the acquisition of useful information. He generally has his evenings to himself free from care, and much can be done by the improvement of such hours. His business is of such a nature that this is not incompatible with being first in his profession. There are some, however, who work night and day, and make slaves of themselves, but such are generally men who care but little for mental improvement, and whose whole aim seems to be to remain in a bank, and yet realize a treadmill. Let them work! They have the satisfaction of knowing that they are not always the best bankers. The best in any profession are those who have room enough in their brains for more than one idea, and who take time for something besides dollars and cents. A banker can, if he will apply himself, so cultivate his mind that he will shine as brightly in social life, and appear as well, even in literary circles, as men of liberal education.

These are some of the advantages of the banker's profession, and these are some of the inducements which are held out to those who wish to enter it.

A young man in order to succeed should maintain a straightforward course, both in his own affairs, and in the affairs of the bank; he should be possessed of a clear head, a mind not easily carried away by tempting offers for speculation, a disposition to receive very fair stories with considerable allowance; he should have urbanity combined with firmness and decision, and above all, he should have a deep-seated, stubborn passion for *good security*.

These are the traits which are absolutely necessary to insure success in banking. Without them, no young man should enter a bank. Without

them, a young man should rather take himself to some one of the other professions, where even a fool can sometimes make a happy hit. In banking there are no happy hits to be made; the life is one long, dead pull upon talent, energy, and perseverance.

Hartford, Ct.

G. P. B.

CALIFORNIA GOLD AND ITS PRESENT RESULTS.

From the Journal of Commerce, March, 15, 1850.

There is a marked improvement of late in the prices of real estate, both in this city and elsewhere. They who were here in 1835, when the real estate bubble began to swell, which in 1837 burst with such disastrous effects, cannot but observe a similarity between that period and the present. Money was not excessively abundant then, and is not now. But some how or other, real estate began to advance, numerous sales took place in consequence, up-town lots were in demand, rents rose, and each transaction at an advance, begat a further advance. The following year (1836) the fever rose to a most surprising height; insomuch that fortunes were squandered upon paper cities not worth five dollars an acre, and every sort of scheme, however absurd and ridiculous, was sure to find somebody silly enough to be gulled by it, in the hope of finding others more silly than themselves. Joint stock companies for every imaginable purpose were created,—banks were multiplied by the dozen and hundred,—but in spite of them all, it became at length impossible to procure sufficient currency to carry on the transaction of *business*. The anticipated profits were so great, that almost any rate of interest was submitted to, the borrower being sure of 100 or perhaps 500 per cent advance in the course of a year or two, in comparison with which, 2 or 3 per cent. a month was but a song. The inevitable result came at last. Whole blocks of mercantile firms were down in a heap. They had a plenty of *paper*, but for the most part it proved worthless, and other resources disappeared in about the same proportion. In short, the bottom had fallen out. Great numbers of merchants and others thus found themselves unable to meet their engagements at the banks; a general panic ensued; this produced a run upon the banks, which in their exhausted and crippled state could not be met, and so the whole country, or at least the country as a whole, became bankrupt. The debtor interest became at last so predominant, and included so many members of Congress, that an act was passed which by one fell swoop cancelled some \$200,000,000 of indebtedness, in violation of every principle of justice and the spirit of the Constitution.

After twelve years of patient industry, the country has recovered its position, and is now in a condition to enter upon a new career of adventure. People in general are not deeply in debt; money is sufficiently plenty, though, as we said, there is not a plethora; all descriptions of property are in demand; merchandise, stocks, real estate, are advancing in price; in short, a vista of prosperity is apparently opening upon the country, such as

has seldom fallen to the lot of mortals. Whether the present buoyancy is caused by the Free Trade Tariff of 1846, or by California gold, or by the unusual profits of the cotton crop, or by all these causes combined, or by these and others in addition, is not yet positively determined. One of our contemporaries, we observe, attributes it mainly, if not entirely, to California gold. It should, however, be noted, that as yet we have not received as much value from California—probably not half as much—as we have sent to California. Nor do we believe that all the gold which has reached us the past year from that quarter, is equal to the *excess* we have realized from cotton, over and above what we should have received, had it commanded only the usual prices. Ten millions of gold per annum sounds large, but it is, in truth, a mere trifle compared with the aggregate amount of the results of the nation's industry. In the Annual Report of the Patent Office, it is estimated that "the aggregate amount of the products of labor and capital in the United States, in 1848, was \$2,048,564,756," or say in round numbers, 2,000 millions dollars. True, a large portion of this value is consumed by the producers, or exchanged for other commodities which are consumed by them,—some of it for a portion of this very gold from California. To foreign countries we export domestic products to the value of one hundred and thirty or a hundred and forty millions of dollars per annum, for any part of which we might have gold in exchange, if on the whole we preferred it to the commodities which we actually receive.

The present population of California is estimated by its delegation to Washington, at 100,000 and upwards. We doubt if the products of their industry are of greater value, in proportion to the number of adults, and especially of adult males, than those of the people of this State. California is a very good place in its way, and will probably send us for some years to come \$8,000,000 or \$10,000,000 of gold per annum. But this alone is not a sufficient cause for a speculation mania. If, however, it is to come, there are many who, profiting by the experience of the past, will make their money, this time, not by buying, but by selling.



HAMBURG TUNNEL. The Great Tunnel at New Hamburg, connected with the Hudson River Railroad, is nearly completed. It is a gigantic work, measuring 830 feet in length; at the south end is a cut 500 feet long, 30 feet wide, and 50 feet deep, all through the solid rock before reaching the tunnel, which is 19 feet high and 24 feet wide. Through the tunnel the passage is gloomy enough to represent the most dangerous regions, darkness only being relieved by the light of candles, and through two shafts sunk to it, one 70 feet in depth, the other 56, through which a glimpse of daylight may be obtained, but on emerging at the north end one other deep cut is found, nearly as formidable as that at the south, being 200 feet long and 70 feet deep, making the entire deep cutting through the rock, all inclusive, no less than 1,530 feet. One who has not seen the work can form no conception of its magnitude, and it may be put down as one of the greatest curiosities in this part of the country. There are 400 men employed on this great work, under the supervision of Ward, Wells & Co., the contractors. Six thousand kegs of powder of 25 pounds each, have been used for blasting, in fourteen months, and nine blacksmiths' shops are constantly occupied with repairing the tools, &c. The work goes on night and day with great expedition.—*Evening Post.*

BANK STATISTICS.

CANADA.

Bank of Montreal, 17 November, 1849.

LIABILITIES.		£	s.	d.
Capital Stock,		750,000	0	0
Bank Notes in circulation,		481,016	10	0
Dividends Due,		23,754	18	10
Reserve Fund,		22,071	0	11
Deposits,		338,997	2	7
Total Liabilities,		£1,615,839	12	4
RESOURCES.		£	s.	d.
Gold and Silver Coin on hand,		165,061	14	7
Notes and Checks of other Banks on hand,		9,935	9	6
Real Estate,		43,885	9	2
Provincial Securities,		10,750	0	0
Bonds and Obligations,		53,313	2	11
Balances due by Foreign Agencies,		110,510	6	2
Balances due by Banks in this Province,		11,100	15	11
Balances due by Agencies, exclusive of Montreal Bank Notes,		48,853	9	5
Notes Discounted,		1,162,429	4	8
Total Resources,		£1,615,839	12	4

A. SIMPSON, *Cashier.*

Commercial Bank of the Midland District, 2 January, 1850.

LIABILITIES.		£	s.	d.
Stock paid in full,		403,175	0	0
Bank Notes in circulation, not bearing interest,		180,533	12	6
Balance due to other Banks,		12,878	1	6
Dividend No. 33, at 3 per cent.,	£12,095 5 0			
Former dividends unpaid,	143 14 7	12,238	19	7
Contingent Fund, reserved profits after paying dividend 33,		24,000	0	0
Deposits not bearing interest,	£74,072 13 1			
Deposits bearing interest,	31,179 2 3	105,251	15	4
Total Liabilities,		£738,077	8	11
RESOURCES.		£	s.	d.
Gold, Silver, and Copper Coin in the vaults of the Bank, its Offices and Agencies,		58,491	14	5
Notes and Checks of other Banks on hand,		17,692	15	0
Balances due from other Banks and Foreign Agents,		44,576	12	7
Real Estate and Bank Furniture,		23,426	18	10
Bills discounted, Bills of Exchange, Stock, &c.,		593,979	8	1
Total Resources,		£738,077	8	11

Commercial Bank, M. D., Kingston, 2nd January, 1850.

F. A. HARPER, *Cashier.*

Recapitulation of the Massachusetts Banks.

County.	Population, 1840.	Incor- porated.	No. Banks, 1849.	Bank Capital, 1849.
Suffolk, . . .	95,773	1643	27	\$19,577,495
Essex, . . .	94,987	1643	25	4,457,350
Bristol, . . .	60,165	1685	12	2,600,000
Middlesex, . . .	106,611	1643	11	2,100,000
Worcester, . . .	95,313	1731	12	1,475,000
Norfolk, . . .	53,140	1793	9	1,150,000
Hampden, . . .	37,366	1812	6	1,056,050
Berkshire, . . .	41,745	1761	5	550,000
Hampshire, . . .	30,897	1662	3	550,000
Plymouth, . . .	47,373	1685	4	405,000
Barnstable, . . .	32,548	1685	2	300,000
Franklin, . . .	28,812	1811	2	209,116
Nantucket, . . .	9,012	1695	1	200,000
Dukes, . . .	3,958	1695	none	none
Total, . . .	737,700		119	\$34,630,011

Average Capital of the 92 Country Banks, . . . \$163,600

Average Capital of the 27 City Banks, . . . 725,000

The Capital of the Massachusetts Country Banks in September, 1848, was \$14,005,000

Since when the following additions have been made :

Haverhill Bank, . . .	\$49,700	People's Bank, Roxbury, . . .	\$50,000
Bay State Bank, Lawrence, . . .	41,900		
Framingham Bank, . . .	50,000	<i>New Banks.</i>	
Appleton Bank, Lowell, . . .	50,000	Laighton Bank, Lynn, <i>paid in</i> , . . .	90,750
Holyoke Bank, Northampton, . . .	100,000	Newton Bank, . . .	100,000
Agawam Bank, Springfield, . . .	50,000	Mechanics Bank, Worcester, . . .	100,000
Chicopee Bank, " . . .	50,000	Franklin Bank, Greenfield, . . .	59,116
Dedham Bank, . . .	50,000	Western Bank, Springfield, . . .	56,050
Barnstable Bank, . . .	50,000	Mattapan Bank, Dorchester, . . .	100,000

Total increase, September, 1848, to October, 1849, . . . \$1,047,516

Boston City Banks.

Boylston Bank, <i>increase</i> , . . .	\$50,000
Freeman's Bank, <i>increase</i> , . . .	50,000
Shoe and Leather Dealers' Bank, <i>increase</i> , . . .	247,495
Grocers' Bank, <i>new</i> , . . .	250,000
	597,495

Total increase for the year to October, 1849, . . . \$1,645,011

The following banks were also authorized to increase their capital, but certificates of increase had not been filed on the 6th of October, viz. :

Bristol Co. Bank, Taunton, \$100,000	Holyoke Bank, Northampton, \$50,000
Freeman's Bank, Boston, 50,000	Springfield Bank, . . . 50,000
Greenfield Bank, Greenfield, 50,000	Taunton Bank, Taunton, 50,000

Our readers will find in a subsequent part of this No. a recapitulation of the new laws passed in relation to banking, by the Massachusetts legislature of 1850. A proposition to increase the capital of the Merchants' Bank, of Boston, failed to become a law.

New Banks of 1849, in Massachusetts.

Name.	Location.	Commenced.	Capital.
Mattapan Bank, . . .	Dorchester, . . .	July 2, 1849,	\$100,000
Lighton Bank, . . .	Lynn, . . .	August 1, 1849,	100,000
Franklin County Bank, . . .	Greenfield, . . .	Sept. 1, 1849,	100,000
Western Bank, . . .	Springfield, . . .	Sept. 4, 1849,	100,000
Milford Bank, . . .	Milford, . . .	Oct. 15, 1849,	100,000
Union Bank, . . .	Haverhill, . . .	Nov. 2, 1849,	100,000
Cochituate Bank, . . .	Boston, . . .	Nov. 10, 1849,	150,000
Rollstone Bank, . . .	Fitchburg, . . .	Nov. 24, 1849,	100,000
Cape Cod Bank, . . .	Provincetown, . . .	not yet in operation.	
Worcester County Bank, . . .	Blackstone, . . .	not yet in operation.	

P E N N S Y L V A N I A .

Comparative View of the City and Country Banks of Pennsylvania,
November, 1849.

* [Compiled for the Bankers' Magazine, from the Official Reports, issued at Harrisburg. For additional particulars, refer to page 800, April No.]

Liabilities.	* 16 Banks, Philadelphia.	† 36 Banks, Country.	Total, 52 Banks.
Capital,	\$10,670,600	\$7,807,782	\$18,478,382
Circulation,	4,130,612	7,255,168	11,385,780
Bank Balances,	3,375,187	649,718	4,024,905
Individual Deposits,	10,942,964	4,469,272	15,412,236
Public Deposits,	357,630	260,930	618,560
Dividends unpaid,	202,092	188,088	390,180
Contingent Fund,	1,311,460	615,063	1,926,523
Discounts, Interest, Exchange,	407,763	127,091	535,454
Profit and Loss,	361,880	128,390	490,270
Relief Issues, . . . . .	. . . . .	60,619	60,619
Miscellaneous,	32,997	12,760	45,757
Suspense Account,	3,650	8,652	12,302
Total Liabilities,	\$31,796,835	\$21,584,133	\$53,380,968
Resources.	Philadelphia.	Country.	Total.
Loans,	\$20,224,911	\$12,724,350	\$32,949,261
Specie and Treasury Notes,	4,113,937	2,146,804	6,260,741
Due by Banks,	1,257,257	1,802,381	3,059,638
Bank Notes and Checks,	1,925,670	948,706	2,874,376
Real and Personal Estate,	572,407	635,554	1,207,961
Bonds and Mortgages, &c.,	949,678	1,320,860	2,270,538
Stocks,	1,388,375	732,359	2,120,734
Exchange and Interest,	583,520	610,701	1,194,221
Expense Account,	56,590	8,630	65,220
Post Notes,	404,293	. . . . .	404,293
Sundry Loans,	220,796	575,794	796,590
Miscellaneous,	99,401	77,994	177,395
Total Resources,	\$31,796,835	\$21,584,133	\$53,380,968

* Including Bank of Germantown.

† Including four Savings Banks.

The Bank Capital of Pennsylvania, in November, 1848, was . . . \$21,462,870

To which add the following :

Philadelphia,	Bank of Pennsylvania,	. . .	increase	\$312,500	
"	Tradesmen's Bank,	. . .	new	150,000	
"	Western Bank,	. . .	increase	100,000	
"	Bank of Germantown,	. . .	do.	9,950	
Lancaster,	Lancaster Bank,	. . .	do.	103,670	
do.	Lancaster County Bank,	. . .	do.	3,042	
Norristown,	Bank of Montgomery County,	. . .	do.	47,540	
Lebanon,	Lebanon Bank,	. . .	do.	10,040	
Brownsville,	Monongahela Bank,	. . .	do.	12,000	
York,	York Savings Bank,	. . .	do.	15,000	
Carlisle,	Carlisle Deposit Bank,	. . .	do.	25	
Erie,	Erie Bank,	. . .	revived	101,895	865,662
					<hr/>
					\$22,328,532
Deduct:	Girard Bank, Philadelphia, reduced,	. . .		3,750,000	
	Exchange Bank, Pittsburg, "	. . .		150	
	Bank of Susquehanna Co., failed,	. . .		100,000	3,850,150
					<hr/>
Capital, November, 1849, of all the Pennsylvania banks,					\$18,478,382

Bank of the State of Missouri and five Branches.

<i>Liabilities.</i>	1 Jan. 1848.	1 Jan. 1848.	1 Jan. 1849.	1 Jan. 1850.
Capital owned by the State,	\$954,205	\$954,205	\$954,205	\$954,205
Capital owned by Individuals,	246,377	250,511	253,962	254,546
Individual Deposits,	1,296,428	1,364,650	1,735,410	1,372,884
Circulation,	2,195,840	2,404,160	2,569,950	2,594,790
Dividends unpaid,	. . . . .	. . . . .	. . . . .	4,408
Bank Balances,	37,858	138,073	170,695	150,655
Interest and Exchange,	176,612	196,870	186,208	186,676
Contingent Fund,	79,978	98,850	122,960	147,126
Suspense Account,	17,223	17,223	17,223	17,608
Total Liabilities,				<hr/>
	\$5,004,621	\$5,424,543	\$6,010,613	\$5,682,898
<i>Resources.</i>	1 Jan. 1848.	1 Jan. 1848.	1 Jan. 1849.	1 Jan. 1850.
Bills discounted,	\$1,433,038	\$1,775,886	\$1,816,180	\$2,133,654
Exchanges matured,	544,675	136,245	474,380	361,546
Exchanges maturing,	733,894	511,168	590,095	495,095
Due by the State,	76,844	110,572	123,538	122,353
Real Estate,	136,016	122,574	125,850	114,175
Suspended Debt,	170,046	164,218	155,458	155,644
Funds abstracted,	. . . . .	. . . . .	. . . . .	120,961
Expense Account,	14,445	15,451	15,426	19,307
Bank Balances,	47,900	20,520	53,905	28,820
Bank Notes,	185,736	47,040	86,560	36,820
Illinois Bank Certificates,	208,313	206,153	191,533	191,538
Coin on hand,	1,453,614	2,314,716	2,427,688	1,902,986
Total Resources,				<hr/>
	\$5,004,621	\$5,424,543	\$6,010,613	\$5,682,898

TABLE OF DIVIDENDS OF THE BOSTON BANKS, APRIL, 1850, WITH THE SURPLUS FUND AND AGGREGATE LOANS OF EACH BANK, IN OCTOBER, 1849.

Names.	Capital.	Rate.	Amount.	Surplus Oct 6, 1849.	Loans Oct 6, 1849.
Atlantic Bank, . . .	\$500,000	4	\$20,000	\$74,000	\$973,000
Atlas Bank, . . .	500,000	3½	17,500	28,000	881,000
Boston Bank, . . .	900,000	4	36,000	80,000	1,418,000
Boylston Bank, . . .	200,000	4½	9,000	14,000	396,000
City Bank, . . .	1,000,000	4	40,000	87,000	1,600,000
Cochituate Bank, . . .	150,000	3	4,500	new	. . . .
Columbian Bank, . . .	500,000	3½	17,500	26,000	650,000
Eagle Bank, . . .	500,000	3½	17,500	30,000	913,000
Exchange Bank, . . .	500,000	4	20,000	31,000	960,000
Freemans Bank, . . .	250,000	4½	11,250	29,500	437,000
Globe Bank, . . .	1,000,000	4	40,000	118,000	1,450,000
Granite Bank, . . .	500,000	3½	17,500	36,000	845,000
Grocers Bank, . . .	250,000	4	10,000	5,000	487,000
Hamilton Bank, . . .	500,000	3½	17,500	65,000	816,000
Market Bank, . . .	560,000	5	28,000	96,000	954,000
Massachusetts Bank,	800,000	3	24,000	40,000	1,058,000
Mechanics Bank, . . .	120,000	4	4,800	18,000	239,000
Merchants Bank, . . .	3,000,000	4	120,000	310,000	4,494,000
New England Bank, . .	1,000,000	4	40,000	83,000	1,548,000
North Bank, . . .	750,000	3½	26,250	40,000	1,125,000
Shawmut Bank, . . .	500,000	4	20,000	43,000	827,000
Shoe and Leather Dealers,	750,000	4½	33,750	70,000	1,197,000
State Bank, . . .	1,800,000	3½	63,000	156,000	2,627,000
Suffolk Bank, . . .	1,000,000	5	50,000	290,000	1,427,000
Traders Bank, . . .	400,000	4	16,000	38,000	772,000
Tremont Bank, . . .	500,000	4	20,000	56,000	998,000
Union Bank, . . .	800,000	4	32,000	63,000	1,182,000
Washington Bank, . . .	500,000	3	15,000	14,000	728,000
Totals, . . .	\$19,730,000		\$771,050	average 3.90 per cent.	

The above recapitulated "profits on hand" in October last, after the declaration of the October dividends, were \$1,952,000, or nearly ten per cent. of the capital stock paid in. It is fair to suppose that the accumulated profits since, are equal to the dividends recently declared, and that the surplus on hand in October last remains the same.

The Bank Capital of Massachusetts, paid in, as per last annual Report, was, in October, 1849. \$34,630,011

Since when the following additions have been made:

Boston,	Suffolk Co.,	Cochituate Bank,	150,000
"	"	Shoe and Leather Dealers Bank,	2,500
Haverhill,	Essex County,	Haverhill Bank,	300
"	"	Union Bank,	100,000
Lynn,	"	Laighton Bank,	9,250
Lawrence,	"	Bay State Bank,	58,100
Fitchburg,	Worcester County,	Rollstone Bank,	100,000
Milford,	"	Milford Bank,	100,000
Greenfield,	Franklin County,	Franklin County Bank, . . .	40,884
Springfield,	Hampden County,	Western Bank,	43,950

Actual Bank Capital of Massachusetts, April, 1850, \$35,235,000

The Bank Capital of Massachusetts, as appears by a statement on page 934, was, in April, 1850, \$35,235,000

To which will be added the following during the year 1850 :

New Banks Chartered, 1850.

Bank of Commerce,	Boston,		\$750,000	
Bank of North America,	"		500,000	
Haymarket Square Bank,	"		150,000	
Rockport Bank,	Rockport,	Essex County, . .	100,000	
Prescott Bank,	Lowell,	Middlesex County, .	100,000	
Abington Bank,	Abington,	Plymouth County, .	100,000	
Tradesmen's Bank,	Chelsea,	Suffolk County, . .	100,000	
Mariner's Bank,	Danvers,	Essex County, . .	100,000	
John Hancock Bank,	Springfield,	Hampden County, .	100,000	2,000,000
				<u>\$37,235,000</u>

DIVIDENDS OF THE BOSTON BANKS, 1845 TO 1850.

	Capital 1850.	Year 1845.	Year 1846.	Year 1847.	Year 1848.	Year 1849.	Year 1850.
Merchants Bank, . . .	\$3,000,000	7 p. c.	7 p. c.	7 p. c.	8 p. c.	8 p. c.	4 p. c.
State Bank,	1,800,000	6	6	6	6½	7	3½
City Bank,	1,000,000	6	6	6	7	7	4
Globe Bank,	1,000,000	6	6½	7	7½	8	4
Suffolk Bank,	1,000,000	8	8	10	10	10	5
New England Bank, . .	1,000,000	6	6	8	8	8	4
Boston Bank,	900,000	7	7	7	8	8	4
Massachusetts Bank, . .	800,000	5 4-5	6	6	6	6	3
Union Bank,	800,000	6	6	7	7	7	4
North Bank,	750,000	6	6	6	6	6½	3½
Shoe & Leath. Dealers' B'k,	750,000	6½	7½	8	9	8½	4½
Market Bank,	560,000	8	9	9½	10	10	5
Atlantic Bank,	500,000	6	6	6½	7	8	4
Atlas Bank,	500,000	6	6	6½	6½	7	3½
Columbian Bank,	500,000	5½	6	6	7	7½	3½
Eagle Bank,	500,000	6½	6½	6½	7	7	3½
Exchange Bank,	500,000	-	-	new	8½	8	4
Granite Bank,	500,000	6	7	6½	7	7	3½
Hamilton Bank,	500,000	6	7	7	7	7	3½
Shawmut Bank,	500,000	6	6½	7	7½	7½	4
Tremont Bank,	500,000	6	6	6½	7	7½	4
Washington Bank,	500,000	5½	6	6½	6½	6	3
Traders Bank,	400,000	6	6	7	7½	8	4
Freemans Bank,	250,000	7	8	8	8½	9	4½
Grocers' Bank,	250,000	-	-	-	new	8	4
Boylston Bank,	200,000	new	5	8	8½	8	4½
Cochituate Bank,	150,000	-	-	-	-	new	3
Mechanics Bank,	120,000	7	8	8	8	8	4
1850,	\$19,730,000	Dividends.	1847,	\$18,030,000		\$1,269,300	
1849,	19,280,000	\$1,477,350	1846,	18,030,000		1,188,500	
1848,	18,330,000	1,373,100	1845,	17,490,000		1,112,100	

INCREASE OF BANK CAPITAL IN MASSACHUSETTS, 1850.

By recent acts of the Legislature of Massachusetts passed 1850, the following banks are authorized to increase their capital.

Boston,	Tremont Bank,	. . . . .	\$500,000
Boston,	Union Bank,	. . . . .	200,000
Boston,	Grocers' Bank,	. . . . .	50,000
Boston,	Mechanics' Bank,	. . . . .	30,000
Springfield,	Western Bank,	. . . . .	150,000
Worcester,	Mechanics' Bank,	. . . . .	50,000
Adams,	Adams Bank,	. . . . .	50,000
Northampton,	Holyoke Bank,	. . . . .	50,000
Newton,	Newton Bank,	. . . . .	50,000
Greenfield,	Franklin County Bank,	. . . . .	50,000

Total Increase authorized by Acts of Legislature, 1850, \$1,180,000

VIRGINIA.

The Exchange Bank of Virginia and four Branches.

<i>Liabilities.</i>	<i>Oct. 1845.</i>	<i>Oct. 1846.</i>	<i>Oct. 1847.</i>	<i>1 Jan. 1850.</i>
Capital,	\$1,726,300	\$1,726,300	\$1,808,300	\$1,826,300
Circulation,	711,352	572,726	1,088,664	1,047,287
Deposits,	732,545	661,006	661,026	784,861
Bank Balances,	50,995	116,071	66,964	97,569
Surplus Profits,	136,502	135,748	153,880	204,027
Total Liabilities,	<u>\$3,357,694</u>	<u>\$3,211,851</u>	<u>\$3,778,834</u>	<u>\$3,960,044</u>
<i>Resources.</i>	<i>Oct. 1845.</i>	<i>Oct. 1846.</i>	<i>Oct. 1847.</i>	<i>1 Jan. 1850.</i>
Loans,	\$2,426,204	\$2,340,738	\$2,739,623	\$3,141,616
Foreign Exchange,	3,426	31,760	11,093	9,278
State Stock,	243,045	240,745	201,740	62,624
Bank Balances and Notes,	265,163	146,820	252,928	288,071
Suspended Debt at Petersburg, . . . . .	. . . . .	. . . . .	. . . . .	36,236
Exchange Bank Stock,	19,435	6,450	. . . . .	. . . . .
Real Estate,	91,998	91,159	96,223	93,530
Coin on hand,	274,136	331,141	461,324	313,944
Branch Balances,	34,238	23,038	15,903	12,746
Total Resources,	<u>\$3,357,694</u>	<u>\$3,211,851</u>	<u>\$3,778,834</u>	<u>\$3,960,044</u>

CIRCULATION, COIN, DEPOSITS AND LOANS OF THE VIRGINIA BANKS.

<i>1 January, 1850.</i>	<i>Circulation.</i>	<i>Coin.</i>	<i>Deposits.</i>	<i>Loans.</i>
Bank of Virginia,	\$2,033,000	\$785,000	\$1,310,000	\$4,585,000
Farmers Bank of Va.,	2,522,000	789,000	1,470,000	5,992,000
Exchange Bank of Va.,	1,047,000	314,000	784,000	3,150,000
North Western Bank of Va.,	821,000	249,000	178,000	1,205,000
Merchants & Mechanics Bank, Returns		not published	. . . . .	. . . . .
Total,	<u>\$6,423,000</u>	<u>\$2,137,000</u>	<u>\$3,742,000</u>	<u>\$14,932,000</u>

[For further particulars of the Virginia banks, see April No. p. 796.]

NEW HAMPSHIRE.

Liabilities and Resources of the Banks of New Hampshire, March, 1850.

<i>Location.</i>	<i>Bank.</i>	<i>Capital.</i>	<i>Circulation.</i>	<i>Deposits.</i>
Claremont,	Claremont Bank,	\$60,000	\$57,221	\$5,022
Charlestown,	Connecticut River Bank,	90,000	68,189	18,624
Concord,	Mechanics Bank,	100,000	95,414	48,522
"	Merrimac County Bank,	80,000	75,069	22,508
Dover,	Dover Bank,	75,000	67,188	14,825
"	Strafford Bank,	100,000	80,723	32,492
Exeter,	Granite Bank,	100,000	77,640	8,170
Keene,	Ashuelot Bank,	100,000	60,941	14,478
"	Cheshire Bank,	100,000	80,657	19,066
Lancaster,	Lancaster Bank,	50,000	31,884	8,775
Lebanon,	Lebanon Bank,	100,000	88,125	3,918
Manchester,	Amoskeag Bank,	100,000	98,574	11,653
"	Manchester Bank,	110,000	109,681	37,154
Meredith,	Belknap Co. Bank,	50,000	48,526	5,350
Nashua Bank,	Nashua Bank,	100,000	99,968	11,641
New Ipswich,	New Ipswich Bank,	100,000	71,189	392
Portsmouth,	Mechanics & Traders B'k,	120,000	116,906	81,602
"	Piscataqua Exch. Bank,	200,000	124,961	47,678
"	Rockingham Bank,	148,950	97,315	47,076
Rochester,	Rochester Bank,	100,000	61,871	3,125
Somersworth,	Great Falls Bank,	120,000	79,187	5,158
Winchester,	Winchester Bank,	100,000	59,868	6,440
Total Liabilities,		\$2,203,950	\$1,751,096	\$453,671

<i>Resources.</i>	<i>Loans.</i>	<i>Specie.</i>	<i>B'k Notes.</i>	<i>B'k Balances.</i>
Claremont Bank,	\$97,858	\$3,864	\$2,094	\$20,171
Connecticut River Bank,	174,195	7,596	600	2,000
Mechanics Bank,	194,398	7,281	11,070	41,085
Merrimac County Bank,	144,741	11,564	17,667	8,256
Dover Bank,	141,320	3,834	3,827	12,020
Strafford Bank,	191,150	2,913	3,891	12,164
Granite Bank,	178,808	4,378	2,868	2,340
Ashuelot Bank,	160,417	7,697	1,218	7,360
Cheshire Bank,	178,644	5,907	4,375	14,890
Lancaster Bank,	90,454	1,380	2,280	4,636
Lebanon Bank,	137,750	7,683	5,228	41,000
Amoskeag Bank,	200,367	3,120	10,853	12,137
Manchester Bank,	204,863	6,722	8,348	50,690
Belknap County Bank,	92,504	2,654	5,360	7,895
Nashua Bank,	200,144	15,224	1,073	25,040
New Ipswich Bank,	144,146	6,354	983	21,584
Mechanics and Traders Bank,	275,111	11,010	2,020	35,160
Piscataqua Exchange Bank,	311,325	12,238	7,317	44,690
Rockingham Bank,	256,620	17,070	14,843	26,046
Rochester Bank,	150,153	4,028	540	11,652
Great Falls Bank,	183,313	4,203	1,415	16,498
Winchester Bank,	143,877	2,852	1,945	15,258
Total,	\$3,862,168	\$149,671	\$109,816	\$432,872

BANK NOTE PAPER.

ROYAL INSTITUTION.—Feb. 15.—W. R. Hamilton, Esq., V. P., in the chair. Rev. J. Barlow “On a Bank of England Note.” Mr. Barlow’s object was to describe the characteristics of a Bank of England note, and to exhibit, as far as time and circumstances permitted, the details of its manufacture. For this latter purpose workmen and machinery were supplied from the bank. The Bank of England note is simple in character, having altered very little in appearance since it was first issued at the end of the seventeenth century, but the quality of the paper and of the engraved writing have now been brought up to a high degree of excellence. In thus perfecting their note, the authorities of the bank have had entirely in view the protection of the public from fraud and loss. Instead of defending themselves, as is the practice in some other countries, by secret marks on their paper money, the substance and printing of which are equally ill executed, the Bank of England accepts no security which may not be possessed by any one who will make himself acquainted with the following characteristics of the paper, the plate-printing, and the type-printing of the note.

The paper is distinguished:—1. By its *color*, a peculiar white, such as is neither sold in the shops, nor used for any other purpose. 2. By its *thinness and transparency*, qualities which prevent any of the printed part of the note being washed out by turpentine or removed by the knife, unless a hole is made in the place thus practised on. 3. *By its characteristic feel*. There is a peculiar crispness and toughness in Bank of England paper, which enables those who are accustomed to handle it, to distinguish instantaneously, by the sense of touch alone, true from false notes.

4. *Wire mark*. The wire mark (or water mark) is produced in the paper in the state of pulp; consequently, a forger must procure a mould and make the paper. But both the workmanship of the mould and the manufacture of the paper from its intricate surface require the skill of first-rate artisans. As these are not found in the haunts of crime, a spurious imitation of the water mark has to be affixed, by means of a metallic stamp, upon the counterfeit paper *after it has been made*. A false mark of this kind was produced during the discourse, and its easy distinguishableness from the true one exhibited.

5 The three *deckle edges* of the bank note. The mould contains two notes, placed lengthways; these are separated by the knife in a future stage of the manufacture. The deckle (or wooden frame of the paper mould) produces that peculiar effect which is seen on the edges of uncut paper. As it is caused when this substance is in a state of pulp, it is as unlike any imitation attempted upon paper as the rent or hemmed edge of linen, &c., differs from the selvage. It will be evident from this that any paper purchased for purposes of forgery, inasmuch as it has to be cut into shape, can have but *two* natural (or deckle) edges at most, instead of *three*, and must bear, in consequence, a recognizable proof of falsity. 6. *The strength of the bank note paper*. Being made not from the worn fibres of old garments, but from *new* linen and *new* cotton pieces, the paper of the bank note is extremely strong. Mr. Portal, the manufacturer, supplied a simply con-

structed machine for testing this. It was seen by trial, that in its water-leaf (or unsized) condition, a bank note will support thirty-six pounds, and that when one grain of size has been diffused through it, it will then lift fifty pounds.

The processes of the printing of the bank note were then adverted to. The bulk of the note is printed from a steel-plate, the identity of which is secured by the process of transferring. The paper is moistened for printing by water driven through its pores under the pressure of the atmosphere admitted into the exhausted receiver of an air-pump. This process was invented by the late Mr. Oldham, about twenty-five years ago, who at the same time suggested its application to pickling meat. Mr. Payne's more recent patent for preserving timber is derived from the same principle. In the Bank of England, 30,000 double notes are thus moistened in the course of an hour. The ink used in plate-printing is made at the bank, from linseed oil and the charred husks and vines of Rhenish grapes. This Frankfort black (as it is called) affords a characteristic velvety black, very distinguishable in the left-hand corner of the note. Inks in forgeries have usually a bluish or brownish hue. The D cam invented by Mr. Oldham, perfects every impression when once drawn through the press. Several impressions were taken during the discourse, from one of the bank plates.

The numbering and cypher printing are also executed in one of the presses in use at the bank; and a large model was dissected to show with what certainty the carriage to tens, hundreds, &c., was effected by means of an extra stud on the spur of the tenth wheel. The combination of plate with type-printing is itself a great security against a successful forgery of a bank note. All that now remains is the signature of the clerk. This is chiefly valuable as a moral restraint against counterfeits. At the same time, the nicety of adjustment in bank paper manufacture is evinced by its being suited both to the printer, who requires the least, and to the penman, who requires the greatest, quantity of size in the paper to fit it for their respective purposes.

The process of splitting a bank note was explained, and a large sheet of paper was split, having previously been pasted between two pieces of calico. The attraction of the calico to the paper being greater than that of the surfaces to each other, they separate under an equable pull in opposite directions. This practice never could be used for any fraudulent purpose in bank notes, because the printed surface is that which receives the water-mark; consequently, the other unprinted surface could not retain more than the faintest trace of it. In conclusion, the great diminution of forgeries since the abolition of capital punishment for that crime, was noticed; and a hope was expressed that the abatement of an offence which education was once supposed to promote, might be attributed to the diffusion of useful instruction, combined, as it generally is, with moral and religious influences.

FORGERIES.—Time was when the gallows was looked to for security, but its efficacy is exhibited in the following forgeries of the £1 notes annually presented at the bank from 1811 to 1820.

1811,	£4,825	1815,	£12,714	1819,	£21,340
1812,	11,682	1816,	20,925	1820,	27,993
1813,	10,530	1817,	26,179	1821,	17,389
1814,	9,973	1818,	25,617		

And the Records of forgeries of *five* and *ten* pound notes, exhibit the following results.

Year.	£5	£10	Year.	£5	£10	Year.	£5	£10
1821,	507	72	1831,	133	11	1841,	58	9
1822,	352	61	1832,	159	27	1842,	79	7
1823,	214	19	1833,	120	57	1843,	38	5
1824,	95	18	1834,	50	13	1844,	32	3
1825,	121	9	1835,	52	15	1845,	34	3
1826,	345	29	1836,	52	9	1846,	63	4
1827,	265	35	1837,	77	77	1847,	63	2
1828,	348	63	1838,	60	9	1848,	214	11
1829,	431	40	1839,	96	19	1849,	109	65
1830,	279	37	1840,	126	26			

The increase of forgery in the last two years, Mr. Barlow attributed to the disturbed state of Europe, calling forth necessitous ingenuity to imitate the paper money of almost the only undisturbed monarchy. But the general decline of forgery he referred to the good effects of education and moral training, and to the example of a Christian legislature, by the abolition of capital punishment for this offence, setting a value upon human life.

The paper of a note weighs only $19\frac{1}{2}$ grains. Unsigned, a note weighs eighteen grains: in this state it supported a weight of 36 lbs. When signed, one grain and a half added thereby to its own weight, it supported 20 lbs. additional, or 56 lbs. Its strength and durability are due to the goodness of the materials and the care in their manipulation. Thirty thousand notes are printed daily at the bank. In the last fifty years the bank has expended £100,000 in experimental investigations; but the sole object has been a *fac-simile* readily to be recognized.—*Atheneum and London Lit. Gaz.*

THE BANK OF ENGLAND.—At the half yearly meeting of the General Court of the Bank of England, 21 March, 1850, Mr. DeWinton, a banker, observed—For the last half year they had £12,000,000 of unemployed capital, and he gave it as his opinion, founded on his experience as a banker, that of this amount six millions might have been legitimately used. It had been the custom of the directors to keep only one-third of the deposits unemployed, and if a profit of even $2\frac{1}{2}$ per cent. had been made on the £6,000,000, it would have yielded £150,000. which would have added another $\frac{1}{2}$ per cent. to the dividend of September 1849.

He prophesied that before next September they would have in the issue department £20,000,000. They had now seventeen millions. He gave it as his opinion, that England, having repealed the navigation and the corn laws, was about to enter on a career of commercial prosperity never before known in her history; for, with money getting cheaper every day, the progress of our national industry must be greatly increased. With £17,000,000 in the Bank of England, and £19,000,000 in the Bank of France, he had not a doubt that consols would be at par, and that the government would be enabled to reduce the three per cents to $2\frac{1}{2}$ per cent.; thus saving £3,000,000 a year to the country, and striking one hundred millions off the national debt. Mr. Prescott, the Governor, moved that the Court order a dividend of four per cent. on the capital stock, which would leave £3,000,434 as the amount of *rest* (surplus fund.)

DIRECTORS OF THE BANK OF ENGLAND

FROM 1694 TO 1847.

Sir John Houblon	1694	Anthony Stevens	1695
Michael Godfrey	"	Sir William Ashhurst	1697
Sir Thomas Abney	"	Robert Bristow	"
Sir James Bateman	"	Samuel Bultell	"
Brooke Bridges	"	John Page	"
George Boddington	"	Sir Francis Eyles	"
James Denew	"	John Shipman	"
Sir Henry Furnese	"	Sir Nathaniel Gould	"
Sir William Gore	"	Samuel Lock	"
Thomas Goddard	"	Sir Peter Delme	1698
Sir Gilbert Heathcote	"	William Dawsonne	"
Sir William Hedges	"	Francis Stratford	"
Sir James Houblon	"	Peter Gott	"
Sir John Huband	"	Sir Richard Levett	"
Abraham Houblon	"	John Devinek	1699
Sir Theodore Janssen	"	John Rudge	"
John Knight	"	Richard Perry	"
Samuel Lethieullier	"	John Reynardson	1700
John Lordell	"	William Desbouverie	"
William Patterson	"	Josiah Diston	1701
Robert Raworth	"	John Gould	"
Sir William Scawen	"	John Hanger	"
Obadiah Sedgwick	"	Humphrey South	"
John Smith	"	Sir Robert Clayton	1702
Nathaniel Tench	"	Sir Gerard Conyers	"
Sir John Ward	"	Abraham Hill	"
Henry Cornish	1695	Samuel Heathcote	"
Edward Clarke	"	Charles Chambrélan	1703
Sir John Cope, Sen. . . .	"	Sir William Hodges	"
Peter Godfrey	"	Sir Charles Peers	1705

Sir Thomas Scawen	1705	Sir Edward Bellamy	1723
Sir John Cope, Jun.	1706	Mathew Howard	"
James Dolliffe	1708	John Olmuns	"
John Emilie	"	Sir Francis Forbes	1724
William Gore	1709	William Fawkener	"
Sir Justus Beck	1710	Sir John Heathcote	1725
William Henry Comellissen	"	John Nicoll	1726
John Dolben	"	Sir Francis Porten	"
Jeremiah Powell	"	Stamp Brooksbank	1728
Sir Denis Dutry	1711	James Gaultier	"
Heneage Fetherstone	"	William Hunt	"
Sir Philip Jackson	"	William Snelling	"
John Ward, Jun.	"	Clement Boehm	1729
Sir George Thorold	"	Joseph Paice, Jun.	1730
Mr. Robert Atwood	1712	Mathew Raper	"
Richard Cary	"	James Spilman	"
Sir Joseph Hodges	"	Robert Alsop	1731
Sir Randolph Knipe	"	John Bance	"
Christopher Lethieullier	"	Henry Neale	1732
Mathew Raper	"	Robert Thornton	"
John Edmonds	1713	Charles Savage	1733
Sir Richard Houblon	"	Benjamin Lethieullier	1734
Richard Chiswell	1714	Benjamin Longuet	"
Sir William Jolliff	"	Sir John Thompson	"
Henry Lyell	"	Christopher Tower	"
William Thompson	"	John Eaton Dodsworth	"
Sir John Eyles	1715	Frederick Frankland	1736
Mr. Barrington Eaton	1716	Samuel Trench	"
John Francis Fauquier	"	Alexander Sheafe	1737
Humphrey Morice	"	Richard Chiswell, Jun.	1738
Moses Raper	"	Sir John Lequesne	"
Sir Joseph Eyles	1717	Benjamin Mee	"
Sir William Humphreys	1719	Mark Weyland	"
Richard Du Cane	1720	Claude Fonnereau	1739
Samuel Holden	"	Charles Palmer	"
Bryan Benson	1721	John South	"
Thomas Cooke	"	Mathew Beachcroft	1741
Delillers Carbonnel	1722	Robert Nettleton	"
Nathaniel Gould	"	Thomas Whateley	"
Henry Herring	"	Merrick Burrell	1742
Hon. Horatio Townshend	"	James Lever	"

Theophilus Salwey	1742	Lyde Browne	1768
Robert Marsh	1743	George Drake	"
James Theobald	"	George Hayter	"
Robert Salusbury	1744	Benjamin Hopkins	"
Peter Thomas	"	George Peters	"
Bartholomew Burton	1746	Mark Weyland	"
Godfrey Thornton	1748	Roger Boehm	1769
John Weyland	"	Matthew Howard	"
Thomas Winterbottom	1749	Benjamin Branfill	1770
Charles Boehm	1750	William Snell	"
Matthew Clairmont	"	Samuel Bosanquet	1771
Samuel Handley	"	Martyn Fonnereau	"
Richard Stratton	"	Godfrey Thornton	1772
Harry Thompson	"	Daniel Giles, Jun.	1774
Sir Samuel Fludyer	1753	Christopher Puller	"
John Sargent	"	Thomas Dea	1775
William Cooper	1754	Richard Clay	1776
Philip De la Haize	"	Thomas Raikes	"
Sir Thomas Chitty	1755	Benjamin Mee, Jun.	1777
Peter Du'Cane	"	John Sargent, Jun.	1788
Edward Payne	1756	William Cooke	1780
Thomas Plurner	"	Samuel Thornton	"
Peter Theobald	"	Thomas Scott Jackson	"
Robert Dingley	1757	Job Matthew	1781
James Sperling	"	Joseph Nutt	"
Henry Plant	1759	Thomas Boddington	1782
Samuel Beacherft	1760	Benjamin Winthrop	"
Gustavus Brander	1761	Beeston Long, Jun.	1784
Daniel Booth	"	James Maude	"
John Cornwall	"	Isaac Osborne	"
Peter Gaussen	"	Sir Brook Watson	"
James Haughton Langston	"	John Harrison	1785
Edmund Wilcox	"	Bicknell Coney	1786
William Bowden	1763	John Whitmore, Jun.	"
William Ewer	"	Peter Isaac Thellusson	1787
Richard Neave	"	Moses Yeldham	1788
John Fisher	1764	William Manning, Jun.	1790
Christopher Hake, Jun.	"	John Pearce	"
Thomas Thomas	1765	John Puget	"
Edward Darell	1767	Thomas Lewin	1791
William Halhed	"	Peter Cazalet	1792

William Mellish	1792	Sir John Henry Pelly	1821
Edward Simeon	"	David Barclay	"
Alexander Champion, Jun.	1794	John Cockerell	"
George Dorrien	"	Henry Porcher	"
Jeremiah Harman	"	William Cotton	1822
Nathaniel Bogle French	1796	John Benjamin Heath	1823
Charles Pole	"	William R. Robinson	1825
Thomas Amyand	1798	James Morris	1827
Thomas Langley	"	William Thompson	"
Ebenezer Maitland	"	Humphrey St. John Mildmay	1828
Peter Free	1800	John Oliver Hanson	1829
Jeremiah Olive	"	Charles Pascoe Grenfell	1830
Henry Smith	1802	Abel Lewes Gower	"
Stephen Thornton	"	Sheffield Neave	"
John Bowden	1803	Rowland Mitchell	1833
Cornelius Buller	"	Christopher Pearse	1834
Alexander Baring	1805	Henry Davidson	1835
John Josiah Holford	"	Bonamy Dobree	"
John Baker Richards	"	Thomson Hankey, Jun.	"
Samuel Drew	1806	Henry James Prescott	"
Henry Davidson	1807	Robert Barclay	1837
John Stainforth	"	John Malcolmson	"
Sir Robert Wigram	"	John Gellibrand Hubbard	1838
John Campbell	1808	Charles Frederick Huth	"
William Haldimand	1809	Alfred Latham	"
George Blackman	1810	Thomas Charles Smith	"
William Tierney Robarts	"	Thomas Matthias Weguelin	"
John Horsley Palmer	1811	Edward Henry Chapman	1840
Andrew Henry Thompson	"	Kirkman Daniel Hodgson	"
Sir Thomas Neave	1812	William Little	1842
Richard Mee Raikes	"	David Powell	"
James Pattison, Jun.	1813	Francis Wilson	"
William Ward	1817	Arthur Edward Campbell	1843
Samuel Hibbert	1819	Thomas Tooke, Jun.	"
Timothy Abraham Curtis	1820	Henry Lancelot Holland	1844
John Rae Reid	"	Thomas Newman Hunt	"

ANNUAL DIVIDENDS OF THE BANK OF ENGLAND,
From 1694 to 1849 inclusive.

	Per cent.		Per cent.		Per cent.		Per cent.
1694 - 1697	8	1706	18½	1715	7½	1724	6
1698	7	1707	7¾	1716	8	1725	6
1699	9½	1708	12½	1717	8	1726	6
1700	10¾	1709	8½	1718	8	1727	6
1701	9	1710	7½	1719	7½	1728	5½
1702	12	1711	7	1720	7½	1729	5½
1703	16½	1712	8	1721	6	1730	5¾
1704	15¾	1713	8	1722	6	1731	5¾
1705	15½	1714	8	1723	6		

Dividends, with the highest and lowest prices of Bank of England Stock.

Year.	Dividend.	Highest.	Lowest.	Year.	Dividend.	Highest.	Lowest.
1732	5¾	152	— 109	1758	4½	123	— 116
1733	5½	151	— 130	1759	4½	123	— 109
1734	5½	140	— 132	1760	4½	114	— 101
1735	5½	146	— 138	1761	4½	116	— 98
1736	5½	151	— 148	1762	4½	119	— 91
1737	5½	151	— 142	1763	4½	131	— 111
1738	5½	145	— 140	1764	4¾	127	— 112
1739	5½	144	— 115	1765	5	136	— 126
1740	5½	144	— 138	1766	5	139	— 135
1741	5½	143	— 135	1767	5¼	159	— 142
1742	5½	143	— 136	1768	5½	170	— 158
1743	5½	148	— 145	1769	5½	175	— 149
1744	5½	148	— 116	1770	5½	153	— 105
1745	5½	147	— 133	1771	5½	155	— 134
1746	5½	136	— 125	1772	5½	153	— 144
1747	5	129	— 119	1773	5½	143	— 139
1748	5	129	— 117	1774	5½	146	— 139
1749	5	140	— 128	1775	5½	146	— 141
1750	5	136	— 131	1776	5½	143	— 134
1751	5	142	— 135	1777	5½	138	— 128
1752	5	149	— 141	1778	5½	120	— 107
1753	4½	144	— 135	1779	5½	118	— 106
1754	4½	135	— 130	1780	5½	116	— 109
1755	4½	162	— 119	1781	5¾	119	— 105
1756	4½	121	— 114	1782	6	124	— 109
1757	4½	120	— 115	1783	6	134	— 112

Year.	Dividend.	Highest.	Lowest.	Year.	Dividend.	Highest.	Lowest.
1784	6	118	— 110	1817	10	294	— 220
1785	6	142	— 111	1818	10	292	— 207
1786	6	158	— 138	1819	10	267	— 210
1787	6	160	— 145	1820	10	226	— 215
1788	7	178	— 158	1821	10	240	— 221
1789	7	191	— 169	1822	10	252	— 235
1790	7	188	— 164	1823	8	246	— 204
1791	7	204	— 178	1824	8	245	— 227
1792	7	219	— 171	1825	8	299	— 196
1793	7	180	— 161	1826	8	223	— 193
1794	7	169	— 153	1827	8	217	— 200
1795	7	180	— 152	1828	8	215	— 203
1796	7	180	— 142	1829	8	218	— 208
1797	7	146	— 115	1830	8	203	— 194
1798	7	138	— 118	1831	8	204	— 189
1799	7	176	— 134	1832	8	208	— 185
1800	6½	175	— 154	1833	8	213	— 190
1801	7	190	— 148	1834	8	225	— 211
1802	7	207	— 178	1835	8	225	— 208
1803	7	193	— 136	1836	8	219	— 199
1804	7	169	— 146	1837	8	212	— 203
1805	7	197	— 167	1838	8	208	— 201
1806	7	223	— 191	1839	7	206	— 177
1807	10	235	— 208	1840	7	179	— 156
1808	10	240	— 224	1841	7	173	— 157
1809	10	288	— 235	1842	7	173	— 165
1810	10	276	— 273	1843	7	185	— 172
1811	10	251	— 229	1844	7	211	— 185
1812	10	232	— 212	1845	7	215	— 199
1813	10	242	— 211	1846	7	211	— 199
1814	10	266	— 234	1847	7	206½	— 180
1815	10	262	— 219	1848	7	202	— 183
1816	10	262	— 215	1849	7	200	— 188½

BANK HOLIDAYS. — At the Bank of England the only holidays in the dividend offices are Good Friday and Christmas. In the transfer offices, besides the above, May 1st and November 1st. East India House and Exchequer, — Good Friday and Christmas. Custom-House, — Christmas, Good Friday, Prince of Wales's birthday and the Queen's birthday, November 9th and May 24th.

IN IRELAND. — Banks, Custom-House, &c. Good Friday, Christmas, and Queen's birthday.

IN SCOTLAND. — New year's day, King Charles I. martyrdom, Queen's marriage, Queen's birthday, Good Friday, Charles II. restoration, Queen's accession, Queen's coronation, Gunpowder Plot, and Christmas day.

FLUCTUATIONS OF THE ENGLISH FUNDS IN 1846-47.

Table showing the Highest and Lowest Prices of the principal Funds of the London Market, from November, 1846, to October, 1847.

Months.	Frank Stock.	3 per ct. reduced.	3 per ct. Annuities, 1726. Consols.	New 3 $\frac{1}{2}$ per ct. Annuities, 1726.	New 5 per ct. Annuities, 1860.	Long An. Long An. annuities, 30 Years exp. 1859, esp. 1860.	India Stock.	South Sea Stock.	Eschequer Bills, £, 1,000.
1846: November, . . .	{ 206 $\frac{1}{2}$ 204	{ 95 $\frac{1}{2}$ 93 $\frac{1}{2}$	{ 95 94	{ 94 94	{ 95 $\frac{1}{2}$ 93 $\frac{1}{2}$	{ 9 $\frac{1}{2}$ 9	{ 258 255	{ 103 $\frac{1}{2}$ 103 $\frac{1}{2}$	{ 14s. at 1 $\frac{1}{2}$ d. 6s. pm.
December, . . .	{ 207 $\frac{1}{2}$ 205	{ 94 $\frac{1}{2}$ 93 $\frac{1}{2}$	{ 95 $\frac{1}{2}$ 95	{ 96 $\frac{1}{2}$ 94 $\frac{1}{2}$	{ 9 $\frac{1}{2}$ 9	{ 10 $\frac{1}{2}$ 10	{ 254 $\frac{1}{2}$ 254 $\frac{1}{2}$	{ 105 $\frac{1}{2}$ 104 $\frac{1}{2}$	{ 14s. " 8s. "
1847: January, . . .	{ 206 $\frac{1}{2}$ 203 $\frac{1}{2}$	{ 94 $\frac{1}{2}$ 91 $\frac{1}{2}$	{ 93 $\frac{1}{2}$ 91 $\frac{1}{2}$	{ 95 $\frac{1}{2}$ 93	{ 114 114	{ 9 $\frac{1}{2}$ 9	{ 254 $\frac{1}{2}$ 249	{ 103 $\frac{1}{2}$ 100	{ 15s. " 5s. " 10s. "
February, . . .	{ 205 $\frac{1}{2}$ 202 $\frac{1}{2}$	{ 91 $\frac{1}{2}$ 90 $\frac{1}{2}$	{ 89 $\frac{1}{2}$ 89 $\frac{1}{2}$	{ 93 $\frac{1}{2}$ 92 $\frac{1}{2}$	{	{ 9 $\frac{1}{2}$ 9	{ 251 249	{ 101 $\frac{1}{2}$ 100 $\frac{1}{2}$	{ 10s. " par.
March, . . .	{ 205 $\frac{1}{2}$ 203 $\frac{1}{2}$	{ 91 $\frac{1}{2}$ 90 $\frac{1}{2}$	{ 88 $\frac{1}{2}$ 88 $\frac{1}{2}$	{ 93 $\frac{1}{2}$ 90 $\frac{1}{2}$	{	{ 9 $\frac{1}{2}$ 9	{ 251 250	{ 99 $\frac{1}{2}$ 99 $\frac{1}{2}$	{ 7s. pm. 1s. "
April, . . .	{ 200 $\frac{1}{2}$ 190	{ 87 $\frac{1}{2}$ 85 $\frac{1}{2}$	{ 88 $\frac{1}{2}$ 85 $\frac{1}{2}$	{ 88 $\frac{1}{2}$ 86	{ 118 118	{ 9 $\frac{1}{2}$ 8 $\frac{1}{2}$	{ 246 $\frac{1}{2}$ 244	{ 97 $\frac{1}{2}$ 95 $\frac{1}{2}$	{ 10s. at 2d. 1s. pm.
May, . . .	{ 196 188	{ 87 $\frac{1}{2}$ 85 $\frac{1}{2}$	{ 86 $\frac{1}{2}$ 86 $\frac{1}{2}$	{ 87 87	{ 117 117	{ 9 $\frac{1}{2}$ 9	{ 244 240	{ 98 $\frac{1}{2}$ 96 $\frac{1}{2}$	{ 10s. dis. par.
June, . . .	{ 197 $\frac{1}{2}$ 195	{ 89 $\frac{1}{2}$ 86 $\frac{1}{2}$	{ 88 $\frac{1}{2}$ 87 $\frac{1}{2}$	{ 91 $\frac{1}{2}$ 88 $\frac{1}{2}$	{ 118 113	{ 9 $\frac{1}{2}$ 9	{ 246 246	{	{ 12s. pm. 3s. "
July, . . .	{ 198 195	{ 89 $\frac{1}{2}$ 88 $\frac{1}{2}$	{ 87 $\frac{1}{2}$ 86 $\frac{1}{2}$	{ 91 $\frac{1}{2}$ 89 $\frac{1}{2}$	{ 115 115	{ 9 $\frac{1}{2}$ 9	{ 246 $\frac{1}{2}$ 244	{ 98 $\frac{1}{2}$ 97 $\frac{1}{2}$	{ 15s. " 10s. "
August, . . .	{ 198 195	{ 89 86 $\frac{1}{2}$	{ 88 $\frac{1}{2}$ 86 $\frac{1}{2}$	{ 90 $\frac{1}{2}$ 88 $\frac{1}{2}$	{ 118 118	{ 9 8 $\frac{1}{2}$	{ 244 239	{ 98 $\frac{1}{2}$ 95 $\frac{1}{2}$	{ 10s. " 2s. "
September, . . .	{ 197 $\frac{1}{2}$ 195 $\frac{1}{2}$	{ 88 $\frac{1}{2}$ 86 $\frac{1}{2}$	{ 87 $\frac{1}{2}$ 85 $\frac{1}{2}$	{ 89 $\frac{1}{2}$ 88 $\frac{1}{2}$	{ 112 112	{ 9 9	{ 241 236	{	{ 17s. " 11s. "
October, . . .	{ 186 180	{ 85 $\frac{1}{2}$ 78 $\frac{1}{2}$	{ 85 $\frac{1}{2}$ 79 $\frac{1}{2}$	{ 85 $\frac{1}{2}$ 79 $\frac{1}{2}$	{ 115 115	{ 8 $\frac{1}{2}$ 8	{ 238 238	{	{ par. 30s. dis.

FLUCTUATIONS OF THE ENGLISH STOCKS IN 1847 - 48.

Table showing the Highest and Lowest Prices of the principal Government Funds during each Month, from November, 1847, to October, 1848.

Months.	Bank Stock.	3 per ct. reduced.	3 per ct. Consols.	3 per ct. Annuities, 1795.	New 34 Annuities, per ct.	New 5 Annuities, per ct.	Long An. 1859.	Long An. 1860.	India Stock.	South Sea Stock.	Exchange Bills, £ 1,000.
1847: November,	{ 189	{ 83½	{ 85½	{ ...	{ 85½	{ ...	{ 8½	{ 8½	{ 235	{ 93½	{ 2s. pm. at 2d.
	{ 185	{ 81	{ 82	{ ...	{ 81½	{ ...	{ 8	{ 8½	{ 228	{ 91½	{ 20s. dis.
December,	{ 189	{ 85½	{ 86	{ ...	{ 86½	{ ...	{ 8½	{ 8½	{ 235	{ 94½	{ 12s. pm. at 3d.
	{ 186½	{ 84	{ 85½	{ ...	{ 85½	{ ...	{ 8	{ 8	{ 235	{ 92½	{ 2s. pm.
1848: January,	{ 202	{ 89½	{ 89½	{ 90½	{ 90½	{ 114	{ 9	{ 8½	{ 243	{ 96	{ 35s. "
	{ 187	{ 84½	{ 85½	{ 89½	{ 86	{ 108½	{ 8½	{ 8½	{ 227	{ 93	{ 12s. "
February,	{ 202	{ 89½	{ 89½	{ 87½	{ 90½	{ ...	{ 9	{ 8½	{ 245	{ 98	{ 41s. "
	{ 191	{ 81½	{ 81½	{ ...	{ 82½	{ ...	{ 8½	{ 8½	{ 230	{ 95½	{ 5s. "
March,	{ 194	{ 82½	{ 83½	{ 79½	{ 83½	{ ...	{ 8½	{ 8½	{ 253	{ 89½	{ 35s. "
	{ 191	{ 80½	{ 80½	{ ...	{ 82½	{ ...	{ 8½	{ 8½	{ 86	{ 86	{ 13s. "
April,	{ 189	{ 81	{ 82½	{ ...	{ 82½	{ 104	{ 8½	{ 8½	{ 231½	{ 88½	{ 4s. pm. at 2½d.
	{ 185½	{ 78½	{ 80	{ ...	{ 79½	{ ...	{ 8	{ 8½	{ 227	{ 85	{ 33s. pm.
May,	{ 193	{ 82½	{ 84½	{ 82½	{ 85½	{ 108	{ 8½	{ 8½	{ 234	{ 92½	{ 47s. "
	{ 189	{ 81½	{ 83½	{ 80½	{ 82½	{ 107	{ 8½	{ 8½	{ 229	{ 90	{ 30s. "
June,	{ 193	{ 84½	{ 84½	{ 81½	{ 85	{ 111	{ 8½	{ 8½	{ 234	{ 92½	{ 41s. pm. at 2d.
	{ 189	{ 82½	{ 83½	{ 81	{ 83½	{ ...	{ 8½	{ 8½	{ 231	{ 90½	{ 32s. pm.
July,	{ 198½	{ 89	{ 88½	{ 84	{ 89½	{ 109	{ 9½	{ 8½	{ 245	{ 97½	{ 52s. "
	{ 190	{ 85	{ 85½	{ ...	{ 85½	{ ...	{ 8½	{ 8½	{ 239	{ 96½	{ 32s. "
August,	{ 199	{ 87½	{ 87½	{ ...	{ 87½	{ 112	{ 8½	{ 8½	{ 243	{ 97½	{ 39s. "
	{ 196	{ 85½	{ 85½	{ ...	{ 85½	{ 109	{ 8½	{ 8½	{ 238	{ ...	{ 21s. "
September,	{ 198	{ 86½	{ 86½	{ ...	{ 87½	{ ...	{ 8½	{ 8½	{ 240	{ 96	{ 31s. "
	{ 196	{ 85½	{ 85½	{ ...	{ 86½	{ ...	{ 8½	{ 8½	{ 235	{ ...	{ 22s. "
October,	{ 190	{ 84½	{ 86½	{ 84½	{ 85½	{ 112	{ 8½	{ 8½	{ 237	{ 95½	{ 40s. "
	{ 183	{ 83½	{ 84½	{ 84½	{ 84	{ 108½	{ 8½	{ 8½	{ 234	{ 92½	{ 29s. "

FLUCTUATIONS OF THE ENGLISH FUNDS IN 1849.

Table showing the Highest and Lowest Prices of the principal Public Funds during each Month, from November, 1848, to October, 1849.

Months.	Bank Stock.	3 per cent. reduced.	3 per cent. Consols.	3 per cent. Annuities, 1792.	New 3 1/2 per cent.	New 5 per cent.	Long Annuities, 30 years, 1860.	Long Annuities, 30 years, 1866.	India Stock.	South Sea Stock.	Exchequer Bills, £1,000.
1848: November,	{ 190	{ 86 1/2	{ 87 1/2	{ 85 1/2	{ 89	{ 8 1/2	{ 8 1/2	{ 8 1/2	{ 237	{ 95 1/2	{ 45s. pm. at 2d.
	{ 188	{ 84 1/2	{ 85 1/2	{ 83 1/2	{ 85 1/2	{ 8 1/2	{ 8 1/2	{ 8 1/2	{ 232	{ 94	{ 36s. pm.
December,	{ 191 1/2	{ 88 1/2	{ 89 1/2	{ 87 1/2	{ 89 1/2	{ 8 1/2	{ 8 1/2	{ 8 1/2	{ 241	{ 96 1/2	{ 42s. "
	{ 188 1/2	{ 86 1/2	{ 87 1/2	{ 85 1/2	{ 87 1/2	{ 8 1/2	{ 8 1/2	{ 8 1/2	{ 237	{ 94 1/2	{ 37s. "
1849: January,	{ 196	{ 91 1/2	{ 91 1/2	{ 88 1/2	{ 92 1/2	{ 9	{ 8 1/2	{ 8 1/2	{ 245	{ 98 1/2	{ 51s. "
	{ 188 1/2	{ 88 1/2	{ 87 1/2	{ 85 1/2	{ 89 1/2	{ 8 1/2	{ 8 1/2	{ 8 1/2	{ 238 1/2	{ 96 1/2	{ 40s. "
February,	{ 197 1/2	{ 94 1/2	{ 94 1/2	{ 91 1/2	{ 95 1/2	{ 120	{ 8 1/2	{ 8 1/2	{ 249	{ 102	{ 53s. "
	{ 193	{ 91 1/2	{ 91 1/2	{ 88 1/2	{ 92 1/2	{ 116	{ 8 1/2	{ 8 1/2	{ 245	{ 100	{ 39s. "
March,	{ 196	{ 92 1/2	{ 92 1/2	{ 89 1/2	{ 93 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 245	{ 100 1/2	{ 45s. "
	{ 193	{ 91	{ 90 1/2	{ 87 1/2	{ 91 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 240	{ 99 1/2	{ 35s. "
April,	{ 194	{ 90 1/2	{ 93 1/2	{ 90 1/2	{ 91 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 248	{ 101	{ 49s. "
	{ 191 1/2	{ 90	{ 91 1/2	{ 89	{ 91	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 243	{ 99	{ 44s. "
May,	{ 195	{ 91 1/2	{ 92 1/2	{ 89 1/2	{ 91 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 250	{ 100 1/2	{ 49s. "
	{ 192 1/2	{ 89 1/2	{ 90 1/2	{ 87 1/2	{ 90 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 245	{ 99 1/2	{ 44s. "
June,	{ 195	{ 92 1/2	{ 92 1/2	{ 89 1/2	{ 92 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 252	{ 100 1/2	{ 48s. "
	{ 193 1/2	{ 90 1/2	{ 90 1/2	{ 87 1/2	{ 90 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 250	{ 100 1/2	{ 44s. "
July,	{ 200	{ 93 1/2	{ 93 1/2	{ 91 1/2	{ 94 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 253 1/2	{ 103	{ 51s. "
	{ 195	{ 91 1/2	{ 92 1/2	{ 89 1/2	{ 92 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 251	{ 102 1/2	{ 44s. "
August,	{ 200	{ 93 1/2	{ 93 1/2	{ 91 1/2	{ 94 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 253 1/2	{ 102 1/2	{ 51s. "
	{ 198 1/2	{ 92	{ 92 1/2	{ 90 1/2	{ 92 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 252	{ 101 1/2	{ 40s. "
September,	{ 200	{ 92 1/2	{ 92 1/2	{ 89 1/2	{ 94	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 254	{ 102 1/2	{ 42s. "
	{ 199	{ 92 1/2	{ 93 1/2	{ 90 1/2	{ 93 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 252	{ 102 1/2	{ 35s. "
October,	{ 198 1/2	{ 91 1/2	{ 92 1/2	{ 91	{ 92 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 257	{ 102 1/2	{ 47s. "
	{ 196	{ 90 1/2	{ 91 1/2	{ 90 1/2	{ 91 1/2	{ 119 1/2	{ 8 1/2	{ 8 1/2	{ 254	{ 100 1/2	{ 41s. "

ENGLISH FUNDS

HIGHEST AND LOWEST PRICE OF THREE PER CENTS IN EACH
YEAR, FROM 1731 TO 1848.

	Highest.	Lowest.		Highest.	Lowest.
1731	99	94	1767	91	87
1732	101	96	1768	93	88
1733	103	92	1769	89	84
1734	94	90	1770	87	78
1735	98	92	1771	88	81
1736	113	100	1772	95	87
1737	107	105	1773	87	86
1738	106	102	1774	89	86
1739	105	97	1775	90	87
1740	101	98	1776	90	81
1741	101	98	1777	80	76
1742	102	98	1778	72	61
1743	103	100	1779	64	59
1744	99	90	1780	63	60
1745	92	85	1781	59	56
1746	89	75	1782	61	53
1747	86	81	1783	68	58
1748	91	76	1784	57	54
1749	102	91	1785	71	55
1750	101	98	1787	78	69
1751	103	97	1789	81½	71½
1752	106	101	1790	80½	70½
1753	106	104	1791	89½	75½
1754	104	102	1792	97½	72½
1755	101	90	1793	81	70½
1756	90	88	1794	72½	62½
1757	91	86	1795	70½	61
1758	98	89	1796	70½	53½
1759	88	79	1797	56½	47½
1760	83	76	1798	58	47½
1761	88	66	1799	69	52½
1762	87	63	1800	67½	60
1763	96	82	1801	70	54½
1764	86	80	1802	79	66
1765	91	85	1803	73	50½
1766	90	87	1804	58½	53½

	Highest.	Lowest.		Highest.	Lowest.
1805	62	57	1827	89½	76½
1806	64½	58½	1828	88½	80½
1807	64½	57½	1829	94½	85½
1808	69½	62½	1830	94½	77½
1809	70½	63½	1831	84½	77½
1810	71	63½	1832	85½	81½
1811	66½	61½	1833	91½	84½
1812	63	55½	1834	93	87½
1813	67½	54½	1835	92½	89½
1814	72½	61½	1836	92½	86½
1815	65½	53½	1837	93½	87½
1816	64½	59½	1838	95½	90½
1817	84½	62	1839	93½	89½
1818	82	73	1840	93½	85½
1819	79	64½	1841	90½	87½
1820	70½	65½	1842	95½	88
1821	78½	68½	1843	97½	92½
1822	83	75½	1844	101½	96½
1823	85½	72	1845	100½	91½
1824	96½	84½	1846	97½	93½
1825	94½	75	1847	94	78½
1826	84½	73½	1848	89½	80

LOANS RAISED SINCE 1793, WITH THE RATES OF INTEREST.

Year.	Amount.	Per cent.
1793	£4,500,000	£ 4 3s. 4d.
1794	11,000,000	4 10 9
1795	22,600,000	4 15 8
1796	18,000,000	4 14 9
"	7,500,000	4 12 2
1797	18,000,000	5 12 6
"	16,120,000	6 6 10
1798	17,000,000	6 4 9
1799	3,000,000	5 12 5
"	15,500,000	5 5 0
1800	20,500,000	4 12 2
1801	28,000,000	5 5 6

Year.	Amount.	Per cent.
1802	£ 25,000,000	£3 19s. 2d.
1803	12,000,000	5 2 0
1804	14,500,000	5 9 2
1805	22,500,000	5 3 2
"	1,500,000	5 16 4
1806	20,000,000	4 19 7
1807	14,200,000	4 14 7
"	1,500,000	4 16 4
1808	10,500,000	4 14 6
1809	14,600,000	4 11 7
1810	13,400,000	4 4 2
1811	12,000,000	4 13 6
1812	22,500,000	5 5 7
1813	27,000,000	5 8 4½
"	22,000,000	5 6 2
1814	24,000,000	4 14 1
1815	36,000,000	5 12 4
1835	15,000,000	" " "
1847	8,000,000	3 7 6

A LIST OF ACTS RELATIVE TO BROKERS.

13 Edward I.	Statute 5	Anno 1284.
1 James I.	" 21	1604.
8 and 9 William III.	" 32	1697, expired 1707.
6 Anne	" 16	1707.
10 "	" 19	1711.
6 George I.	" 18	1720.
3 George II.	" 31	1730, for Bristol.
7 George II.	" 8	1739.

MISCELLANEOUS.

BEAUTIES OF THE SUB TREASURY.—We understand that the Mint was closed in this city on the 31st March. Mr. Macmurdo, the late Treasurer, sent in his resignation some months since, to take effect so soon as his successor should be appointed, and the Department has made two or three appointments, but the smallness of the salary in comparison to the duties and responsibility of the station, and the enormous amount of the official bond, have deterred the parties from accepting. Early last month Mr. Macmurdo sent in his positive resignation, to take effect on the 31st March, and no appointment having been made, the office is now vacant, with a consequent suspension of operations. The office has been tendered to various parties, who have declined for the reasons stated above, and the United States are now without a Sub-Treasury in New Orleans.

The sub-treasury law obliges the collector and other receiving officers, to deposit their funds with the Sub-Treasurer, but if no such officer exists, it will be rather a difficult matter to comply with that provision of the law, and it at the same time makes it a penal offence if he places it in the control of a bank.

How long this state of affairs may continue we cannot say, but the whole thing is very awkward and will occasion much inconvenience in various ways.—*New Orleans Bulletin.*

MR. WEBSTER'S CHAIN.—We saw on Saturday, a chain of California gold, which is to be presented to Mr. Webster in acknowledgment of his eminent services in the cause of the union of the States. It is, indeed, emblematic of that strong chain, forged by our ancestors, which Mr. Webster has done more than any other man living to rivet and strengthen, which binds together this great confederacy of States into one united republic,—so solid it is, so strong, so massive. Such an ornamental appendage, on any other man than Mr. Webster, would look burdensome and inappropriate; but it is quite in harmony with the strength and greatness of the "Defender of the Constitution." It is also a fitting tribute from a resident of California, a State whose application for immediate admission into the Union Mr. Webster has promised to advocate, with all the weight of his powerful influence.

The chain is of pure gold, of a value exceeding four hundred dollars as it came from the mines. Its workmanship reflects much credit on Californian skill. It was manufactured for the donor, Mr. George W. Eggleston, at San Francisco. It should be called "Mr. Webster's Union Chain." Our citizens will have an opportunity of seeing it for a few days, at Ball, Tompkins & Black's, corner of Broadway and Murray street, where it has been sent to be engraved with an appropriate inscription.—*New York Journal of Commerce, April 1st.*

MORRIS CANAL AND BANKING COMPANY.—The directors, in presenting their Report to the Stockholders, of the last year's business, congratulate them on the improved condition of the Company's affairs. The navigation between Newark and Easton was continued, with less than ordinary interruption, from April 15th to the middle of December last. A table showing the trade and tonnage for five years, ending with the last, exhibits a steady and rapid increase of business.

The revenues derived from the operations of the Company during the year ending Dec. 31st, 1849, amount to the sum of \$100,418.70, being \$7,418.70 more than the estimate submitted in the last Annual Report. The current expenses have been \$60,035.54, leaving the net earnings at \$40,383.16, which is \$10,748.66 more than the annual interest on the funded debt, and about \$5,000 more than the interest on both funded and floating debt.

The revenues of the current year are estimated at \$110,000.

The stockholders unanimously accepted the supplement to their charter, authorizing the issue of a preferred stock, to provide means for prosecuting the improvement of the canal and its works. Of this stock 3,060 shares have been subscribed; and an additional amount will be issued, sufficient to pay all the floating debt, and the interest on the bonded debt due, and to become due April

1st, 1851. The interest on the bonded debt will amount to about \$90,000, and the floating debt also amounts to about \$90,000; so that the aggregate of the preferred stock will be nearly 5,000 shares, or \$500,000. This will relieve the Company from all claims growing out of their present indebtedness, until October 1st, 1851; and their entire debt will be reduced to the sum of \$423,350, being the bonded debt due on the 1st day of April, 1856.—*New York Journal of Commerce.*

California Gold.—"New Varieties of Gold and Silver Coins, Counterfeit Coins, and Bullion; with Mint Values. By Jacob R. Eckfeldt and William E. Dubois, Assayers of the Mint of the U. S." This is a beautiful little volume of 60 pages, seasonably issued, and one that may be relied upon as from competent sources. Its chapters are divided, I. New Rate of Charges at the Mint. II. Recent Coins of the World; Belgium, Bolivia, Great Britain, Central America, Chili, China, France, Germany, Hayti, Mexico, Netherlands, New Granada, &c., and particularly of the United States, including the individual coinage of North Carolina and California. The Coins of the Oregon Exchange Company, the Miners' Bank at San Francisco, and of Moffat & Co. are accurately described. III. Recent Counterfeit Coins. IV. Gold from California. V. Net Mint Value of Gold and Silver Coins issued within twenty-five years past. VI. Silver from Lake Superior. VII. Table of Correspondence between Pennyweights and Grains and the Hundreths of a Troy Ounce. VIII. Bulk and Packing of Precious Metals; accompanied with *fac-simile* engravings of the California and Mormon Gold Coins, and American Silver Coins. This volume will be found peculiarly interesting to dealers in coins, gold dust and precious metals. *Price, One Dollar. Sold by James Munroe & Co., Boston, and at the Mint, &c.*

SAVINGS BANKS.—The Attorney General of New York sent in his answer to the Senate's resolution, in regard to the constitutionality of special charters for Savings Banks. It is as follows:—

ATTORNEY GENERAL'S OFFICE, }
Albany, Jan. 18, 1850. }

To the Senate of the State of New York:—

The Attorney General has the honor to acknowledge the receipt of the resolution of the Senate, of the 16th of January instant, hereto attached, asking whether in his opinion, under the 4th section of the 8th article of the Constitution, the Legislature has power to create a savings bank or institution by special act of incorporation.

I am inclined to the opinion from an examination of the charters of the existing savings banks, that the institutions are not chartered for banking purposes within the meaning of the 4th section of the 8th article of the Constitution.

They are in fact merely trust associations acting under corporate powers, all of which are imposed for the security of the deposits, and for that purpose only.

These institutions do not profess, nor do they exercise, any of the corporate powers of banks, in the proper sense of the term. They do not discount, they issue no bills or other circulating medium, sell no drafts, have nothing to do with exchanges, possess no capital as a basis of banking, and, in short, are as powerless over the currency of the country as would be a naked barter of the money deposited with them. Safety and responsibility are the principal requisites necessary to render these institutions what was intended by their creation, to wit, a safe and productive place of deposit of the money of persons of small means.

They are called banks, but their true character must depend on the powers conferred on them and on the acts which they may do, and not on the name by which they may be known. They receive money in small sums, mostly from poor persons, servants, laborers and mechanics, male and female, on deposit, and invest the same in stocks, or on bond and mortgage, and return the money on demand at a rate of interest less than the legal rate, and usually, I believe, at five per cent.

They make no dividends, and the officers are paid by the difference in the rate of interest received on investments and that paid on deposits.

It is difficult to conceive that such an institution is a bank in any proper sense of the term, or that an act of the Legislature creating such corporation, would be "granting a special charter for banking purposes."

Whether the objects of this kind of corporation can be attained under general laws is a question exclusively for the determination of the Legislature; if they can be thus attained, then a special charter cannot be granted without a violation of the first section of the said 8th article.

Respectfully submitted,
L. S. CHATFIELD, *Attorney General.*

SUIT FOR LIFE INSURANCE.—An interesting case is to be tried before referees, at the court-house, in this town, commencing on Wednesday. It is to settle the claim of Henry Vose as administrator of the estate of the late George F. Pease, against the Eagle Life and Health Insurance Company of New York, for \$3,000, insured by said company on the life of said Pease. The payment is resisted mainly on grounds of incorrect representations and concealment by Pease in regard to the state of his health at the time of effecting the insurance. The referees before whom the case comes are Judge Washburn of Worcester, A. H. Nelson, Esq., of Woburn, and Daniel W. Alvord, Esq., of Greenfield.—*Springfield (Mass.) Repub.*

KENTUCKY.—The bill for the incorporation of the Farmers' Bank of Kentucky, with seven branches, has passed the Senate of that State by a vote of 22 to 10. The total capital is \$2,300,000. The several branches are as follows;

	<i>Capital.</i>
Mother Bank at Frankfort.....	\$300,000
Branch at Covington.....	600,000
“ Maysville.....	400,000
“ Mount Sterling.....	200,000
“ Henderson.....	250,000
“ Princeton.....	300,000
“ Somerset.....	100,000
“ Bardstown.....	150,000
Total Capital.....	\$2,300,000

PHILADELPHIA.—The cashiers of our city and county banks have cautioned the public in regard to a fraud which has been practised for some weeks past in relation to their bank notes. It consist, we understand, in cutting and tearing a given number of notes into fragments, and joining them together again in such a way as to make an extra note. The public as well as the banks are deeply interested in putting a stop to this fraud.—(*Philad. Bulletin.*)

NOTICES OF BOOKS. *The Home Journal.*—The first number of a new volume of the *Home Journal*, dated January 1st, has reached us. In typographic appearance the paper is as fresh and handsome as ever, and in matter as peculiar as the idiosyncratic genius of its shaping editor can make it. In its leading features, the *Home Journal* stands quite alone among literary periodicals, and for the better educated and more intellectual class of readers, has an interest which belongs to very few weekly miscellanies in the country. Mr. Willis works hard in his vocation of editor, and is well assisted by Gen. Morris. All the old attractions of the paper are to be continued, and as many new ones added as shall, from time to time, come within the reach of its conductors.—*Cincinnati Atlas.*

NEW BOOKS. “Labor and other Capital: the Rights of each secured, and the Wrongs of both eradicated; or, an Exposition of the Cause why few are wealthy and many poor; and the Delineation of a System, which, without infringing the Rights of Property, will give to Labor its just Reward. By Edward Kellogg, author of *Currency, the Evil and the Remedy.* New York, 1849. 8vo. pp. 298.” The author gives his views upon the following subjects: Money, the medium of distribution—On value—The rates of interest the governing power of distribution

to labor and capital—On the banking system. The author is opposed to an abrogation of the usury laws and considers a well-regulated currency impossible under our present system—and enters fully into an examination of the nature of banks, their institution, and the principles by which they are governed—of the amount of specie owned by banks, and the interest paid by the people on their issues and loans—of the basis of the Bank of England—of the balancing power of bank notes and deposits—of the management of banks and the effect of their operation upon the prosperity of trade and productive industry—of the necessity of credit, and its extensive use in the transaction of business—of the security of a paper currency On the objections to a paper currency on account of foreign trade, &c.

The author's views are novel in many particulars. His conclusions may be enumerated thus.

—1st. That there is an essential difference between intrinsic value and the value of money.

—2. That any material may be made money, by legally endowing it with powers to represent, to measure, to accumulate and to exchange value.

—3. Nothing can in fact be money that does not represent property.

—4. Money, as a measure of value, is controlled by the rate per cent. interest that it bears.

—5. That the necessary effects of the present rates of interest are to accumulate property into large cities, and in the hands of a few.

—6. That the present rates of interest greatly exceed the increase of wealth by natural production, and, consequently, call for production beyond the ability of production to supply.

—7. That the rate per cent. interest determines what proportion of products shall be awarded to capital, and what to labor.

—8. That as the value of (rate of interest on) money is increased, the value of property and labor is decreased.

—9. That a currency, fluctuating in value by varying rates of interest, is not a suitable medium of exchange.

—10. That our present banking system rests upon a fictitious basis, is unsafe, and is productive of many and great injuries.

—11. That a paper currency can be made secure as well as a specie currency.

It will be seen that Mr. Kellogg's views are entirely opposed to those of Mr. McCulloch, who says "if the government be equally liberal, and if property be well secured, the degree of national prosperity will be correspondent to the rate of profit—the demand for labor, or, which in effect is the same thing, the funds for supporting the largest and most valuable portion of society, increase or diminish in exact proportion to the increase or diminution of profits. Wherever they are high, the laborer is well paid, and the society rapidly augments both its population and its riches; on the other hand, wherever they are low, the demand for labor is proportionally reduced, and the progress of society rendered so much the slower.

"Instead, therefore, of a low rate of profit, and a low rate of interest, for the one must be always directly as the other, being any proof of the flourishing situation of a country, it is distinctly and completely the reverse."

Mr. Kellogg's work is for sale by Crosby & Nichols, No. 111 Washington St.

The Edinburgh Quarterly Review, No. 183, January, 1850, (Leonard Scott & Co., New York.) This work is always welcome and never dull. The essayists of the *Edinburgh Review* are among the most able writers of the English language. The leading article of the present No. is upon the political economy of colonization. No. II. *The British Mines*.—Mining records, "Great Britain is indebted to its mines for its colonization in the mists of time—for much of its present importance—and according to many, even for its name. Its whole history indeed is associated with these subterranean treasures. The total annual produce of British mines was valued long ago at TWENTY-FIVE MILLIONS STERLING, and an eminent foreign writer has calculated that the subterranean wealth of Great Britain is scarcely less than is yielded by its surface!" III. *Ireland—Orange Proces-*

sions. IV. Grote's History of Ancient Greece. V. Shirley—Jane Eyre—Intellectual Powers of Woman. "The grand function of woman, it must be always recollected, is, and ever must be, MATERNITY—and we think it impossible to deny, that it must essentially interfere both with that steady and unbroken application, without which no proud eminence in science can be gained." VI. Turkey and Christendom. "The sentiments which the occupation of Constantinople by Russia might awaken in the cabinets of Europe, would be seconded by the opinion of every people between the Vistula and the Atlantic. Turkey, in the event of an invasion, would command the sympathy and favor of thousands to whom the *balance of power* would be a strange and unintelligible proposition." VII. Sanitary Reform—Crowded Cities—Burials. VIII. Lamartine's History of the Revolution of 1848.

The London Quarterly Review, January, 1850; same publishers. Article I. Natural History of Man. II. Clergy Relief Bill. III. Agricultural Science and Progress—Draining. IV. Memoirs of Lord Cloncurry and John O'Connell. V. Free Trade vs. Protection. "We have in great degree confined ourselves to proving how unsound is the social philosophy embodied in the free trade policy. It is in its very essence a mercenary, unsocial, demoralizing system;—opposed to all generous actions, all kindly feelings. Based on selfishness, it directs that impulse into the lowest of all channels, the mere sordid pursuit of wealth—it teaches competition and isolation, instead of coöperation and brotherhood; wealth is its end and aim, and mammon its divinity." VI. Venice, Ancient and Modern—The Revolution of 1848. VII. Ireland.

The Westminster Quarterly Review, No. 103, January, 1850; same publishers. Subjects, I. Epidemics—Sanitary Reform. II. Woman's Mission. III. Religious Faith and Modern Scepticism. IV. The Caxtons—Shirley—Jane Eyre. V. The Law of Bankruptcy. VI. Railway Progress—Tubular Bridges. "We are still hopeful of railways *even for shareholders*. Rightly viewed, they are the first roads of building property, and past waste may yet be merged in future profits." VII. Political Aspect of the Country. "Russia, master of Hungary, has possession of the first square of the European chess-board; she has Austria dependent, and with the latter, Baden and Bavaria identified in political sympathies; so that the Russian preponderance once dreaded on the Bosphorus, now stretches to the confines of the Rhine." VIII. Ebenezer Elliott. IX. The Slave Trade. X. Continental Literature of 1849-1850.

The North British Review, No. 124, February, 1850, (Leonard Scott & Co., New York.) This No. opens with a notice of Lord Cockburn's Letter on Edinburgh. II. Ruskin's Seven Lamps of Architecture. III. Pope Joan—a Fable. IV. The Life and Correspondence of Southey. V. Muller's Treatise on Sin. VI. Miller's Foot Prints of the Creator. VII. Scottish National Education. VIII. The Army and its Officers. IX. The Law of Marriage.

The North British Review forms the fourth of the series of the foreign quarterly Reviews, reprinted by Messrs. Leonard Scott & Co. It is now in its sixth year, and is considered the organ of the *Free Church* party of Scotland. It is edited by Dr. Hanna, son-in-law of the late Dr. Chalmers, associated with Sir David Brewster, and other eminent men of the Scotch metropolis.

The above four Quarterlies are uniformly published by Leonard Scott and Co., New York. The terms are \$8 for the four Reviews, or three dollars each. No one who wishes to familiarize himself with the progress of the European world, in science, political economy or literature, can dispense with either work. *Crosby & Nichols, Agents, Boston.*

Letter Day Pamphlets. Edited by Thomas Carlisle. No. II. Model Prisons. No. III. Downing Street. Boston: Phillips, Sampson & Co., Publishers.

Shakspeare.—Three additional plays of Shakspeare, Phillips & Sampson's splendid edition, have been received. This edition deserves the attention of all admirers of the immortal bard. It is beautifully printed on superfine paper, with large type, and each play illustrated by a fine steel engraving.

Stocks and Exchanges.

PHILADELPHIA, 23 APRIL.

U. S. 6 per cent.....	1856	108 $\frac{3}{4}$	@	109 $\frac{1}{4}$
Do. do.....	1862	113	@	114
Do. do.....	1867	118	@	118 $\frac{1}{4}$
Do. do.....	1868	118 $\frac{1}{4}$	@	119
Do. 5 per cent.....	1853	101	@	102 $\frac{1}{2}$
Do. Treasury Notes, 6 p. ct.	116	@	116 $\frac{1}{2}$	
Pennsylvania, 6 pr. ct. 1879	105	@	106	
Do. 5 per cent....	93 $\frac{1}{4}$	@	93 $\frac{1}{2}$	
Kentucky, 6 per cent.....	106	@	107	
Tennessee, 5 per cent.	84	@	86	
Cincinnati, 6, water works.,	100	@	101	
Pittsburgh, 6,	95	@	97	
St. Louis, 6 per cent.	94	@	95	
Bank of Pennsylvania,..	100	115	@	116 $\frac{1}{2}$
Bank of N. America, ...	100	133	@	136
Philadelphia Bank,.....	100	145	@	146
Farm. and Mechanics',...30	67 $\frac{1}{2}$	@	69	
Commercial Bank,.....	50	59	@	61
B. Northern Liberties, ...35	52	@	54	
Mechanics' Bank,	20	27 $\frac{3}{4}$	@	28
Southwark Bank,.....	50	72	@	75
Kensington Bank,.....	50	63	@	66
B. Penn Township,.....	22 $\frac{1}{2}$	29	@	30
Western Bank,.....	40	64	@	66
Manuf. and Mechanics', .25	27	@	27 $\frac{1}{2}$	
Bank of Commerce,	50	57	@	58 $\frac{1}{2}$
Girard Bank,.....	50	12 $\frac{1}{2}$	@	13
Bank of Pittsburg,.....	50	52 $\frac{1}{2}$	@	55
Exchange Bank,	50	48 $\frac{1}{2}$	@	49 $\frac{1}{2}$
Merchants and Manuf....	50	51	@	53
Philadelphia, 6 per cent., ..	103 $\frac{1}{2}$	@	104 $\frac{1}{2}$	
United States Bank,.....	2 $\frac{1}{4}$	@	2 $\frac{1}{2}$	
Bank of Louisville,.....	100	101	@	102
Northern Bank, Ky.,...100	106	@	108	
Bank of Kentucky,.....	100	102	@	104
Union Bank, Tenn.,.....	100	52	@	53
Planters' Bank of Tenn., ..	54	@	55	
N. O. Gas Light Bank Co.,	112	@	113	
Morris Canal,	25	16 $\frac{1}{4}$	@	16 $\frac{1}{2}$
Reading Rail Road,	50	22 $\frac{3}{4}$	@	23
Do. Bonds, 6 p. ct. 1870,	69 $\frac{1}{2}$	@	70	
Do. Mortgages, 1860,...	75	@	76	
Com. & Vicks. R. R. B., 100	16 $\frac{1}{2}$	@	17	
Phil. and Trenton R. R. 100	129	@	132	
Phil. W. Balto. R. R.	50	27 $\frac{1}{2}$	@	29
Harrisburgh R. R.	50	46	@	47
Schuylkill Navigation, ...50	19 $\frac{1}{2}$	@	20 $\frac{1}{2}$	

BALTIMORE, 23 APRIL.

Maryland, 6 per cent.,.....	102 $\frac{1}{2}$	102 $\frac{1}{2}$	
Virginia, 6 per cent.,.....	101 $\frac{1}{2}$	102	
Baltimore, 6 per cent., 1890,	104 $\frac{1}{2}$	105	
B. and O. R. R. Stock,....	55	55 $\frac{1}{2}$	
Do. do. Bonds, 1854,	98 $\frac{1}{2}$	99 $\frac{1}{2}$	
Do. do. Div. Bonds.	92 $\frac{1}{2}$	93	
Bank of Baltimore,	100	94 $\frac{1}{2}$	96
Merchants' Bank,.....	100	97	98 $\frac{1}{2}$
Union Bank,	75	67 $\frac{1}{2}$	68
Mechanics' Bank,.....	15	16 $\frac{1}{2}$	16 $\frac{1}{2}$
Commerc'l and Farm.,....	33 $\frac{1}{2}$	37 $\frac{1}{2}$	38
Western Bank,	20	20 $\frac{1}{2}$	21
Farmers and Planters'...25	26 $\frac{1}{2}$	27 $\frac{1}{2}$	
Chesapeake Bank,	25	25	26
Marine Bank,.....	30	28	29
Farmers and Merch'ts',..40	34 $\frac{1}{2}$	35	
Franklin Bank,.....	12 $\frac{1}{2}$	11 $\frac{1}{2}$	11 $\frac{1}{2}$
Farmers' Bank of Md.,...50	49	50	
Patapsco Bank,.....	25	22 $\frac{1}{2}$	23

UNCURRENT MONEY.

Patapsco Bank,	par.	
Havre de Grace,.....	$\frac{1}{2}$	@ 1
Cumberland,	$\frac{1}{2}$	@ $\frac{3}{4}$
Maryland, interior,	$\frac{1}{2}$	@ $\frac{1}{2}$
Bank of Virginia,	$\frac{1}{2}$	@ $\frac{1}{2}$
Do. do. Branches,...	$\frac{1}{2}$	@ 1
Farmers' Bank of Va.,	$\frac{1}{2}$	@ $\frac{3}{4}$
Do. do. Branches,	$\frac{1}{2}$	@ 1
Exchange Bank of Va.,	$\frac{1}{2}$	@ 1
Do. do. Branches,	$\frac{1}{2}$	@ 1
Bank of the Valley,	$\frac{1}{2}$	@ $\frac{3}{4}$
Do. do. Leesburg, ..	$\frac{1}{2}$	@ 1
Do. do. Romney, ..	$\frac{1}{2}$	@ 1
Wheeling,	1	@ 1 $\frac{1}{2}$
New York City,.....	par.	
Philadelphia,	par.	
Pennsylvania, Country,.....	$\frac{1}{2}$	@ 1
New England, Country,.....	$\frac{1}{2}$	@ $\frac{3}{4}$
Ohio,	1 $\frac{1}{4}$	@ 1 $\frac{1}{2}$
Indiana,	1 $\frac{1}{4}$	@ 1 $\frac{1}{2}$
Kentucky,	1 $\frac{1}{2}$	@ 1 $\frac{1}{2}$
North Carolina,	1	@ 1 $\frac{1}{2}$
South Carolina,	$\frac{1}{2}$	@ 1
Georgia,	1	@ 1 $\frac{1}{2}$
New Orleans,	1 $\frac{1}{2}$	@ 1 $\frac{1}{2}$
Tennessee,.....	2 $\frac{1}{2}$	@ 2 $\frac{1}{2}$
Mobile,	1 $\frac{1}{2}$	@ 1 $\frac{1}{2}$

NEW YORK, 22 APRIL.			BOSTON, 24 APRIL.		
New York, 6 per cent.,	1860	115 @ 116	Albany, W. R. R. 6's,	.....	@ 105
Do. 6 per cent.,	1865	118 @ 120	Do. do.	1865	104 @ 104.
Do. 5 per cent.,	1862	108 @ 109	Boston 6's,	.....1853	100½ @ 101
Do. do.	1858	106 @ 108	Boston 5's,	.....1860	@ 98
N. Y. City, 7 per cent.,	1857	111 @ 115	East Boston Co.,	.....	15½ @ 15½
Do. 5 per cent.,	1856	103½ @ 105½	Massachusetts 5's,	.....1859	97 @
Do. Do. W. Ln.	1858	104 @ 106	Massachusetts Sterlings,	...	100½ @ 101
N. Y. and Erie R.R., new,	6	72½ @ 72½	Atlantic Bank,	.....	105 @ 106
Syracuse and Utica,	.....8	132 @ 135	Atlas Bank,	.....	99½ @ 100
Auburn and Rochester,	.....8	88 @ 88	Boston Bank,	....(par 50)..	55 @ 55
Long Island,	.....	16½ @ 16½	Boylston Bank,	.....	104 @ 10
Providence and Stoning,	...5	43½ @ 44½	City Bank,	.....	102½ @
Tonawanda,	.....20	115 @ 116	Cochituate Bank,	.....	99½ @ 100
Harlaem,	.....	53½ @ 53½	Columbian Bank,	.....	101 @
Mohawk,	.....	79 @ 79½	Eagle Bank,	.....	103 @ 103½
Utica and Schenectady,	....	129 @ 130	Exchange Bank,	.....	101½ @ 102
Hudson River,	.....6	61 @ 61½	Freeman's Bank,	.....	106 @ 107
Bank of New York,	.....10	136½ @ 137	Globe Bank,	.....	105 @ 106
Manhattan Bank,	.....7	111 @ 113	Granite Bank,	.....	100 @ 100½
Merchants' Bank,	.....8	117½ @ 118	Grocers' Bank,	.....	94½ @ 95
Mechanics' Bank,	.....5	124 @ 126	Hamilton Bank,	.....	102 @
Union Bank,	.....10	129 @ 131	Market Bank,	...(par 70)..	82 @ 83
Bank of America,	.....7	106½ @ 107	Massachusetts,	.(par 250)..	240 @ 245
City Bank,	.....8	114 @ 116	Mechanics' Bank,	(S. B.)..	105 @
Phenix Bank,	.....6	103 @ 104½	Merchants' Bank,	.....	107½ @
Tradesmen's Bank,	.....15	131½ @	New England Bank,	.....	107 @
Fulton Bank,	.....10	124 @ 126	North Bank,	.....	97 @ 98
Del. and Hudson C. Co.,	...24	163 @ 163	Shawmut Bank,	.....	101½ @ 102
Butchers and Drovers',	...10	121 @ 125	Shoe and Leather Dealers',	..	109 @ 110
National Bank,	.....8	111 @ 112½	State Bank,	....(par 60)..	61½ @ 62
Merchants' Exchange,	...8	112 @ 112	Suffolk Bank,	.....	125 @ 130
Leather Manufacturers',	..7	109 @ 111	Traders' Bank,	.....	101 @ 102
Bank of the State of N.Y.,	7	105 @ 106	Tremont Bank,	.....	106 @
Bank of Commerce,	.....6½	107 @ 108	Union Bank,	.....	103½ @ 104
Mech. Banking Ass'n,	...7	99 @ 99½	Washington Bank,	.....	96 @ 96½
Amer. Exch. Bank,	.....8	116 @ 117	American Insurance Co.,	...	127 @
N. Y. L. I. and T. Co.,	...8	117½ @ 118½	Boston Ins. Co.,	.....	98 @ 100
Farmers' L. and T. Co.,	....	36½ @ 36½	Boylston Fire and Marine,	..	110 @
Ohio Life and T. Co.,	.....	100½ @ 100½	Fireman's Ins. Co.,	(par 25)	41 pr. ct. adv.
Canton Co,	.....	47 @ 47½	Franklin Ins. Co.,	.....	97 @ 100
Bank of Louisiana,	.....8	126 @ 130	Hope Ins. Co.,	.....	108 @ 110
Louisiana State Bank,	...6	92 @ 96	Manufacturers' Ins. Co.,	...	125 @ 126
N. O. Canal and B. Co.,	...6	80 @ 85	Mercantile Marine,	.....	96 @ 97
Mech. and Traders' Bank,	6	84 @ 86	Merchants' Ins. Co.,	.....	125 @ 130
Ohio, 6 per cent.,	...1870	115 @ 116	National Ins. Co.,	...(par 50)	61 @ 63
Do. 7 per cent.,	...Ex. div.	101 @ 102	Neptune Ins. Co.,	.....	180 @
Ill. Int. Imp. Stock,	...1817	47½ @ 48	Suffolk Ins. Co.,	.....	90 @
Indiana Bonds,	.....	41 @ 45	Tremont Ins. Co.,	.....	122 @
Do. State Fives,	.....	78½ @ 79	United States,	....(par 50)	50½ @
Arkansas, 6 per cent.,	.....	31 @ 40	Warren,	.....	65 @ 70
Alabama, 5 per cent.,	.....	79 @ 82	Washington,	.....	94 @ 96

BANK ITEMS.

VERMONT.—The Passumpsic Bank has commenced operations. Joseph F. Fairbanks, Esq., President; E. C. Redington, Esq., recently of the Orange County Bank, Cashier.

MARYLAND.—Citizens' Bank of Baltimore.—We understand that this bank will resume its banking operations in a few days, and that Monday next has been fixed as the first discount day. The capital stock is \$250,000, divided into 25,000 shares, at \$10 each. The Board of Directors is composed of practical men, and it is their intention,—so we are advised,—to give full effect to the original object for which the bank was chartered; that is, to afford banking facilities to the middling and mechanical interests.

The 6th instalment, making \$5 on each share, is called to be paid on the 10th instant, and if it is not paid, the stock on which the failure occurs will be liable to forfeiture.—*Baltimore Patriot, 8th April.*

THE MERCHANTS' MUTUAL EXCHANGE AND BANKING HOUSE, BALTIMORE.—At a meeting of the stockholders of the "Merchants' Mutual Exchange and Banking House," on the 30th March, the following were selected as directors for the year ending 1st January, 1851.

William Reynolds, George E. Sangston, Moore N. Falls, Robert Campbell, Frederick Schumacher, John W. Ross, John Wilson, John K. McCulloh, Hamilton Easter, Charles R. Taylor, Joseph C. Wilson, Henry W. Hiser.

Charles R. Taylor was unanimously elected President, and John K. McCulloh, Treasurer.

CARROLL COUNTY.—Books of subscription to the capital stock of the Farmers and Mechanics' Bank of Carroll County, were opened on the 10th of April.

THE FARMERS' BANK OF MARYLAND.—The trial of William B. Smyth, late Cashier of the Eastern Branch Bank, for embezzling funds of the Farmers' Bank at that place, was commenced in Dorchester County, on Thursday, 11th April, and resulted in the acquittal of Mr. Smyth.

BANK OF THE STATE OF SOUTH CAROLINA.—Franklin H. Elmore, Esq., President of the Bank of the State of South Carolina has been appointed senator from that State, in place of the late John C. Calhoun.

SMALL NOTES IN VIRGINIA.—*A bill authorizing the banks to issue small notes, passed March 12th.*—Be it enacted by the General Assembly, That it shall be lawful for the several banks of circulation now existing in this Commonwealth, to issue notes of the denomination of one, two, three and four dollars, to an amount not exceeding ten per centum on their respective capitals; which notes shall be payable in specie on demand, and may be signed by the President and Cashier, or any other officer or officers of said banks, designated for that purpose by the Board of Directors; and if any bank shall fail to pay in specie any note issued by it by virtue of this act, when duly presented for payment, it shall be lawful for the holder or holders of any such note or notes, to recover the amount thereof, with twenty-five per cent. damages on the same, by warrant before a justice of the peace.

And be it further enacted, That if any bank of circulation, at present existing in this Commonwealth, shall avail itself of the privileges of this act, the notes of such banks, whether issued at the mother bank or at a branch thereof, pursuant thereto, shall be paid at the mother bank or any branch thereof, at which the same may be presented: *Provided, however,* that nothing in this act contained shall be so construed as to prevent the next or any subsequent legislature from modifying, amending or repealing the same.

This act shall be in force from its passage.

The above law was proposed, but defeated in the Senate.

DARING ROBBERY.—A robbery was recently committed in open day, at the door of the Louisiana State Bank, by a number of individuals who were assembled there, on a lad named Emile Fernandez, who was entering the bank for the purpose of cashing some checks. He had been sent by his brother to deposit in the Louisiana Bank five notes of that bank, of \$500 each, besides others of \$5 each, making in all \$2,510. He went first to the State Bank to cash his checks; the bank notes and checks were in a book which he held in his hand; as he entered the door of the bank he was jostled and jerked about by the individuals whom we have mentioned as there assembled. Young Fernandez got aside, opened his book, found the notes gone, and the checks untouched. The First Municipality police were immediately informed of the robbery, and in a short time seven or eight notorious thieves were arrested and locked up to await examination. The officers immediately visited the banks and found that the notes had already been changed. The teller at one of the banks could not give a description of the person who presented one of the notes to him, but a description was given by another teller which coincided with the personal appearance of the persons arrested.—*N. O. Picayune.*

MICHIGAN.—The Government Stock Bank has been chartered by the Legislature of Michigan—to be located at Ann Arbor; the circulation to be secured by government stocks only. It is said that the stock will be principally taken by Boston capitalists.—*Detroit Advertiser.*

BRANCH BANK AT BATON ROUGE.—The Louisiana State Bank, under the recent act of the legislature of that State, have established their branch at Baton Rouge, and appointed William S. Pike, Esq., Cashier of it. By the new law, the State Treasurer is bound to keep all the public money at Baton Rouge, in this new branch.

THE OCEAN BANK.—The new building for the Ocean Bank will have a front of 82 feet on Fulton, and 35 on Greenwich street, and be four stories high; the style of architecture Grecian, the first story having arched windows, in rusticated ashlar, ornamented keystones, Corinthian cornice and architraves; from thence upwards to be finished with heavy moulded architraves, cornice, pediments, trusses, &c. The front on Fulton street will be broken up with projections. The main floor will be occupied for the transaction of business, and for the accommodation of the president, cashier and directors. The remaining portion will be occupied by various offices. The entrance will be directly on the corner, of a semicircular form, and tastefully ornamented with Corinthian columns, entablatures, &c. The cost of the building will be about \$25,000. It will be commenced on the 1st of May next, to be completed on or before the October following. Material, brown stone.—*New York Express.*

GEORGIA.—*Central Railroad and Banking Company.*—It is well known to our readers that the Cashier of this bank very lately took leave, with a considerable portion of the funds of that institution. It has since been discovered that he left Savannah in a vessel bound to a foreign port. The subjoined letter is in reply to certain inquiries by the Agent of the Marine and Fire Insurance Bank in this city, as to the effect of this fraud upon the credit of the Central Railroad and Banking Company.—*Tallahassee Sentinel.*

MARINE AND FIRE INSURANCE BANK, }
Savannah, March 12, 1850. }

THOMAS J. PERKINS, Esq., Agent, Tallahassee, Fla.

Dear Sir:—Your favor of the 7th inst. is received. I am happy to be able to state that the funds carried off by the late Cashier of the Central Railroad and Banking Company, something over \$100,000, does not impair the credit of the institution at all. The President assures me that their surplus fund and profits since December last, will be ample to pay the loss, and should their business continue as good as they have reason to expect, up to the first of June next, they

will also then be able to make a dividend. I wish, therefore, that you would continue to take their notes as heretofore, and to take some pains to let it be known that the institution is sound.

J. OLMSTEAD, *Cashier.*

GEORGIA.—The case of *Shultz vs. The Bank of the State of Georgia* will be found in our present No., under the head of Legal Miscellany. This suit has been for several years pending in the State courts of South Carolina and Georgia, and in the Circuit and Supreme Courts of the United States. In the year 1843, in the Chancery Court of South Carolina, before Chancellor Harper, this case was fully and ably discussed, and decided in favor of the bank. From this decision an appeal was taken to the Court of Appeals in that State, at Columbia, where five judges presided, and there again the case was decided in favor of the bank. The late decision by the Supreme Court of the United States, is the fourth or fifth in the case, and in favor of the bank.

The stock of the *Bank of Savannah* had not been subscribed up to the 15th of April. Mr. Bulloch, the absconding Cashier of the Central Railroad and Banking Company, it is supposed, has sailed for Fowey, in Wales. An agent has been despatched in pursuit of him.

Notes on the Money Market.

BOSTON, 25 APRIL, 1850.

Exchange on London, 60 days, 9¼ @ 10 premium.

There are few incidents in the money market for the past month to record in our journal. Money is somewhat easier at Boston, but this relief, trifling as it is, does not partake of confidence. There is no assurance of ease. Prime business paper yet commands 9 @ 10 per cent. per annum in Boston, and fair paper, 1 @ 1¼ per cent. per month, according to its character. The commercial community has been induced, for some three months past, to look for essential relief in money affairs. This hope has arisen from the increased arrivals of coin from California, accompanied with assurances of larger arrivals, and of a larger product in that country. We do not find that these arrivals produce any material change in the aspect of the money market, and we have come to the conclusion that either the amounts of gold dust imported are over stated, or that the coin, being diffused over a widely extended country, does not, thus far, authorize increased bank accommodation to any extent.

It was represented that upwards of three millions in gold dust had been received by the last two arrivals of steamers from Chagres, but the Treasurer of the Mint states that only \$1,400,000, had been received up to the 18th instant. The total receipts thus far of California gold, amount to thirteen millions, embracing a period of about fourteen months,—viz.:

Receipts at the Philadelphia Mint up to March 31, 1850,	\$9,796,321
Receipts from 1st to 5th of April,	75,000
Receipts by the steamers Cherokee, Empire City, &c., bringing the San Francisco shipments of March 1st, 1850,	1,400,000
Total Receipts at the Branch Mint at New Orleans, up to February 28, 1850,	1,604,131
Estimated Receipts from March 1st to April 15, 1850,	550,000
Add in private hands,	200,000
Grand Total to April 15, 1850,	\$13,625,452

Notwithstanding these accumulations of coin at the mint, it does not appear that the

aggregates in the banks are larger than they were twelve months since. Published statements of the New York city banks show the following results :

28 Banks.	Capital.	Loans.	Specie.	Circulation.	Deposits.	Due Banks.
June 30, 1849,	\$24,657,000	\$51,340,000	\$9,586,000	\$5,540,000	\$28,200,000	\$16,296,000
Sept. 22, 1849,	25,068,000	51,365,000	8,022,000	5,990,000	28,484,000	12,322,000
Dec. 29, "	25,439,000	53,360,000	7,619,000	6,913,000	28,868,000	12,658,000
Mar. 30, 1850,	27,740,000	56,420,000	6,861,000	6,725,000	32,067,000	12,160,000

The increased line of discounts thus exhibited, is certainly not based upon increased specie in the bank vaults ; nor do the banks of New York, Boston, Philadelphia, and other cities, in their aggregate coin, show larger accumulations when their condition is compared with 1848-9. It is still obvious, however, that a large business has been attempted by the business community, based upon the expectations of what California might produce. In one week in April, not less than fifteen hundred cabin passengers left New York for California, each of whom must necessarily have abstracted some capital, and while millions have been coming in with much eclat, millions have been going abroad without being chronicled.

The New York City banks have extended their loans gradually, but money is yet in active demand in Wall street. Loans are made in some instances on call at $4\frac{1}{2}$ @ 6 per cent., but these form only a small portion of the money operations. Good paper is yet selling at 9 @ 10 per cent., and the banks cannot meet the demands of their customers.

The mint in Philadelphia is now coining at the rate of two millions per month. Appropriations have been made by Congress for enlargements of the mint buildings, which as soon as completed will enable it to furnish three and a half millions of coinage per month, or forty-two millions per annum.

New Bank Capital. Massachusetts takes the lead in the charter of new banks. Not less than three millions of bank capital have been authorized by the present Legislature. Nine new banks have been chartered, with an aggregate capital of \$2,000,000, viz. : The Bank of Commerce, \$750,000, to be located at the head of State street. Bank of North America, \$500,000, and the Haymarket Square Bank, \$150,000—both to be established in Boston, the latter near the Maine Railroad depot. The other six banks are to be established in six different towns, viz. : Lowell, Chelsea, Danvers, Springfield, Abington, and Rockport, \$100,000 each. Four of the Boston banks are authorized to increase their capital, viz. : Tremont Bank, \$500,000, Union Bank, \$200,000, Grocers' Bank, \$50,000, Mechanics' Bank, \$30,000. The towns of Springfield, Worcester, Northampton, Adams, Greenfield, and Newton, will also have additional bank capital stock, provided it can be all taken up by capitalists.

Banks have been frequently incorporated, whose stock could not be disposed of, not less than six millions of dollars in amount. This may possibly prove to be the case with some of the new ones of 1850. It appears from official reports that the following banks, chartered for Boston, never went into operation.

Chartered, 1836,	Blackstone Bank,	Capital authorized,	\$500,000
" 1827,	South Boston Bank,	" "	500,000
" 1828,	Hamilton Bank,	" "	500,000
" 1828,	India Bank,	" "	500,000
" 1836,	India Bank, (second)	" "	1,000,000
" 1824,	Mechanics and Traders' Bank,	" "	500,000
" 1828,	Merchants' Bank,	" "	500,000

Two other institutions, under the titles of the Hamilton Bank, (1831,) and the Merchants' Bank, (1831,) were afterwards chartered, which commenced business and are in operation.

The actual amount of bank capital authorized by the Commonwealth, prior to 1850, has been, \$62,903,333.

Of which has not gone into operation,	\$6,200,000
Charters have expired and been renewed,	3,450,000
Capitals reduced,	6,600,000
Authorized, but not paid in,	700,000
Banks which have ceased operation,	9,085,000

New banks have also been recently chartered in Maryland, Pennsylvania, Kentucky, Georgia and Alabama. A portion of the stock of the Southern Bank of Alabama, has been taken, so as to ensure its establishment. The capital authorized for this bank is \$500,000, and it is privileged to complete its organization as soon as \$200,000 are subscribed. More than this sum has been already taken, and the books were to remain open twenty days longer, for additional subscriptions.

Exchange on London has fluctuated during the present month, between $8\frac{1}{2}$ and $9\frac{1}{2}$ for the best signatures. Bills for the steamer of 27th inst, have been sold at $9\frac{1}{2}$ @ 10.

The London money market was easy at the departure of the steamer, on the 6th inst. Consols have approached par, and a redundancy of coin is held by the bank, and without sufficient employment for nearly one-half its capital. The following are the quotations for March, 1850.

	March 1.	March 30.	Highest prices.
Consols,	$94\frac{1}{2}$ per cent.	96 per cent.	$96\frac{1}{2}$ per cent.
Great Western Railroad,	$56\frac{1}{2}$ "	55 "	$60\frac{1}{2}$ "
Brighton Railroad,	79 "	$80\frac{1}{2}$ "	$80\frac{1}{2}$ "
London and N. W.,	$102\frac{1}{2}$ "	105 "	107 "
Boulogne,	$33\frac{1}{2}$ "	$33\frac{1}{2}$ "	$36\frac{1}{2}$ "

The London Times of April 1st says: "It will be observed that although consols have advanced $1\frac{1}{2}$ per cent. during the month, railway shares, in a majority of instances, have experienced a decline."

The absorption of capital for railroad purposes has for two or three years lessened the available means of many capitalists. A sort of panic has recently prevailed among shareholders, and railroad stocks are now at the lowest ebb. This extends not only to non-paying dividend companies, but to some of those that are well known to be in good repute and able to pay dividends. We refer to our copious stock tables, which, when compared with those of six or twelve months since, will demonstrate the heavy losses to which many have been compelled to submit.

Philadelphia, 20th April. Stocks were exceedingly buoyant to-day, the market closing firm, with an upward tendency. The principal operations were in Reading bonds and shares, which advanced fully $\frac{3}{4}$ each. Schuylkill navigation bonds advanced $\frac{1}{2}$. Government and State fives were steady at previous rates. There is less demand for money, the market being slightly in favor of the borrower. We quote first class paper at 6 @ 7 per cent. Good names 9 @ 10 per cent. ; on call, 6 per cent.—*North American.*

DEATHS.

On Wednesday, 20th March, at the residence of his son, in Jefferson County, Va., David English, Sen., aged eighty-one years. The deceased was a native of Monmouth County, New Jersey, but for the greater part of his life a resident of Georgetown, D. C., where for some years before the close of the last century, and at the commencement of the present, he edited "The Sentinel of Liberty, or Georgetown and Washington Advertiser." Subsequently, from 1810 to 1838, he was Cashier of the Union Bank of Georgetown, D. C.

THE
BANKERS' MAGAZINE,
AND
Statistical Register.

Vol. IV.

JUNE, 1850.

No. XII.

FINANCES OF THE UNITED STATES.

- I. Mint of the United States.—Coinage in each year, 1793 to 1849.
- II. Post Office of U. S.—Transportation, &c., in each year, 1790 to 1849.
- III. Revenue, Expenditure, &c., of the U. S. in each year, 1789 to 1849.
- IV. Sales of Public Lands in each State.

I. UNITED STATES MINT.

MINT OF THE UNITED STATES, }
Philadelphia, Nov. 8, 1849. }

SIR:—I have sent to the Register of the Treasury, estimates of the appropriations which will be required for the mint and branch mints for the fiscal year ending June 30, 1851. I have now the honor of sending you copies of these estimates, with the following remarks in regard to them.

The California gold brought to the mint in the present year for coinage, has increased our expenses, not only by its large amount, (exceeding \$3,200,000 in value,) but by the character of the gold itself, which contains, combined with it, a large portion of silver, which must be separated from it. This is done by a chemical process, requiring for operations upon so large a scale, a great and expensive increase in the laboratory, and the employment of additional workmen.

In consequence of this, the funds available for the present fiscal year must certainly fall short of the expenses, so that there will not only be no balance on hand at the end of the year, but there will be a deficit, which must be supplied by an extra appropriation. What amount will be required for this purpose cannot be determined with accuracy, until the wastage accounts of 1849 shall be settled; after which time an estimate of the sum required to supply the deficiencies will be presented.

The expenses of the fiscal year ending June 30, 1851, are estimated at	\$80,000
Deducting therefrom the estimated profits on copper during the same period,	\$10,000
And the estimated deductions from deposits,	14,000
	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/>
	24,000
There will remain to be asked for, the sum of	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/> \$56,200

In the appropriations asked for, there are but two that vary from those heretofore presented. The first is an increase in the salary of the assistant assayer—from \$1,300 to \$1,500. By section seven of the Mint Act of January 18, 1837, it is enacted that “to the assistants and clerks such annual salaries shall be allowed as the director may determine, with the approbation of the President. Provided, that an assistant shall not receive more than fifteen hundred dollars, and that a clerk shall not receive more than twelve hundred dollars.” The gentleman who fills the office of assistant assayer has performed the duties of his place most skilfully and faithfully for thirteen years, and, as I sincerely think, fully merits the small increase of salary provided. It may be added, that the large proportion of California gold now deposited at the mint, in the amount of which no decrease is to be anticipated, has at least doubled the work in the assay department. I therefore beg most respectfully, to submit the proposed salary, through you, to the approbation of the President.

The appropriation for the wages of the workmen has, for a long time, been \$24,000. The increase of labor at the mint has made it necessary to present an estimate for \$25,200.

The appropriations required for the branch mint at New Orleans are founded on the “Grounds of Estimates” presented by the superintendent of that mint, and of which a copy is sent enclosed.

The appropriation presented for the branch mint at Charlotte is for the usual amount, except an item of \$1,000 for certain repairs, of which the explanation given by the superintendent is sent enclosed.

The estimate for the branch mint at Dahlonega is of the usual amount, and does not require explanation.

Very respectfully, your faithful servant,

R. M. PATTERSON, *Director.*

HON. WM. M. MEREDITH, *Secretary of the Treasury.*

THE U. S. MINT.—The following letter from the director of the mint, was printed recently in the *New York Courier and Enquirer*.

“There is no necessity for a mint at New York so long as the establishment at Philadelphia is continued. There is not now, nor is it likely there will be, sufficient business to keep both employed. The question, resolved into its naked elements, appears to me simply this, whether New York or Philadelphia shall have the mint. Considering the present direction of the import of bullion, it is evident that if Congress shall decide for the former city, the present institution, now fully equipped and in perfect working order, and standing in the first rank of such establishments, must either be dis-

mantled or vacated, or remain a useless incubus on the treasury. On the other hand, should the course of the tide change—should the overland railroad to the Pacific be constructed—and Philadelphia thus become, as is confidently anticipated, the most accessible point of connection between the Atlantic States and the golden regions of California, the mint, if established in New York, would in its turn be supplanted, and become useless. But, in any case, a single mint is sufficient, and none could be better adapted to the purpose than the present establishment.”

POST OFFICE STATISTICS.

NEW YORK, December, 1849.

SIR: The New York Cheap Postage Association, intending to renew their exertions to induce Congress to reduce the present rates of postage, take the liberty of soliciting your aid in effecting this very desirable object. The proper mode of making the national legislature acquainted with public opinion on this subject, is by petition, and we therefore respectfully request you to prepare a petition similar to the one annexed, and obtain to it all the names in your power, and then forward it direct to your delegate at Washington, requesting him to present it forthwith to Congress, and use his influence to carry this measure through that body the present session.

As there is a diversity of opinion among some of the friends of cheap postage, in relation to the franking privilege—newspaper postage—and the free delivery of letters, we have deemed it expedient to confine our petition to one single point, in which all unite, viz.: the reduction of letter postage. While the Association remain firmly persuaded that a uniform rate of two cents, as originally proposed by them, is the rate which ought to be adopted, yet as many of our friends are disposed to think that this is too great a reduction at present, we have consented to recommend three cents pre-paid, and five cents if not, believing that in a short period the revenue of the post office will be so increased as to satisfy the most sceptical, that a lower rate will be both desirable and practicable. If this measure is adopted, other reforms and improvements in the post office must necessarily follow, which will tend to diffuse information among the people in the cheapest and most convenient manner.

The present rate of postage commenced in July, 1845; the opponents of reduction, both in and out of Congress, predicted ruin to the Post Office department, and that it would be thrown on the treasury for support, but we now learn that the letters have increased from twenty four millions, to sixty-two millions, per annum, and that the department has a surplus of more than half a million of dollars, after defraying all its expenses. These facts speak volumes in favor of a further reduction to a low and single rate, which will bring the whole correspondence of the people into the Post Office.

Respectfully yours,

JAMES BROWN, *President.*BARNABAS BATES, *Corresponding Secretary.*

POSTAGE ON MAILS TO CALIFORNIA AND TO GREAT BRITAIN.

A Washington correspondent of the Tribune furnishes these interesting facts :—

The following tables are interesting as affording a true indication of the rapid and relative progress of travel and trade to California, and the comparative amount of mail matter carried to and from that country, contrasted with that carried in our European mails. The extraordinary fact is here disclosed that the monthly postage on the California mails is already about one-half as great as that on the mails transmitted to Europe, and increasing in a most rapid ratio ; so that at the end of another year it bids fair to equal it in amount. This is a phenomenon of a marvellous character, as indeed everything about California is :

POSTAGE ON CALIFORNIA MAILS received at, and sent from the New York Post Office, since the 1st of December, 1848—the *Falcon* sailing on that day, the first of the line of steamers between New York and Chagres :

Months.	Mails sent.	Mails rec'd.	Total Postage.
1848—December, - -	\$553.08 - -	None. - -	\$563.08
1849—January, - -	None. - -	\$119.37 - -	119.37
“ February, - -	507.78 - -	None. - -	507.78
“ March, - -	949.17 - -	103.42 - -	1,050.59
“ April, - -	2,536.17 - -	720.32 - -	3,256.49
“ May, - -	4,400.82 - -	727.20 - -	5,128.02
“ June, - -	4,435.20 - -	1,807.88 - -	7,243.08
“ July, - -	None. - -	None. - -	None.
“ August, - -	8,984.17 - -	2,129.79 - -	11,113.96
“ September, - -	4,025.79 - -	4,679.56 - -	8,705.35
“ October, - -	5,265.31 - -	5,427.07 - -	10,692.38
“ November, - -	6,604.67 - -	6,131.47 - -	12,733.14
“ December, - -	10,140.66 - -	6,224.76 - -	16,335.42
1850—January, - -	13,164.09 - -	6,401.84 - -	19,565.93
“ February, - -	11,981.71 - -	7,128.54 - -	19,110.25
“ March, - -	11,811.23 - -	11,270.06 - -	22,081.28

POSTAGE ON MAILS received and Mails sent by British steamers under the Postal Treaty, from June 1st, 1849, to March 31st, 1850.

Months.	Mails received.	Mails sent.	Total.
June, - - -	\$27,052.39 - -	\$20,191.06 - -	\$47,243.45
July, - - -	22,382.06 - -	21,225.47 - -	43,607.53
August, - -	20,629.02 - -	27,655.60 - -	48,284.62
September, - -	25,919.46 - -	24,151.22 - -	50,070.68
October, - -	22,081.16 - -	25,927.06 - -	43,008.22
November, - -	23,129.64 - -	23,554.66 - -	46,684.30
December, - -	31,904.42 - -	23,409.51 - -	55,313.83
January, - -	24,433.37 - -	23,979.24 - -	48,412.61
February, - -	26,966.16 - -	22,245.90 - -	49,212.06
March, - -	29,385.68 - -	25,118.33 - -	54,504.01

The profits of this mail carrying to the British Government may be estimated, when we say that by our postal treaty with Great Britain, the government of that country receives *nineteen* dollars out of every *twenty-four* of the gross amount of postage on mails sent by the English steamers.

STATEMENT OF THE EXPENDITURES OF THE UNITED STATES, EXCLUSIVE OF PAYMENTS ON ACCOUNT OF THE PUBLIC DEBT AND FROM TRUST FUNDS,— FRACTIONS EXCLUDED.

Years.	Civil List, Foreign Inter- course, and Miscellaneous.	Military Estab- lishment.	Naval Estab- lishment.	AGGREGATE OF EXPENDITURES.	
				In each Year.	In each Period of four Years.
1789 - 91	\$ 1,083,491	\$ 835,618	\$ 570	\$ 1,919,589	
1792	654,257	1,223,594	53	1,377,904	\$ 3,797,493
1793	472,450	1,237,620		1,710,070	
1794	705,598	2,733,540	61,409	3,500,547	
1795	1,367,037	2,573,059	410,562	4,350,658	
1796	772,435	1,474,661	274,794	2,521,930	12,083,206
1797	1,246,904	1,194,055	392,632	2,823,591	
1798	1,111,038	2,130,837	1,381,348	4,623,223	
1799	1,039,392	2,582,693	2,858,082	6,480,167	
1800	1,337,613	2,625,041	3,448,716	7,411,370	21,338,351
1801	1,114,768	1,755,477	2,111,424	4,981,669	
1802	1,462,929	1,358,589	915,562	3,737,080	
1803	1,842,636	944,938	1,215,231	4,002,825	
1804	2,191,009	1,072,017	1,189,833	4,452,859	17,174,433
1805	3,768,588	991,136	1,597,500	6,357,224	
1806	2,891,037	1,540,431	1,619,641	6,051,109	
1807	1,607,997	1,564,611	1,722,064	4,994,572	
1808	1,423,286	3,196,985	1,884,068	6,504,339	23,927,244
1809	1,215,904	3,771,109	2,427,759	7,414,672	
1810	1,101,145	2,555,693	1,654,244	5,311,082	
1811	1,367,291	2,259,747	1,965,566	5,592,604	
1812	1,683,088	12,187,046	3,959,365	17,829,499	36,147,867
1813	1,729,435	19,906,362	6,446,600	28,082,397	
1814	2,208,029	20,608,366	7,311,291	30,127,686	
1815	2,808,871	15,394,700	8,690,000	26,953,571	
1816	2,989,742	16,475,412	3,908,278	23,373,432	108,537,086
1817	3,519,937	8,621,075	3,314,598	15,455,610	
1818	3,835,839	7,019,140	2,953,635	13,808,674	
1819	3,067,212	9,385,421	3,847,640	16,300,273	
1820	2,592,022	6,154,518	4,387,990	13,134,530	58,698,067
1821	2,223,122	5,181,114	3,319,243	10,723,479	
1822	1,967,996	5,635,187	2,224,459	9,827,642	
1823	2,022,094	5,258,295	2,503,766	9,784,155	
1824	7,155,308	5,270,255	2,904,582	15,330,145	45,665,421
1825	2,748,544	5,692,931	3,049,084	11,490,459	
1826	2,690,178	6,243,236	4,218,902	13,062,316	
1827	2,314,777	5,675,742	4,268,878	12,251,397	
1828	2,886,052	5,701,203	3,918,786	12,506,041	49,313,213
1829	3,092,214	6,250,530	3,308,745	12,651,489	
1830	3,228,416	6,752,639	3,239,429	13,220,534	
1831	3,061,346	6,943,239	3,856,183	13,863,768	
1832	4,574,841	7,982,877	3,956,370	16,514,088	56,249,879
1833	6,051,789	13,096,152	3,901,357	22,049,298	
1834	4,309,779	10,061,428	3,956,260	18,420,467	
1835	3,720,167	9,420,313	3,864,939	17,005,419	
1836	5,388,371	18,466,110	5,800,763	29,655,244	87,130,426
1837	5,524,253	19,417,274	6,852,060	31,793,587	
1838	5,666,703	19,936,312	5,975,771	31,578,786	
1839	4,994,562	14,268,981	6,225,003	25,488,547	
1840	5,581,878	11,621,438	6,124,456	23,327,772	112,188,691
1841	6,490,881	13,704,882	6,001,077	26,196,840	
1842	6,775,625	9,188,469	6,397,243	24,361,337	
6 mo. of 1843	2,867,289	4,158,384	3,672,718	10,698,391	
*1844	5,231,747	8,231,317	6,496,991	19,960,056	81,216,623
*1845	5,608,207	9,533,203	6,228,639	21,370,049	
*1846	6,783,000	13,579,428	6,450,862	26,813,290	
*1847	6,715,854	41,281,606	7,931,633	55,929,093	
*1848	5,585,070	27,820,163	9,406,737	42,811,970	148,924,402
*1849	14,709,360	16,671,214	9,797,821	41,178,395	

* For the year ending June 30.

STATEMENT OF THE DEBT OF THE UNITED STATES, THE TOTAL VALUE OF IMPORTS AND EXPORTS, AND THE TOTAL TONNAGE, FROM 1791 to 1849.

Years.	Debt.	Imports.	Exports.	Tonnage.
1791	\$75,463,476	\$52,200,000	\$19,012,041	502,146
1792	77,227,924	31,500,000	20,753,093	564,437
1793	80,352,634	31,100,000	26,109,572	491,730
1794	78,427,405	34,600,000	33,026,233	628,817
1795	80,747,537	69,756,263	47,989,472	747,964
1796	83,762,172	81,436,164	67,064,097	831,900
1797	82,064,479	75,379,406	56,350,206	876,913
1798	79,223,529	68,551,700	61,527,097	898,323
1799	78,403,670	79,063,143	78,665,522	946,408
1800	82,976,294	91,252,763	70,971,790	972,492
1801	83,038,051	111,363,511	94,115,925	1,033,219
1802	80,712,632	76,333,333	72,483,160	892,101
1803	77,054,686	64,666,666	55,800,033	949,147
1804	86,427,121	85,000,000	77,699,074	1,042,404
1805	82,312,150	120,000,000	95,566,021	1,140,369
1806	75,723,271	129,000,000	101,536,963	1,208,736
1807	69,218,399	138,500,000	108,343,150	1,268,548
1808	65,196,318	56,990,000	22,430,960	1,242,595
1809	57,023,192	59,400,000	52,203,231	1,350,281
1810	53,173,217	85,400,000	66,757,974	1,424,783
1811	48,045,588	53,400,000	61,316,831	1,232,502
1812	45,299,738	77,030,000	38,527,236	1,269,997
1813	55,962,828	22,005,000	27,855,997	1,666,628
1814	81,487,846	12,965,000	6,927,441	1,159,209
1815	99,833,680	113,041,274	52,557,753	1,368,127
1816	127,334,934	147,103,000	81,920,452	1,372,218
1817	123,491,965	99,250,000	87,671,569	1,369,911
1818	103,466,634	121,750,000	93,231,133	1,225,134
1819	95,529,643	87,125,000	70,142,621	1,269,751
1820	91,015,566	74,450,000	69,691,669	1,280,166
1821	89,957,428	62,585,724	64,974,382	1,298,959
1822	93,516,677	83,241,541	72,160,231	1,321,699
1823	90,875,877	77,579,267	74,699,030	1,336,565
1824	90,269,778	80,549,007	75,986,657	1,389,163
1825	83,788,433	96,340,075	99,535,388	1,423,112
1826	81,051,060	84,974,477	77,695,322	1,531,190
1827	73,957,357	79,484,063	82,324,827	1,620,618
1828	67,475,044	88,509,824	72,261,636	1,741,392
1829	58,421,414	74,492,527	72,353,671	1,269,973
1830	48,565,406	70,876,920	73,849,508	1,191,776
1831	39,123,192	103,191,134	81,310,583	1,267,846
1832	24,322,235	101,029,266	87,176,943	1,439,450
1833	7,001,699	108,118,311	90,140,433	1,601,150
1834	4,760,082	126,521,332	104,336,973	1,758,907
1835	37,733	149,895,742	121,693,577	1,824,940
1836	37,513	189,940,035	128,663,040	1,892,102
1837	1,878,224	140,989,217	117,419,376	1,896,685
1838	4,857,660	108,486,616	113,717,404	1,985,639
1839	11,983,738	121,028,416	162,092,132	2,046,478
1840	5,125,078	131,571,950	104,805,891	2,180,764
1841	6,737,398	127,946,177	121,851,803	2,139,744
1842	15,024,486	100,162,087	104,691,534	2,002,390
1843	26,898,953	64,753,799*	84,316,480*	2,158,682
1844	26,143,996	108,435,035†	111,200,046†	2,240,885
1845	16,801,647	117,254,564†	114,616,606†	2,417,002
1846	24,256,495	121,691,797†	113,488,516†	2,592,984
1847	45,659,659	146,545,638†	158,618,622†	2,889,016
1848	65,804,450	154,977,876†	154,032,131†	3,150,592
1849	64,704,693	147,857,439	145,755,826	3,334,314

* Only nine months of 1843.

† For the year ending June 30.

Public Credit. — While the observance of that good faith, which is the basis of public credit, is recommended by the strongest inducements of political expediency, it is enforced by considerations of still greater authority. There are arguments for it which rest on the immutable principles of moral obligation. And in proportion as the mind is disposed to contemplate, in the order of Providence, an intimate connection between public virtue and public happiness, will be its repugnancy to a violation of those principles. — *Hamilton.*

STATEMENT OF THE RECEIPTS INTO THE NATIONAL TREASURY, FROM CUSTOMS, INTERNAL REVENUE AND DIRECT TAXES, AND SALES OF PUBLIC LANDS,—FRACTIONS OF A DOLLAR BEING EXCLUDED.

Years.	Customs.	Internal and Direct Taxes.	Sales of Lands and Miscellaneous.	AGGREGATE OF RECEIPTS.	
				In each Year.	In each Period of four Years.
1789 - 91	\$ 4,399,473			\$ 4,399,473	
1792	3,443,071	\$ 208,943		3,652,014	\$ 8,061,487
1793	4,255,306	337,708		4,593,012	
1794	4,801,065	274,090		5,075,156	
1795	5,584,161	337,755		5,921,916	
1796	6,567,938	475,290	\$ 4,836	7,048,114	<u>22,642,497</u>
1797	7,549,650	575,491	83,541	8,208,682	
1798	7,106,062	614,358	11,963	7,732,383	
1799	6,610,449	779,136		7,389,585	
1800	9,030,933	1,543,620	444	10,624,997	<u>33,985,647</u>
1801	10,750,779	1,582,377	167,726	12,500,882	
1802	12,438,236	828,464	188,628	13,455,328	
1803	10,479,418	287,059	165,676	10,932,153	
1804	11,093,465	101,139	487,527	11,687,231	<u>49,575,694</u>
1805	12,936,437	43,631	540,194	13,520,312	
1806	14,667,693	75,865	765,246	15,508,809	
1807	15,845,522	47,794	466,163	16,359,469	
1808	16,363,550	27,370	647,939	17,038,869	<u>62,427,449</u>
1809	7,296,021	11,562	442,252	7,749,835	
1810	8,583,309	19,879	696,549	9,299,737	
1811	13,313,223	9,962	1,040,238	14,363,423	
1812	8,958,778	6,762	710,428	9,674,968	<u>41,087,963</u>
1813	13,224,623	8,561	835,655	14,068,839	
1814	5,993,772	3,882,482	1,135,971	11,017,225	
1815	7,282,942	6,840,733	1,287,959	15,411,634	
1816	36,306,875	9,378,344	1,717,935	47,403,204	<u>87,900,002</u>
1817	26,283,349	4,512,288	1,991,226	32,786,862	
1818	17,176,345	1,219,613	2,606,565	21,002,563	
1819	20,283,609	313,244	3,274,423	23,871,276	
1820	15,003,612	137,947	1,635,872	16,779,331	<u>94,410,032</u>
1821	13,004,447	98,377	1,212,966	14,315,790	
1822	17,589,762	88,617	1,803,532	19,481,961	
1823	19,088,433	44,580	916,523	20,049,536	
1824	17,878,326	40,865	984,418	18,903,609	<u>72,760,896</u>
1825	20,098,714	28,102	1,216,090	21,342,906	
1826	23,341,332	28,228	1,393,785	24,763,345	
1827	19,712,233	22,513	1,495,945	21,230,641	
1828	23,205,524	19,671	1,018,309	24,243,504	<u>91,580,396</u>
1829	22,631,966	25,838	1,517,175	24,224,979	
1830	21,922,391	29,141	2,329,356	24,280,888	
1831	24,221,442	17,440	3,210,315	27,452,697	
1832	23,465,237	18,422	2,623,381	31,107,040	<u>107,065,604</u>
1833	29,032,509	3,153	3,967,692	33,003,344	
1834	16,214,957	4,216	4,857,601	21,076,774	
1835	19,391,311	14,723	4,757,601	34,163,635	
1836	23,409,940	1,099	4,877,180	48,288,219	<u>136,531,972</u>
1837	11,169,290		6,867,556	18,036,846	
1838	16,158,800		3,214,184	19,372,984	
1839	23,137,925		7,261,118	30,399,043	
1840	13,499,502		3,494,356	16,993,858	<u>84,798,731</u>
1841	14,487,217		1,470,295	15,957,512	
1842	18,187,909		1,456,059	19,643,967	
6 mo. of 1843	7,046,844		1,018,482	8,065,326	
1844	26,183,571		2,320,948	28,504,519	<u>72,171,394</u>
*1845	27,528,113		2,241,021	29,769,134	
*1846	26,712,663		2,786,579	29,499,247	
*1847	23,747,864		2,594,926	26,342,790	
*1848	31,757,070		3,679,679	35,436,750	<u>121,051,921</u>
*1849	28,346,739		2,727,608	31,074,347	

* For the year ending June 30.

STATEMENT OF SALES OF THE PUBLIC LANDS IN EACH YEAR, BY STATES,
FROM 1787 TO JANUARY 1, 1849.

Years.	Ohio.	Indiana.	Illinois.	Missouri.	Alabama.	Mississippi.
	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.
•1787	78,525.14					
•1796	42,057.62					
•1799	640.00					
1800	70,947.81					
1801	486,787.53					
1802	254,770.45					
1803	167,551.90					
1804	479,816.02					
1805	434,112.37					
1806	269,712.46					
1807	130,900.63	23,063.93				16,096.97
1808	135,937.22	47,867.51				824.49
1809	108,041.29	31,242.89				47,153.35
1810	175,531.95	35,711.79				5,612.12
1811	363,235.60	41,949.19				56,250.73
1812	232,715.29	35,876.26				26,400.78
1813	401,196.06	55,030.98				7,289.64
1814	794,821.71	137,135.96	119,631.44			2,485.69
1815	691,680.66	155,985.52	104,255.53			143,211.01
1816	548,952.67	371,374.90	183,908.21			229,749.26
1817	440,600.92	472,023.12	177,722.82			146,356.09
1818	233,714.98	192,586.15	220,419.12	151,925.84	531,691.12	144,887.74
1819	97,374.23	56,461.09	69,027.44	294,633.35	420,310.75	43,829.89
1820	67,404.07	165,482.02	13,138.60	46,977.99	190,339.61	15,522.15
1821	128,163.65	266,340.52	53,771.40	107,877.95	214,311.40	41,068.34
1822	188,959.43	252,573.64	27,264.93	31,435.23	140,014.60	25,869.55
1823	125,574.17	151,893.41	59,825.95	78,281.53	153,423.27	33,822.11
1824	165,660.81	157,246.21	41,329.98	78,735.06	124,888.78	76,297.03
1825	138,376.56	167,102.18	45,655.83	82,675.53	195,783.75	61,622.51
1826	130,978.92	197,195.16	81,380.37	68,129.86	146,363.06	77,886.81
1827	147,417.46	205,476.37	68,207.56	151,702.69	95,138.41	68,921.17
1828	165,110.45	245,072.60	92,402.54	143,399.91	163,194.78	70,323.88
1829	174,504.32	339,744.83	209,892.79	151,819.34	120,542.13	98,031.65
1830	154,287.92	465,576.69	314,407.23	210,707.86	369,769.06	106,801.19
1831	338,813.72	537,237.64	334,577.36	296,171.52	723,574.36	130,536.40
1832	417,006.63	651,856.68	225,338.17	248,075.79	406,497.60	256,848.46
1833	568,329.45	534,484.44	309,537.13	232,846.99	443,299.72	1,126,232.13
1834	620,763.96	650,665.81	347,823.52	223,673.53	1,043,021.54	1,063,459.64
1835	741,612.21	1,547,500.21	2,062,707.85	647,672.24	1,542,006.23	2,874,559.10
1836	1,365,282.33	3,016,960.77	3,088,554.02	1,635,104.67	1,868,206.28	1,963,077.91
1837	483,851.09	1,131,327.84	1,024,920.35	650,363.69	371,459.25	262,104.93
1838	283,190.39	497,801.08	790,698.65	607,632.56	157,524.41	51,370.61
1839	234,411.19	672,474.89	1,127,403.66	1,025,307.03	124,185.28	19,022.26
1840	32,790.17	102,277.45	388,233.45	572,832.13	57,626.15	17,187.24
1841	42,390.26	93,746.82	298,274.52	270,351.38	50,039.45	22,927.58
1842	37,498.53	64,000.29	438,825.66	156,486.29	110,265.12	54,622.39
1843	13,357.23	46,543.40	445,469.23	439,691.71	189,302.13	37,047.46
1844	34,048.67	90,999.99	486,997.89	447,437.93	83,693.77	29,035.24
1845	111,032.13	73,257.42	481,105.46	248,996.20	77,635.37	27,351.23
1846	75,653.47	108,528.65	460,967.34	206,281.59	78,506.15	112,195.78
1847	105,234.58	230,627.51	506,802.84	246,415.29	146,859.45	94,206.84
Total, Jan 1, 1848.	13,599,602.07†	13,902,325.61†	14,740,417.83	9,643,931.67	10,764,654.01	9,714,942.34

* No sales between the years 1787 and 1796, nor in 1797 and 1798.

† The quantity sold in that part of Chillicothe district which is situated within Indiana is 1,179,269.50 acres, which must be deducted from the sales of Ohio, and added to those of Indiana, to obtain the true quantity sold of the lands of those States respectively.

During the year 1847, 2,521,305 acres of public lands, exclusive of the erroneous entries, were sold, producing \$ 3,296,404. And in the first, second, and third quarters of 1848-49, there were sold 1,443,240 acres, producing \$ 2,030,668.

From official reports it appears that the amount of ore and native copper raised in the Lake Superior mineral district, subject to pay rent from the commencement of mining to 30th September, 1848, was 11,692,174 pounds. The amount of rent paid to that date was \$ 10,728.

STATEMENT OF SALES OF THE PUBLIC LANDS IN EACH YEAR, BY STATES, FROM 1787 TO JANUARY 1, 1849, CONTINUED.

Years.	Louisiana.	Michigan.	Arkansas.	Wisconsin.	Iowa.	Florida.
	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.
1818	7,390.82	22,964.70	.	.	.	.
1819	.	9,661.17	.	.	.	.
1820	.	4,617.20	.	.	.	.
1821	774.63	7,004.93	2,871.95	.	.	.
1822	57,967.86	17,022.73	22,612.97	.	.	.
1823	1,409.15	32,661.69	2,392.56	.	.	.
1824	3,140.03	72,863.13	3,232.39	.	.	.
1825	4,051.63	191,025.24	6,529.31	80.00	.	68,316.66
1826	20,231.66	62,396.74	12,288.83	.	.	52,432.46
1827	4,659.65	41,653.49	4,437.77	.	.	138,322.33
1828	4,293.57	25,841.63	2,312.01	.	.	34,706.23
1829	25,177.10	66,204.61	2,350.96	.	.	47,186.42
1830	61,636.21	137,035.17	3,716.53	.	.	57,074.32
1831	69,862.51	324,433.80	13,371.30	63.45	.	26,047.96
1832	67,371.26	241,587.61	10,281.56	.	.	9,066.44
1833	83,202.15	494,509.63	39,887.82	.	.	12,326.14
1834	77,648.21	458,178.98	114,793.09	14,354.37	.	17,117.92
1835	240,663.79	1,702,406.08	603,285.55	220,040.20	.	48,220.54
1836	813,708.73	4,031,114.25	914,906.01	639,273.46	.	77,792.77
1837	144,365.87	772,702.86	277,624.98	174,002.20	.	93,052.63
1838	157,466.50	101,594.67	178,831.01	84,795.28	273,381.30	64,854.49
1839	610,360.67	128,036.57	146,955.33	617,284.85	294,476.44	60,202.36
1840	174,453.67	25,974.44	105,093.84	129,149.65	663,113.24	22,157.87
1841	88,528.67	18,611.99	52,248.07	100,426.35	73,180.93	4,469.26
1842	50,916.17	25,148.06	22,300.08	126,954.61	50,526.65	5,193.30
1843	106,550.63	11,983.29	43,631.83	165,800.42	141,038.87	11,880.17
1844	89,556.94	19,476.05	62,570.53	258,412.53	107,484.93	12,551.96
1845	87,438.14	22,810.16	34,868.62	430,613.42	192,324.12	15,097.63
1846	73,846.39	29,242.21	43,756.17	687,933.18	260,362.13	31,077.07
1847	90,694.10	62,333.41	85,448.47	630,675.56	271,614.25	27,339.74
Total, Jan 1, 1848.	2,908,366.11	9,000,720.49	2,832,277.70	4,309,669.53	2,227,823.86	926,613.14

EXHIBIT OF THE QUANTITIES OF THE PUBLIC LAND (EXCLUSIVE OF THE 16TH OR SCHOOL SECTIONS) IN EACH STATE AND TERRITORY, AS SPECIFIED BELOW.

States and Territories.	Quantities advertised for Sale in the Year 1848.	Quantities, the Plats of Survey of which have been returned to the General Land Office			Quantities prepared for Market, and not yet advertised for sale.	Estimated Quantities, the Plats of Survey of which are expected to be returned in the Year 1849.
		Prior to the Commissioner's last Annual Report.	Since the Commissioner's last Annual Report.	Since the Commissioner's last Annual Report.		
	Acres.	Acres.	Acres.	Acres.	Acres.	
Ohio,	Wyandot lands, the unsold improved.					
Indiana,		1,070			1,070	
Michigan,	2,662,218	2,463,491	468,794	268,047	1,478,400	
Illinois,		31,514	116	31,629		
Wisconsin,	877,963		1,844,293	966,330	1,344,000	
Iowa,	1,928,317	737,098	1,917,539	756,258	2,240,000	
Missouri,	1,410,049	182,300	1,603,851	376,102	1,200,000	
Arkansas,	937,864	681,417	931,393	574,946	275,000	
Louisiana,	281,961	932,981	344,380	995,190	336,000	
Mississippi,			661	661		
Alabama,		89,825	705	90,530		
Florida,	1,361,369	168,230	1,858,541	665,402	2,240,000	
Total,	9,459,741	5,177,454	8,998,262	4,716,375	9,113,400	

*Statement of the Annual Amount of Deposits of Gold for Coinage at the Mint of the United States and its Branches,
from Mines in the United States.*

Period.	Deposited at the Mint of the United States.										Deposited at the Branch Mints.				Mint and Branches.	Total Deposits of U. S. gold.
	Virginia.	North Carolina.	Georgia.	California.	New Mexico.	Other Sources.	Total at the U. S. Mint.	Charlotte, N. C.	Dalhousie, Ge.	New Orleans.	Total at the Branch Mints.					
1824-37	427,000	2,582,500	1,793,900	•	•	353,100	5,126,500	•	•	•	•	•	•	•	5,126,500	
1838	55,000	66,000	36,000	•	•	14,700	171,700	127,000	135,700	700	263,400	485,100	•	•	485,100	
1839	57,600	53,500	20,800	•	•	7,100	138,500	126,836	113,035	6,869	246,740	385,940	•	•	385,940	
1840	38,995	36,804	91,113	•	•	9,854	176,766	124,726	121,858	2,835	249,419	426,185	•	•	426,185	
1841	25,736	76,431	139,796	•	•	6,515	248,478	129,847	161,974	1,818	293,639	542,117	•	•	542,117	
1842	42,163	61,629	150,276	•	•	19,519	273,587	174,508	323,372	5,630	503,510	777,097	•	•	777,097	
1843	48,148	62,873	56,619	•	•	13,088	180,728	272,064	570,080	22,573	864,717	1,045,445	•	•	1,045,445	
1844	40,595	194,917	30,739	•	•	28,771	295,022	167,348	479,794	25,036	672,178	967,200	•	•	967,200	
1845	86,783	365,886	17,325	•	•	19,388	489,382	•	498,632	20,313	518,945	1,008,327	•	•	1,008,327	
1846	55,538	286,105	13,601	•	•	110,825	466,069	196,381	455,149	21,758	673,288	1,139,357	•	•	1,139,357	
1847	67,736	99,491	10,547	•	•	5,635	183,409	344,054	352,366	9,256	705,676	889,085	•	•	889,085	
1848	57,886	109,034	3,370	44,177	682	26,395	241,544	370,799	274,473	12,589	657,861	899,405	•	•	899,405	
1849	129,332	102,688	10,525	5,481,439	32,389	10,169	5,767,032	390,732	252,974	677,985	1,321,691	7,088,783	•	•	7,088,783	
Agg.	1,192,562	4,097,858	2,344,111	5,525,616	33,571	625,059	13,758,777	2,424,295	3,739,407	807,323	6,971,064	20,729,841	•	•	20,729,841	

COINAGE OF THE MINT OF THE UNITED STATES, FROM 1792 TO 1849, INCLUDING THE COINAGE OF THE BRANCH MINTS FROM THE COMMENCEMENT OF THEIR OPERATIONS, IN 1838.

Years.	GOLD. Value.	SILVER. Value.	COPPER. Value.	WHOLE COINAGE.	
				No. of Pieces.	Value.
1793 - 95	\$ 71,485.00	\$ 370,683.90	\$ 11,373.00	1,834,420	\$ 453,541.50
1796	102,727.60	79,077.50	10,324.40	1,219,370	192,129.40
1797	103,422.50	12,591.45	9,510.34	1,095,165	125,521.29
1798	205,610.00	330,291.00	9,797.00	1,365,241	545,698.00
1799	213,285.00	423,515.00	9,106.68	1,365,691	645,406.68
1800	317,760.00	224,296.00	29,279.40	3,337,972	571,335.40
1801	422,570.00	74,758.00	13,628.37	1,571,390	510,956.37
1802	423,310.00	58,343.00	34,422.83	3,615,869	516,075.83
1803	258,377.50	87,118.00	25,203.03	2,780,830	370,693.53
1804	258,642.50	100,340.50	12,844.94	2,046,839	371,827.94
1805	170,367.50	149,388.50	13,483.48	2,260,361	333,239.48
1806	324,505.00	471,319.00	5,260.00	1,815,409	801,084.00
1807	437,495.00	597,448.75	9,652.21	2,731,345	1,044,595.96
1808	284,665.00	694,300.00	13,090.00	2,935,888	982,055.00
1809	169,375.00	707,376.00	8,001.53	2,861,834	884,752.53
1810	501,435.00	638,773.50	15,660.00	3,056,418	1,155,868.50
1811	497,905.00	608,340.00	2,495.95	1,649,570	1,108,740.95
1812	280,435.00	814,029.50	10,755.00	2,761,646	1,115,219.50
1813	477,140.00	620,951.50	4,180.00	1,755,331	1,102,275.50
1814	77,270.00	561,687.50	3,678.30	1,833,859	642,535.80
1815	3,175.00	17,308.00		69,867	20,483.00
1816		29,575.75	28,209.82	2,888,135	56,785.67
1817		607,783.50	39,484.00	5,163,967	647,267.50
1818	242,940.00	1,070,464.50	31,670.00	5,537,054	1,345,064.50
1819	258,615.00	1,140,000.00	26,710.00	5,074,723	1,425,325.00
1820	1,319,030.00	501,680.70	44,075.50	6,492,509	2,110,678.20
1821	189,325.00	825,762.45	3,890.00	3,139,249	1,018,977.45
1822	88,980.00	805,906.50	20,723.39	3,813,798	915,509.69
1823	72,425.00	895,550.00		2,166,455	967,975.00
1824	93,200.00	1,752,477.00	12,620.00	4,786,894	1,558,297.00
1825	156,385.00	1,564,583.00	14,926.00	5,178,760	1,735,594.00
1826	92,245.00	2,002,090.00	16,344.25	5,774,434	2,110,679.25
1827	131,565.00	2,889,200.00	23,557.32	9,097,845	3,024,342.32
1828	140,145.00	1,575,600.00	25,636.24	6,196,853	1,741,381.24
1829	285,717.50	1,994,578.00	16,580.00	7,674,501	2,306,875.50
1830	643,105.00	2,495,400.00	17,115.00	8,357,191	3,155,620.00
1831	714,270.00	3,175,600.00	33,603.60	11,792,294	3,923,473.60
1832	798,435.00	2,579,000.00	23,620.00	9,128,387	3,401,055.00
1833	978,550.00	2,759,000.00	28,160.00	10,307,790	3,765,710.00
1834	3,954,270.00	3,415,002.00	19,151.00	11,637,643	7,388,423.00
1835	2,186,175.00	3,443,003.00	39,489.00	15,996,342	5,668,667.00
1836	4,135,700.00	3,606,100.00	23,100.00	13,719,333	7,764,900.00
1837	1,148,305.00	2,096,010.00	55,583.00	13,010,721	3,299,895.00
1838	1,809,595.00	2,333,243.00	53,702.00	15,750,311	4,206,540.00
1839	1,355,885.00	2,189,296.00	31,286.61	11,811,594	3,576,467.61
1840	1,675,902.50	1,726,703.00	24,627.00	10,558,240	3,426,632.50
1841	1,091,697.50	1,132,750.00	15,973.67	8,811,969	2,240,321.17
1842	1,834,170.50	2,332,750.00	23,833.90	11,743,153	4,190,754.40
1843	8,108,797.50	3,834,750.00	24,283.20	4,640,582	11,967,830.70
1844	2,230.00	2,235,550.00	23,987.52	9,051,834	7,687,767.52
1845	3,756,447.50	1,873,200.00	38,948.04	1,806,196	5,668,595.54
1846	4,034,177.00	2,558,580.00	41,208.00	10,133,515	6,633,965.00
1847	20,221,385.00	2,374,450.00	61,836.69	15,392,344	22,657,671.69
1848	3,775,512.50	2,040,050.00	64,157.99	12,649,790	5,879,720.49
1849	9,007,761.50	2,114,950.00	41,984.32	12,606,659	11,161,695.32
Total,	\$ 85,349,201.50	\$ 76,581,464.90	\$ 1,251,743.52	355,947,909	\$ 162,182,409.99

NUMBER OF POST-OFFICES, EXTENT OF POST-ROUTES, AND EXPENDITURES AND REVENUE OF THE POST-OFFICE DEPARTMENT; WITH THE AMOUNT PAID TO POSTMASTERS AND FOR TRANSPORTATION OF THE MAIL, SINCE 1790.

Year.	No. of Post-Offices.	Extent of Post-Routes. Miles.	Revenue of the Department.	Expenditures of the Department.	Amount paid for Compen. of Postmasters.	Transportation of the Mail.
1790	75	1,375	\$ 37,935	\$ 32,140	\$ 8,198	\$ 22,081
1795	453	13,207	160,620	117,893	30,272	75,359
1800	903	20,817	220,804	213,994	69,243	123,644
1805	1,558	31,076	421,373	377,367	111,552	239,635
1810	2,300	36,406	551,684	495,969	149,438	327,966
1815	3,000	43,748	1,043,065	748,121	241,901	487,779
1816	3,260	48,673	961,782	804,422	265,944	521,970
1817	3,459	52,089	1,002,973	916,515	303,916	589,189
1818	3,618	59,473	1,130,235	1,035,832	346,429	664,611
1819	4,000	67,586	1,204,737	1,117,861	375,828	717,881
1820	4,500	72,492	1,111,927	1,160,926	352,295	782,425
1821	4,650	78,808	1,059,087	1,184,283	337,599	815,681
1822	4,709	82,763	1,117,490	1,167,572	355,299	788,618
1823	4,043	84,860	1,130,115	1,156,995	360,462	767,464
1824	5,182	84,860	1,197,758	1,188,019	383,804	768,939
1825	5,677	94,052	1,306,525	1,229,043	411,183	785,646
1826	6,150	94,052	1,447,703	1,366,712	447,727	885,100
1827	7,003	105,336	1,524,633	1,468,959	486,411	942,345
1828	7,530	105,336	1,659,915	1,689,945	548,049	1,086,313
1829	8,004	115,000	1,707,418	1,782,132	559,237	1,153,646
1830	8,450	115,176	1,850,583	1,932,708	595,234	1,274,009
1831	8,686	115,486	1,997,811	1,936,122	635,028	1,252,226
1832	9,205	104,466	2,258,570	2,266,171	715,481	1,482,507
1833	10,127	119,916	2,617,011	2,930,414	826,283	1,894,638
1834	10,693	119,916	2,823,749	2,910,605	897,317	1,925,544
1835	10,770	112,774	2,993,356	2,757,350	945,418	1,719,007
1836	11,091	118,264	3,408,323	3,841,766	812,803	1,638,052
1837	11,767	141,242	4,236,779	3,544,630	891,352	1,996,727
1838	12,519	134,818	4,238,733	4,430,662	933,948	3,131,308
1839	12,780	133,999	4,484,657	4,636,536	980,000	3,285,622
1840	13,468	155,739	4,543,522	4,718,236	1,028,925	3,296,876
1841	13,778	155,026	4,407,726	4,499,528	1,018,645	3,159,375
1842	13,733	149,732	4,546,849	5,674,752	1,147,256	3,087,796
1843	13,814	142,295	4,296,225	4,374,754	1,426,394	2,947,319
1844	14,103	144,687	4,237,288	4,296,513	1,358,316	2,938,551
1845	14,183	143,940	4,289,841	4,320,732	1,409,875	2,905,504
*1846	14,601	152,865	3,487,199	4,084,297	1,042,079	2,716,673
*1847	15,146	153,818	3,955,893	3,979,570	1,060,228	2,476,455
*1848	16,159	163,208	4,371,077	4,326,850	1,254,345	2,394,703
*1849	16,747	167,703	4,705,176	4,479,049	1,320,921	2,577,407

* The returns for 1846, 1847, 1848, and 1849, are for the first four years under the new law, passed March 3, 1845.

POST OFFICE STATISTICS.

<i>Productive Routes.</i>	<i>Length of Route.</i>	<i>Annual Transportation.</i>	<i>Annual Cost.</i>	<i>Annual Revenue.</i>	<i>Surplus.</i>
New York,	13,548	5,198,487	\$238,530	\$694,532	\$456,002
Pennsylvania,	10,744	3,113,224	137,405	328,879	191,474
Massachusetts,	3,241	2,003,264	110,413	283,875	173,462
Ohio,	12,042	5,419,606	152,429	214,355	61,926
Louisiana,	3,888	573,696	55,252	101,512	46,260
Connecticut,	1,780	780,473	46,754	78,625	31,871
Maine,	4,284	1,255,835	43,136	71,652	28,516
Missouri,	9,163	1,747,772	66,491	69,458	2,967
Indiana,	6,964	1,361,582	57,009	57,353	344
New Hampshire,	2,213	744,048	26,961	47,476	20,515
Vermont,	2,519	764,427	26,643	43,120	16,477
Wisconsin,	3,823	567,920	21,767	39,401	17,634
Rhode Island,	434	172,640	9,498	31,747	22,249
Delaware,	482	165,672	8,607	10,283	1,676
Total,	75,125	21,868,646	\$990,895	\$2,062,268	\$1,071,373
<i>Unproductive Routes.</i>	<i>Length.</i>	<i>Transportation.</i>	<i>Cost.</i>	<i>Revenue.</i>	<i>Deficit.</i>
Virginia,	11,634	2,501,548	\$186,136	\$109,514	\$56,622
Georgia,	6,523	1,522,454	137,720	74,001	63,719
Illinois,	8,970	2,249,624	107,046	68,262	38,784
Maryland,	2,271	976,248	131,702	99,124	32,578
Kentucky,	8,535	2,464,290	100,372	64,800	35,572
Alabama,	7,107	1,704,212	147,485	61,708	85,777
South Carolina,	5,349	1,136,460	108,904	61,245	47,659
New Jersey,	2,172	902,392	56,730	52,719	4,011
Tennessee,	7,126	1,409,844	62,518	47,343	15,175
Michigan,	4,419	1,067,875	54,422	43,873	10,549
Mississippi,	4,747	980,944	69,564	42,439	27,125
North Carolina,	7,798	1,641,680	152,145	39,496	112,649
Texas,	5,334	641,992	50,656	15,636	35,020
Iowa,	3,254	383,952	14,680	13,998	682
Arkansas,	5,463	783,628	51,380	11,555	39,825
Florida,	1,876	308,360	26,160	10,545	15,615
Total,	92,578	20,675,503	\$1,437,620	\$816,258	\$621,362
Productive Routes,	75,125	21,868,646	990,895	2,062,268	1,071,373
Route Agents,			61,573		
Foreign Mails,	11,109		255,692		
Total,	178,812	42,544,149	\$2,745,780	\$2,878,526	\$450,011

THE ENGLISH POST OFFICE.

The following are the returns of the number of chargeable letters delivered through the General Post Office of Great Britain, from 1839 to 1849.

<i>Year.</i>	<i>No. Letters.</i>	<i>Annual Increase.</i>	<i>Anl. Inc. pr. ct. on 1839.</i>	<i>Year.</i>	<i>No. Letters.</i>	<i>Annual Increase.</i>	<i>Anl. Inc. pr. ct. on 1839.</i>
1839	*76,000,000			1845	271,500,000	29,500,000	39
1840	169,000,000	93,000,000	123	1846	299,500,000	28,000,000	37
1841	196,500,000	27,500,000	36	1847	322,000,000	22,500,000	30
1842	208,500,000	12,000,000	16	1848	320,000,000	7,000,000	9
1843	220,500,000	12,000,000	16	1849	337,500,000	8,500,000	11
1844	242,000,000	21,500,000	28				

* Exclusive of 6,500,000 francs.

THE POST OFFICE.

Extracts from the Annual Report of the Postmaster General, December, 1849.

The most obvious and prominent feature now in our postage is the double price, ten cents, charged on all single letters carried over three hundred miles. The reduction of this ten cent postage, and charging all single letters at five cents each, would much simplify the manner of accounting, and render the same both more facile and perfect, would remove the dissatisfaction arising from the great difference in the postage in different offices, even in the same vicinity, but separated by this arbitrary line, and would promote and encourage the correspondence and intercourse by mail between the most distant parts of the country, which most need and demand it in precise proportion as their other means of intercommunication are slow and unfrequent.

The next inquiry is, What would be the effect of this reduction on the receipts from postage,—and how would it affect the treasury?

It is not possible from any returns or data in the department to ascertain with much precision the number of letters passing annually in the mail under this charge of ten cents. Even if the number of ten cent letters were actually known, it would still be impossible to determine how many of them were ten cent letters from being double. Thence arises the great difference in the estimate of loss of revenue from such a reduction as was presented in the report of the postmaster general last year, to wit, \$715,187, and that of the first assistant, \$306,738.

From a careful examination now made of the data in the department, it is estimated that the whole number of charged letters sent through the mails the past year was 62,000,000; and of this number 15,500,000, were subject to the ten cent postage on account of distances. If then the reduction were to bring no more letters into the mail, the diminution of revenue therefrom the first year would be \$775,000. It is already shown that the surplus on the first day of July last was \$691,682.70; and that on the first of July next will be \$858,710.57; which will undoubtedly increase in future years by natural accumulation and by increase of the number of letters arising from this reduction. It therefore follows that such reduction will in the first year occasion no charge on the treasury, and it is extremely uncertain whether its operation can ever produce that effect. A brief trial of this experiment will show its effect, and if it should not produce any important draught on the treasury, then further reductions of postage should be made. Whether any further reduction should be made, and a corresponding provision from the treasury adopted until after this has been tested by experiment, is respectfully submitted. Should the reduction now recommended, produce, on experiment, a successful result without heavy charge on the treasury, the next step should probably be a reduction of the five to three cents postage on single letters, if *prepaid*.

The number of mail routes in the United States on the first day of July, 1849, was 4,943, and the number of contractors 4,190. The length of these routes was 167,703 miles.

On those routes the mail was transported 42,547,069 miles, at the cost of

\$2,428,515, which makes the average cost of transporting the mail last year five cents six mills per mile. To this should be added the transportation of the foreign mail by Southampton to Bremen, and the mail from Charleston and Savannah to Havana, and also the transportation of the mail across the Isthmus of Panama; all which is done at the expense of this department to the amount of \$255,692.

The extent and cost of this service the past year, as compared with that of the year preceding, will be seen by the following tabular statement, and by reference to the report of the First Assistant Postmaster General, hereto appended.

<i>Mail Service of 1848 and 1849.</i>	<i>Miles, 1848.</i>	<i>Cost.</i>	<i>Miles, 1849.</i>	<i>Cost.</i>
Length of post routes,	163,208		167,703	
Annual transp'n, mode not specified,	17,774,191	\$751,500	18,573,364	\$777,415
Ditto coach,	14,555,188	796,992	15,025,552	736,710
Ditto steamboat,	4,385,800	262,019	4,083,976	278,660
Ditto railroad,	4,327,400	584,192	4,861,177	635,740
Total annual transp'n within U. S.,	<u>41,012,579</u>	<u>2,394,703</u>	<u>42,544,069</u>	<u>2,428,515</u>
Route agencies and mail messengers,		54,063		61,513

The gross revenue for the year ending June 30, 1849, amounted to \$4,905,176.28 — derived from the following sources:

From letter postage, including stamps sold,	- - - - -	\$3,882,762.62
From newspaper and pamphlet postage,	- - - - -	819,016.20
From fines,	- - - - -	43.75
From miscellaneous items,	- - - - -	3,254.21
From dead-letter money sold,	- - - - -	99.50
		<u>\$4,705,176.28</u>
From the appropriation made by the 12th section of the act of March 3d, 1847, for mail services to the Government,	- - - - -	200,000.00
		<u>\$4,905,176.28</u>

The expenditures during the year were:

For transportation of mails,	- - - - -	\$2,577,407.71
For compensation to postmasters,	- - - - -	1,320,921.34
For ship, steamboat, and way letters,	- - - - -	36,174.45
For wrapping paper,	- - - - -	23,936.03
For office furniture,	- - - - -	4,219.69
For advertising,	- - - - -	61,813.32
For mail bags,	- - - - -	20,276.38
For blanks,	- - - - -	20,802.71
For mail locks, keys, and stamps,	- - - - -	4,586.50
For mail depreddations and special agents,	- - - - -	21,223.00
For clerks for offices, (the offices of postmasters,)	- - - - -	317,218.36
For miscellaneous payments,	- - - - -	70,437.89
For post office laws and regulations,	- - - - -	31.75
		<u>\$4,479,049.13</u>
Excess of gross revenue for the year,	- - - - -	\$426,127.15
<i>Amount carried forward.</i>		

Excess of gross revenue for the year, (<i>amount brought forward</i>),	-	\$426,127.15
The appropriations made under the 12th section of the act of the 3d March, 1847, remaining in the treasury undrawn, exclusive of the appropriation for the past year, already noticed, amounted to	- -	265,555.56
		<hr/>
		\$691,682.70

Thus showing the sum of \$691,682.70 unexpended of the past year, including the former appropriations granted to this department for the transportation of free matter of the departments.

By a report from the clerk's office of the House of Representatives, it appears that, during the two sessions of the 30th Congress, ending in March last, the extra number of public documents for distribution was 370,350, and their weight was 467,762 pounds. Printed speeches folded for members to frank 6,584,500, which are estimated at one ounce each, 411,531 pounds; though one-half of this shows the annual amount of this matter from the House of Representatives the two past years. This does not include the written correspondence of the members, or the mail matter by them received. No report direct from the Senate is received, but by a report from the post office in this city it appears that, during the year ending June 30th, 1849, the number of free written mail matter sent was	. . . . .	484,210
Received,	. . . . .	819,293
		<hr/>
Making	. . . . .	1,308,503
Printed Senate speeches and documents,	. . . . .	568,345
House documents,	. . . . .	3,448,250
		<hr/>
		5,320,098

The letter postage and pamphlet postage, to which this matter would have been subject, if not franked, is computed by that report at \$792,709.

Year ending	Postages on Letters,		Rate of Increase.
	Newspapers, and Pamphlets.	Amt. of Increase.	
June 30, 1846,	- \$3,443,840	. . . . .	. . . . .
" 1847,	- 3,832,117	\$388,277	11 27-100 pr ct.
" 1848,	- 4,117,639	285,522	7 43-100 "
" 1849,	- 4,701,778	584,139	14 20-100 "
Average of the three } years from 1846, }	. . . . .	. . . . .	10 96-100 "
Average of 1847 and 1848,	. . . . .	. . . . .	9 35-100 "

POST OFFICE SERVICE.—Some idea may be formed of the amount of foreign correspondence carried on by means of the various mail steamers, when we state that on three days of last week, upwards of eighty thousand letters passed through the Post Office here, over and above the regular diurnal business of the office. The Canada, which arrived on Monday last, brought upwards of sixty-two thousand letters. The Georgia, which sailed on Wednesday, carried out nearly fifteen thousand letters for California, and the Empire City and Cherokee, which sailed on Friday, carried out nearly four thousand more for the same place.

CHRONICLES OF THE STOCK EXCHANGE.

By John Francis, author of "The History of the Bank of England." The whole of this work will be contained in the Bankers' Magazine for 1850.

DEDICATED BY PERMISSION TO SAMUEL GURNEY, ESQ.

Comprising sketches of Loans, Lotteries, Life Assurance, Tontines, Bribery, Corruption, Contractors, Railways, Samson Gideon, Abraham Goldsmid, Mark Spot, Sir Francis Baring, David Ricardo, Francis Baily, Nathan Meyer Rothschild, Greek Loan and Joseph Hume, Poyais Loan and Gregor MacGregor, Frauds, Forgeries, Anecdotes, and Legends.

"Mr. Francis has fulfilled, — and most admirably fulfilled, — the title of his book." — *London Atlas*.

"The extraordinary frauds which have been perpetrated from time to time by Stock Exchange speculators, afford Mr. Francis ample materials for the historical portions of his work; and his sketches of the manners of the Stock Exchange, at the present time, show that he has made himself intimately acquainted with the customs of its frequenters." — *London Bankers' Magazine*.

CHAPTER XII.

Review of the National Debt. — Opinions. — Bolingbroke. — Financial Reform Association. — Extravagance of Government. — Schemes for paying off the National Debt. — Review of them. — Proposals for Debentures.

THE period at which the present narrative has arrived does not appear ill adapted for a prospective and retrospective glance at a debt which, in 121 years, has increased from £ 660,000 to £ 800,000,000, which is the great problem of the day, and the great difficulty of legislators. It has been seen that the debt was not increased without strenuous opposition; and it need not be said that there were alarmists a century ago, as there are alarmists now; that, as each successive million was added, men were not wanting to declare the ruin of the country; or that prophets were plentiful with omens of evil. Bolingbroke wrote, — "It is impossible to look back without grief on the necessary and unavoidable consequences of this establishment, or without indignation on that mystery and iniquity which hath been raised upon it, and carried on by means of it. Who can answer that a scheme which oppresses the farmer, ruins the manufacturer, breaks the merchant, discourages industry, and reduces fraud to a system, which drains continually a portion of our national wealth away to foreigners, and draws most perniciously the rest of that immense property which was diffused among thousands into the pockets of the few, — who can answer that such a scheme will always endure? The whole art of stock-jobbing, the whole mystery of iniquity mentioned above, rises from this establishment, and is employed about the funds; and the main-springs which turn, or may turn, the artificial wheel of credit, and make the

paper estates that are fastened to it rise or fall, lurk behind the veil of the treasury. That luxury which began to spread after the restoration of Charles II. hath increased ever since, from the growth of wealth among the stock-jobbers, from this system. Nothing can be more certain than this, — that national luxury and national poverty may in time establish national prostitution. The immense wealth of particular men is a circumstance which always attends national poverty, and is, in a great measure, the cause of it. We may already apply to our country what Sallust makes Cato say of Rome, — ‘Public want and private wealth abound in all declining states.’”

A reference to the tracts, pamphlets, and broadsides, which were given to the world in the early part of the century, will prove that public attention was constantly drawn to the growing difficulty; but the writers committed the great error of pointing their darts at the stock-jobbers. They persisted in regarding the consequence as the cause; nor was it, Mr. Alison thinks, until after the peace of Ryswick, that the great evil was regarded with any thing like alarm. This gentleman, in his “*Military Life of Marlborough*,” draws the following vivid picture, and the writer can confirm it from a careful perusal of contemporary documents: —

“The finances of Great Britain,” he says, “as they were managed in former times, could never have sustained the cost of such a war for a tenth part of the time. But expense now seemed no obstacle to the government. A new engine of surpassing strength had been discovered for extracting capital out of the country; and the able statesmen who had it in their hands felt it to be not less serviceable in consolidating the internal power, than in meeting the external expenses of the new dynasty.

“When this system first began, the nation was not sensible of the important consequences to which it would lead. They thought it could only be a temporary expedient; and that, though it might, perhaps, lead to a few millions being added to the national debt, yet that would be all. Though from the first, accordingly, its progress was viewed with a jealous eye by the thinking few, it made but little impression upon the unthinking many, before the peace of Ryswick. But when the War of the Succession began, in 1702, and continued without intermission, attended by daily and increasing expenditure, for ten years, the apprehensions of a large part of the nation became excessive. At the Revolution the national debt was £ 661,000; by 1710 it exceeded £ 50,000,000.

“The wars in which William was of necessity engaged, the loans which they rendered unavoidable, and which the commercial wealth of the nation enabled it to advance, and the great increase in the expenditure of the Exchequer, all conspired to place a vast and unprecedented amount of patronage in the hands of government. This was systematically directed to buy off opposition in Parliament, and secure a majority in the constituencies. Corruption, in every possible form, from the highest to the lowest, was employed in all parts of Great Britain, especially among the urban electors, and with such success, that almost every measure of government passed without difficulty through both Houses of Parliament. The nation had shaken off the prerogatives of the crown, but

they had fallen under the domination of its influence. The gold of the Exchequer was found to be more powerful than the penalties of the Star-Chamber."

Almost every one professes to consider the debt as a drain upon the resources of the nation; as a nightmare upon the chests of the people; and as a millstone which will sink England below her proper position. Most of our political writers affect this view. All our alarmists make it their theme. Hume wrote,—"Either the nation must destroy public credit, or public credit must destroy the nation." Sir Robert Walpole said,—"When the debt reaches 100 millions, the nation will be bankrupt." In 1735, Lord Hervey, in his memoir of George II., remarked,—"I do not see how it would be possible for the country, on any exigence, or for the support of the most necessary war, to raise one million a year more than it now raises"; and in 1777 the third earl wrote as a note,—"What would my father have said had he seen seventeen millions raised in a year?" Lord Bolingbroke declared the debt was sinking England into the gulf of inevitable bankruptcy. Cobbett was perfectly rabid in his attacks on those whom he invariably classed as Jews and fundholders, predicted the ruin of England in half a century, and proposed, in 1832, a plan which would have ceased the interest on the national debt in twenty-seven years, and have classed England among the repudiators.

Adam Smith thought that the practice of funding had gradually weakened every state which had adopted it. Paine openly predicted the Bank and the government would perish together in a few months. Mr. Tierney said, in 1817, such a state of things could not go on. Sir James Graham proposed, in 1827, a reduction of thirty per cent. Mr. Baines thought it might be ultimately necessary to make a general contribution to extinguish a large portion of the debt; and the late Earl Grey talked in early life of "taking the bull by the horns"; although he failed to fulfil in his age the promise of his youth.

If prophecies such as these have been plentiful, the following extract, at once a picture and illustration of the period when the nation first commenced to borrow, will prove that other views are entertained by many, and that there is a large class who, however they may deprecate the great evils arising from the debt, consider that it has been beneficial to the interests of England.

"The era of the Revolution is chiefly remarkable for the new dynasty having taught the government how to raise taxes in the country, and thus brought England to take the place to which she was entitled in the scale of nations, by bringing the vast national resources to bear upon the national struggles. That which the Stuarts never could effect by appeal to honor, spirit, or patriotism, William and Anne soon accomplished by bringing into play, and enlisting on their side, different and less creditable motives. They no longer bullied the House of Commons, they bribed it; and, strange to say, it is to the entire success of the gigantic system of borrowing, expending, and corrupting, which they introduced, and which their successors so faithfully followed, that the subsequent greatness of England is mainly to be ascribed. It was the system of

managing the House of Commons by loans, good places, and bribes, which provided the sinews of war, and prepared the triumphs of Blenheim and Ramillies. William tripled the revenue, and gave so much of it to the House of Commons that they cordially agreed to the tripling. He spent largely; he corrupted still more largely; he made the national interest in support of taxation more powerful than those operating to resist it. The memoirs recently come out give details of corruption so barefaced and gross, that they would exceed belief if their frequency, and the testimony to their authenticity from different quarters, did not defy disbelief."

It is now known, that when Walpole's ministerial supporters were invited to his ministerial dinner, each found a £500 note under his napkin.

It is one great evil of the present age, that it persists in regarding the debt as perpetual. Immediately the expenditure is exceeded by the revenue, there is a demand for the reduction of taxation. We, a commercial people, brought up at the feet of McCulloch, with the books of the national debt as a constant study, with the interest on the national debt as a constant remembrancer, persist in scoffing at any idea of decreasing the encumbrance; and when a Chancellor of the Exchequer proposes a loan of eight millions, we growl and grumble, call it charitable, trust for better times, and read the opposition papers with renewed zest.

There is no doubt that the resources of the nation are equal to far more than is now imposed; but it can only be done by an efficient revision of our taxation; and this will never be effected till the wolf is at the door. A war which greatly increased our yearly imposts would, with the present system, crush the artisan, paralyze the middle class, and scarcely leave the landed proprietor unscathed. The convertibility of the note of the Bank of England would cease; and it would be impossible to preserve the charter of Sir Robert Peel in its entirety, while twenty-eight millions were claimable yearly in specie, and the gold of the country went abroad in subsidies.

In an earlier portion of the volume, the writer briefly advocated annuities as one mode of treating the national debt. There would in this be no breach of faith to the present public; there would be no dread of a general bankruptcy; there would be no need of loans; and, had this principle been carried out, the national debt would be yearly diminishing. In ten years nearly two millions of terminable annuities will expire; and it behoves the government to inquire into the effect which the conversion of the interminable debt into terminable annuities would have on the money market.

It is absolutely idle for the Financial Reform Association to think of effectually lowering the taxation of the country while twenty-eight millions are paid for interest; and it is to be feared that great evil will accompany whatever good they may achieve. That there are many offices which might be abolished; that it is a rule in England that the least worked should be best paid; that an extravagant system of barbaric grandeur exists; that the army and the navy, the pulpit and the bar, are conducted unwisely; and that great men are paid great salaries for doing nothing, — are indisputable; but it is equally so, that great savings have

been effected, and that great efforts are making to economize further. There is a faith pledged to the public servant as much as to the public creditor; and, whether he be a colonel or a clerk, a man of peace or a man of war, it is impracticable, imprudent, and unjust to attempt that which would as much break faith with him, as to cease to pay the dividends on the national debt would be to break faith with the national creditor.

These things are paltry and puerile compared with that which, excepting a total revision of taxation, can alone materially meet the difficulties of England; and the gentlemen of the Reform Association are aware of this. They may cut down salaries; lower the defences of the country; abolish expensive forms and ceremonies; amalgamate a few boards of direction; reduce the civil list; and do away with all sinecures. But the evil is too vast, and the difficulties are too gigantic, to be met in so simple a manner. Nor will these gentlemen be satisfied with it while there are 800 millions at which to level their Quixotic spear. Repudiation was darkly alluded to at one meeting of the Association; and, though it has since been denied, it is to be feared that time only is required to ripen the attempt.

Mr. Henley, a few months ago, brought forward a motion to deduct ten per cent. from all official salaries, and the motion was deservedly negated. But such motions, when meant to meet a great difficulty, are too contemptible to notice; and would only pauperize the feelings of those who are already almost pauperized in purse. Let Mr. Henley think of the salaries paid at the Custom-House, the Post-Office, and Somerset House, before he again introduces a proposal on a principle so broad that it is unworthy a statesman, and insulting to an educated, an intelligent, and a trustworthy class.

To reduce or pay off the national debt may be gigantic, but it is not impossible; and the writer closes the present chapter with a review of some of the proposals which have been laid before the public.

In 1715, a pamphlet was published, entitled, "A Method that will enable the Government to pay off that Part of the Public Debt which is redeemable by Parliament," by which twenty-one millions were to be paid in seventeen years, by bills of credit without interest. Soon after the accession of the present royal family, Mr. Archibald Hutcheson presented a plan which excited much attention at the time, and is well entitled to recapitulation; and his principal propositions were,—

1. That the sums severally assessed on the lands of Great Britain for the land-tax of 1713 be made payable as a rent-charge in fee for ever, out of the several respective lands, redeemable at any time by the proprietors paying twenty-two years' purchase.

2. That the said rents, or the money raised by redemption or assignments of the same, be applied to the discharge of the public debt.

3. That one tenth part of all annuities for life, and all other rents issuing out of the aforesaid lands, and of all sums of money secured by mortgage, and of all other debts which affect lands, be entirely remitted to their respective proprietors.

4. That the proprietors of such land be empowered to sell so much of them as shall be sufficient to redeem the aforesaid respective rent-charges.

5. That one tenth part of all the debts secured by public funds be remitted.

6. That one tenth part of all the other net personal estates of all the inhabitants of Great Britain, which affect land and public funds, be applied to the payment of the public debt.

7. That 2s. in the pound be made payable yearly out of the salaries and perquisites of all offices and places.

8. That the legal interest be reduced to four per cent. per annum.

9. That, for the effectual securing of the payment of such public debts, for which there either is at present no provision, or the provision made by Parliament appears deficient, all funds granted for any term of years be made perpetual, until the principal and interest of all the said public debts be fully paid off; and that the interest of such public debts as at present have defective or no securities be paid out of the yearly produce of the said funds; and that the remainder only of such produce, over and above the interest of the said public debts, be applied towards the sinking of the principal money.

10. That provisions may be made by an excise on apparel, or some other excise, sufficient to produce one million per annum in lieu of the land-tax, till all the public debts are discharged.

In 1715, Mr. Asgill published his plan for the more speedy redemption of all the perpetual funds; two millions were to be raised in specie, and deposited in a bank, to support the circulation of twenty millions of exchequer-bills at three per cent., with which all the redeemable debts were to be paid off. As an annual interest of £ 1,182,454 10s. 5d. was then paid for these redeemable debts, and as the interest of the two millions to be borrowed at six per cent., and of twenty millions of exchequer-bills at three per cent., amounted only to £ 720,000, the public would thus have acquired a sinking fund of £ 462,454 10s. 5d.

In 1719, Stephen Barbier proposed to pay the public debt. The plan of this gentleman was to convert forty millions of the debt into notes, bearing one per cent. less interest than the original fund, which was thus to be converted; the conversion was only to take place at the request of the creditor, who might thus at any time obtain both principal and interest. These notes were to be current in all pecuniary transactions, and were to be paid in specie, six months after they were presented for payment.

Such were the chief propositions at the commencement of the eighteenth century. It would be impracticable to follow the numerous schemes which have since been propounded, but a few of the later plans may not be uninteresting. In 1819, a proposition was made which boldly grappled with the immediate difficulty. Estimating the entire private property of the kingdom, on the lowest calculation, at two thousand five hundred millions, it suggested that all such property, including all claims on the government, in respect of money lent and advanced, should be declared liable to a contribution of fifteen per cent.

In 1821, a "practical scheme" appeared, the leading points of which were, —

That all the annuities must be consolidated, viz. : —

The 3 per cents at	65
3½ "	73½
4½ "	81
5 "	100

That an assessment of twenty per cent. be laid on all property and funds so consolidated.

That an assessment of five per cent. be laid on private property not in the British funds.

That fixed property, except buildings, be valued at twenty years' purchase.

That this assessment be converted into a redeemable income-tax, at the option of the proprietor, at five per cent. per annum.

That a similar assessment, for the term of ten years, be levied on net profits of trade and agriculture.

In 1827, it was proposed to pay one half the debt by an assessment of twelve per cent. upon the entire capital of the country; and, in 1832, another "practical plan" was suggested; "to impose a loan of twenty per cent. upon all the net real property, excepting those whose possessions are less than £100; the amount to be paid either at once, or by instalments, within five years."

To impose a tax of five per cent. for one year upon all incomes of not less than £100 a year, arising from profits of artists and other professional men.

To abolish all internal taxes, excepting the land-tax.

Other propositions have appeared, but they have been entirely disregarded. The evil day has been deferred, and will continue to be so; but it affects all good citizens to bear in mind that it must eventually arrive; and some future historian will record that the ruin of England arose from the greatness of her national debt, because her citizens were deficient in that abnegation of self which alone could grapple with a great difficulty, save a great country, and alleviate the sufferings of a patient and enduring people.

In 1817, the ministry debated the advisability of altering the mode of registering the accounts of the national debt. Many complaints had been made by bankers and merchants, of the long period employed by the Bank of England in preparing for the payment of the dividends; and they contended that six weeks were unnecessary; or, if necessary, that some new method should be tried by which the annoyance might be remedied.

The suggestion was taken into consideration, and the system of debentures very generally debated. After much mature thought, it was decided that, though the plan answered very well with foreign securities, the English debt was too gigantic, and the plan would involve too great a risk to be entertained. After much discussion in the journals, and a few questions in the House, the idea was abandoned; nor was it until thirty years from the above time, that the objection of the bankers was met; and, by the arrangements of Mr. William Ray Smee, now in operation at the Bank of England, the stocks closed only three instead of six weeks.

CHAPTER XIII.

Progress of Invention. — Public Roads. — Steam. — Duke of Bridgewater. — Canals. — Railroads. — Thomas Gray, their Pioneer. — His Difficulties. — Proposals for the Liverpool and Manchester Railway. — Monopoly of the Canals. — Parliamentary Inquiry. — Extraordinary Opinions of Witnesses. — The Claims of Thomas Gray. — Value of Canal Property.

It is not unworthy of remark, that many of the greatest efforts of intellect are within the scope of the writer; as most of those works which have from time to time benefited the world, both socially and physically, have been assisted by the money power of England. Nor will the inquirer be backward in comparing the singular difficulties with which all inventions requiring great capital contended in the last century, with the remarkable facility which marks their progress in the present, if they fairly promise, as most grand inventions do, to interest the entire community, and pay ten per cent.

The annals of invention have ever been those of opposition; and the history of locomotion has been singularly illustrative of this. The journey from city to city, and from county to county, was once painfully slow. It is a subject of ridicule in the present day. A great feature with novelists, a few years ago, was to represent the incidents of a long inland journey. The memory of the reader will at once recur to "Tom Jones," to "Humphrey Clinker," and to the humorous scene drawn by the modern master of fiction in the opening chapter of "The Antiquary," as some illustration of the liabilities of the traveller.

It is easier to ridicule than to reason, and safer to prophesy defeat than to predict success. The minds of the mass generally depreciate that which is beyond them; some fancy that they elevate themselves by lowering others; while the many, who bigotedly view all change as evil, doggedly refuse to acknowledge the good till they reap the fruit; and it is probable that the loudest grumbler in the railway-carriage of the present day was the loudest declaimer against locomotives a quarter of a century ago.

When the turnpikes were extended from the metropolis to the country, many of the counties petitioned Parliament against so heinous an attempt upon vested rights. The rustic gentleman grew eloquent upon the subject of rendering London accessible, and drew pictures of desolation, in which the grass was to grow in the streets, in which rents were to be reduced, cultivation was to be lowered, and the producer ruined. The toll-bars of the newly-made roads in the eighteenth century were torn to the ground, and the blood of a prejudiced people was shed in their defence. The first "flying coaches," though six days were employed to do that which is now done in six hours, were met with invectives. It was said that they would be fatal to the breed of horses and the art of horse-

manship; that saddlers and spurriers would be ruined; that the inns would be abandoned; and, above all, the Thames, as the great nursery of our seamen, would be destroyed. The post, that grand social benefit, was denounced, in Charles II.'s reign, as a Popish contrivance; and the first attempt to light the streets — an attempt which only made darkness visible — was vehemently attacked.

When the Margate steamboat, with its six hours' journey, superseded the Margate hoy, which occupied almost as many days, the coach proprietors, under the idea that Margate was their peculiar property, and its visitors their particular prey, petitioned Parliament to support the coaches, at the expense of the steamers. A century and a half since, it was thought a great effort to run a coach between Edinburgh and Glasgow in three days; it is now done in one hour; and, only a century since, it occupied thirty-six hours in doing that which is now accomplished in four. Although this tediousness of transit was partially owing to what were by courtesy called roads, it must be remembered that then, as now, there were the prejudices of the people with which to contend; and, perfectly content with the existing state of things, the country gentlemen were most strenuous in their objections to the introduction of stage-coaches, on the plea that their wives would lose their domestic habits through travelling too frequently, and cease to be worthy housewives to the squirarchy of England.*

The floor of the House of Commons was covered with memorials from inkeepers and petitions from postboys. They merely indicated the selfishness of the memorialists, tired the patience of the senators, and wasted the time of the nation. But petitions in favor of "no progress" were not the only mode of opposition. When the Lea was made navigable, the farmers became furious, broke down the banks, and injured the river. Still, with the progress of the nation, the roads continued to improve. Transit became easier, more rapid, and cheaper; and just as the world was congratulating itself on the perfection of its highways, a new plan was proposed.

It soon became public, that a strange, eccentric nobleman, known as the Duke of Bridgewater, had a queer crotchet in his head to create a water-carriage, by cutting canals. It began also to be rumored, that this same eccentric Duke, seriously determined to finish what he had commenced, had reduced his personal expenses to £400 per annum, and given up the remainder of his rental to carry out his project. The many had no hesitation in declaring him insane; but his Grace scarcely thought of their opinions as he proceeded with his task; and the remarkable firmness of the Duke of Bridgewater, aided by the great mind of John Brindley, his architect, produced an effect which has already survived the pecuniary results at which he aimed. It is impossible in the present volume to do justice to the resolute character of the Duke, or to

* The road to Paddington, now known as the New Road, was hotly contested by the Duke of Bedford, on account of the dust it would create, and the view it would abridge. Walpole wrote, that the Duke was never in town to feel the dust, and was too short-sighted to see the prospect.

the obstacles overcome by the skill of Mr. Brindley. Stupendous mounds of earth were removed, which seemed to demand Titanic power; supplies of water were procured sufficient to exhaust mountain springs and mountain rivulets; aqueducts were built far above the surface of the river, rivalling those which conveyed water to the Eternal City from the mountain recesses.

At last the prejudices of the ignorant multitude were uprooted, and the scientific few delighted. They who had gone to scoff remained to praise; and an engineer, who had sneeringly said they had heard of castles in the air, but now they were to see them realized, began to wonder as much at his own opposition as at the simple grandeur of the work he had derided. The chief business of the Duke's agent was to ride about the country, borrowing money on the promissory notes of his Grace, whose bond for £ 500 was refused in the city, where great purposes are little regarded unless they promise a great percentage.

In five years the attempt was crowned with success, and the effect upon commerce became manifest. Liverpool received the manufactures of Manchester at a cheaper rate, and Manchester was supplied with goods from places hitherto comparatively inaccessible. The neighbouring woods and vales were visited by the pale denizen of the factory on the day of rest; and passengers were enabled to travel along that canal which they owed to the patient endurance and undeviating firmness of Francis, Duke of Bridgewater, and to the singular ability of his unrivalled architect, to both of whom personal comfort and public praise were nothing in comparison with the achievement of a great idea.

But a new power was in progress, which was to realize all the visions of a day-dreamer, and almost to annihilate both time and space. The progress and development of railways is one of the most interesting features in locomotion. About 1646, a Mr. Beaumont was ruined in attempting to convey coals in carriages of a novel construction. The necessity of some improvement in the conveyance of this article was, therefore, thus early recognized. Thirty years afterwards, a saving of thirty per cent. was effected by some tram-roads near Newcastle; and as information spread, and the great dogma that *time is money* began to be appreciated, further improvements were made. The wooden roller of the wagon was changed for an iron wheel with cast-iron rails. Plenty of claimants were found for this imperfect alteration, although soon after it was necessary to adopt a rail fixed a few inches above the ground. The next improvement was that which detached the horse, and made him follow the wagon; and when the road was constructed with two inclines, so that a descending train of loaded coal might draw up an empty one, it was thought that all which human ingenuity could effect had been achieved; and at this point it is probable the rail would have remained, but for the great discovery of steam-power, and its application to practical purposes. About 1760, coeval with the introduction of iron rails, Watt entertained the idea of employing steam as a moving power; but the design was abandoned; nor was it till 1802 that the attention of engineers was devoted to locomotive engines on railroads; when a pa-

tent was taken out, and the principle tested with success at Merthyr Tydvil.*

The name of Thomas Gray in connection with railroads ranks at present among the many whose ideas were derided by the very men who afterwards adopted them. From an early period he formed the opinion that railways would become the principal mode of transit. It was his thought by day; it was his dream by night. He talked of it until his friends voted him an intolerable bore. He wrote of it until the reviewers deemed him mad. Coaches, canals, and steamboats were, in his mind, useless. His wisdom and far ken shadowed forth the path which the purse of others consummated; and, while the projector died steeped to the lips in poverty, the speculators realized great profits. His conversation was of a world which his companions could not comprehend. To appropriate the idea of Mr. Macaulay, there were fools then as there are fools now; fools who laughed at the railway as they had laughed at the canals; fools who thought they evinced their wisdom by doubting what they could not understand. For years his mind was absorbed by these dreams; and there was something magnificent in all his projects. He talked of enormous fortunes realized; of coaches annihilated; of one great general line; — and he was laughed at. He went to Brussels; and when a canal was proposed, he again advocated railways. At last he put his thoughts into form; wrote "Observations on a Railroad for the Whole of Europe"; and was ridiculed; the work being suppressed, lest men should call him mad. In 1820, however, he published a book which he called, "A general Iron Railway, or Land Steam Conveyance," which attracted great notice. There was something so pertinacious in the man, and something so simple in his scheme, that, though it became the custom to laugh at him, his book went through many editions. When from Belgium he came to England, true to his theme, he went among the Manchester capitalists. The men who passed their lives among, and owed their fortunes to the marvels of machinery, were not yet equal to this. They listened graciously, and with a smile, something akin to pity, dismissed him as an incorrigible visionary. But opposition was vain; nor was Thomas Gray the man to be easily laughed down. He continued his labors, he continued to talk, to memorialize, to petition, to fill the pages of magazines, until the public mind was wearied and worried.

The first result of Gray's great scheme was with the capital of those men who had previously derided him. The men of Manchester found they were paying too much for the cost of conveyance, and availed themselves of the idea they formerly denounced. A railway was projected between Liverpool and Manchester, and then commenced that ignorant opposition, of which one of the blue books contains such pregnant proof.

* The attempt of Mr. Ogle to run locomotives on the public roads must have cost him many thousands; and nothing but the same popular prejudice which attempted to prove that engines on railroads would send horses mad with fright, prevented this great attempt from becoming general. The reader must remember the grave shaking of heads which met Mr. Ogle's cherished design, as similar heads have always been shaking at novel propositions.

By this it appears clearly that the transit between Liverpool and Manchester had long been insufficient. It was stated in evidence, that places were bespoke for goods, like places at a theatre. "It is not your turn yet," was a common reply, if extraordinary energy were required; and it was clearly proved that the monopolizers would only send as much cotton as they chose, arbitrarily fixing the quantity at thirty bags a week. The fifty-five miles by canal occupied as long as the distance to New York. The boats were too few to convey the goods; and on one canal the proprietors received for their yearly dividend the amount of their original investment. In vain were the agents importuned to render conveyance more rapid and less expensive. The monopoly remained with the owner of the canal, who, blinded by a long course of success, could not see that, with the increase of business, an increased communication must be opened; and it is singular that, when the railroad was first contemplated, and its promoters applied to the agent to take some shares, an answer worthy of an autocratic government rather than a commercial age was given, of "all or none." The shrewd merchants of the North chose the latter alternative.

The difficulties, therefore, with which the new invention had to contend, were legion; and the Parliamentary inquiry, already alluded to, produced one of the most remarkable blue books ever published. A few extracts from the folio will evince the extraordinary ideas entertained on the subject, the extraordinary ignorance evinced by men regarded as scientific, and the yet more extraordinary prejudice which marked the progress of opinion on railway transit. It is, however, right to say, that the friends and foes of the proposed scheme were equally unscrupulous in their endeavours to forward their interests, as levels were taken without permission, strawberry-beds destroyed, cornfields trodden down, and surveys taken by night, at the risk of life and limb. On the other hand, guns were discharged at the intruders; the land was watched incessantly; and the enthusiasm of the great engineer of the line narrowly escaped being cooled in a horsepond.

The objections urged by the opponents of the railway were worthy their cause. It was contended by them that canal conveyance was quicker; that the smoke of the engines would injure the plantations of gentlemen's houses; and one witness, more imaginative than perceptive, described the locomotives as "terrible things," although, on further questioning, he admitted he had never seen one. It was boldly declared, that a gale of wind would stop the progress of the carriage; that there would be no more practical advantage in a railway than in a canal; that Mr. Stephenson was totally devoid of common sense; that the plan was erroneous, impracticable, and unjust; and that the tendency of the railway would be to increase the price of carriage. It was declared to be based on fraud and folly; that balloons and rockets were as feasible, and that the whole line would be under water for two and three weeks in succession.

"It is quite idle and absurd," said one, "to say the present scheme can ever be carried into execution, under any circumstances, or in any way." "Whenever," said another, with the authority of an oracle, "Providence in Lancashire is pleased to send rain or a little mizzling

weather, expeditious it cannot be." A third gave it as his opinion, that no engine could go in the night-time. "because," he added, more Scripturally than soundly, "the night-time is a period when no man can work!"

It was said that no one would live near a spot passed by the engines; that no houses would let near a station; and that all property on the line would be frightfully deteriorated. Not content, however, with proving the impracticability of the plan, the most frivolous causes were adduced to show why this, the grandest national project ever brought forward, a project which has changed the face and features of the land, the commerce of the country, and the social habits of the rural population, should not be allowed to pass.

The public services of a railroad were put in competition with the annoyance which an individual would receive from the smoke of the engines coming within 250 yards of his house; and it was pathetically asked, "Can any thing compensate for this?" Gentlemen objected because it would injure their prospects, and land-owners because it would injure their pockets! Pictures of ancient family residences destroyed by the smoke were vividly drawn. The claims of unprotected females and reverend gentlemen were strongly urged; and pathetic representations were given of families, who had lived for centuries in their ancestral home, leaving the dwelling-place of their youth, and going to another part of the town.

"Mr. Stephenson," it was boldly declared, "is totally devoid of common sense. He makes schemes without seeing the difficulties." "Upon this shuffling evidence, we are called to pass the bill." "It is impossible to hold this changing Proteus in any knot whatsoever." "It is the greatest draught upon human credulity ever heard of."

"There is nothing," said one, "but long sedgy grass to prevent the train from sinking into the shades of eternal night." "They cannot go so fast as the canal," said another. A third appealed to the pocket. "If this bill succeeds, by the time railroads are set going, the poor, gulled subscribers will have lost all their money; and, instead of locomotive engines, they must have recourse to horses or asses, not meaning to say which." Those whose interests would be affected decided that "locomotives could not succeed"; and numberless were the sneers at the idea of engines galloping as fast as five miles an hour. One sapient gentleman thought the trains might go at four miles and a half in fine weather, but not more than two and a half in wet.

"When we set out with the original prospectus," was the remark of the counsel, "we were to gallop I know not at what rate. I believe it was twelve miles an hour, with the aid of a devil in the form of a locomotive sitting as postilion on the fore-horse, and an honorable member sitting behind him to stir up the fire, and keep it up at full speed. I will show they cannot go six. I may be able to show we shall keep up with him by the canal." "Thus, Sir, I prove that locomotive engines cannot move at more than four miles and a quarter an hour; and I show the scheme is bottomed on deception and fallacy."

Turnpike trusts were to be ruined, and therefore railroads were not to be forwarded; and it was deemed unanswerable to say that the canal

interests would be hurt by the rail. Though it was proved by others that more money had been offered for land if the line passed through than if it did not, it was of no importance in the eyes of those who, blinded by selfishness, refused to be convinced. The war-cry on one side was the venerable "vested rights"; on the other, "progress."

Men prosily and pathetically talked of tempting Providence by travelling at the rate of twelve miles an hour. The fine breed of English horses would be deteriorated, and our cavalry be worsted at the first onset. The prosperity of a great community was said to be involved in the contest; and the question whether a few miles of railway would peril the welfare of the kingdom, was openly discussed. Stable-boys joined in the contest, and urged the greatness of their claim; the porters proved how important a class would be sacrificed to so unimportant an end; and the clergy, alarmed lest the rustic should neglect the Sunday sermon to see the passing train, added to the number of petitions. A million horses were to be thrown out of service, and eight millions of oat-growing acres to be abandoned. Gentlemen with neither sense nor science wrote treatises to demonstrate the danger of travelling more than ten miles an hour, and, at the same time, left on record their want of sympathy with crack-brained speculators.

But if the opponents were thus bitter in their attack upon the new scheme, they were equally ingenious in their defence of the canal. It was described as never subject to drought; the frost never stopped it; the sun never lowered it; accidents never happened on it. Its friends were also hardy enough to contend, that a saving of nine miles an hour was not sufficient to justify the attempt; and "therefore," added one who supported this argument, "I do protest against the despotism of the Exchange at Liverpool striding across the land of this country." The reply to all these objections is in the fact that some thousands of miles are now open to the public.

The Manchester and Liverpool Railway succeeded; but no reward was conferred upon Thomas Gray. Other railways followed, and were successful; but no notice was taken of Thomas Gray. The great railway mania came; but Thomas Gray was nothing in the eyes of excited speculators, greedy of gain. An endeavour was made by some of the friends of Gray to win for him the public sympathy; and the poor, old, broken-hearted man, when he respectfully begged for a situation on one of those railways which he had so greatly forwarded, was refused.

"The claim of Gray," said the *Westminster Review*, "is, that he found the railway and the locomotive in the condition of mere miners' tools, dragged them to light, and proclaimed them as the means of universal progress. He published a practical plan, in 1820, which was scoffed at on all hands; but in 1830 was made a fact by George Stephenson, though in 1829 it was almost considered a certain thing that the haulage on the Liverpool and Manchester would either be performed by horse-power or by stationary engines."

The truth of these assertions has never been called in question. The railway press has generally recognized it. Public subscriptions for the public benefactor were proposed. A petition in his favor was forwarded

to the House of Commons. But Thomas Gray was poor, and without influence; and has added another name to those who have benefited and been buffeted by mankind. Neglected by the directors of the great works he had pioneered into existence; neglected by the state, whose profits from railway stamps and railway duties are mainly owing to him; neglected by the great mass of men, who avail themselves of the conveyance which once they derided; the "railway pioneer," that title which to the last he so dearly loved, died steeped to his lips in poverty, while the speculators reaped large gains.

It is a curious circumstance in financial history, that Lord Francis Egerton, the representative of the great canal projector, received shares which produced a clear profit of more than £100,000, to prevent his opposition in the House of Peers; although it is a most suggestive fact, that, with the increase of railway travelling, canal property has absolutely improved. The following is the price of shares in 1824:—

Original Cost.	OLD BIRMINGHAM CANAL. Value in 1824.	Annual Dividend.
£140	£2,840	£100
	STAFFORD AND WORCESTER.	
£140	£960	£40
	TRENT AND MERSEY.	
£200	£4,600	£150 and bonus.

CHAPTER XIV.

Monetary Excitement. — Approaches to the Stock Exchange. — Gold Company. — Equitable Loan Company. — Frauds in Companies. — Loan to Foreign States. — Poyais Bubble.

THE excitement of 1824 and 1825 has usually been considered in reference to banking and the Bank of England. It is the writer's present purpose to draw attention to the social and moral evils of the period; and, by a simple detail of some curious incidents and dangerous adventures arising out of it, to draw attention to the great and crying iniquities which obtained.

The readiness with which shares were attainable first created a class of speculators that has ever since formed a marked feature in periods of excitement, in the dabblers in shares and loans with which the courts and crannies of the parent establishment were crowded. The scene was worthy the pencil of an artist. With huge pocketbook containing worthless scrip; with crafty countenance and cunning eye; with showy jewellery and threadbare coat; with well-greased locks and unpolished boots; with knavery in every curl of the lip, and villany in every thought of the heart; the stag, as he was afterwards termed, was a prominent portrait

in the foreground. Grouped together in one corner might be seen a knot of boys eagerly buying and selling at a profit which bore no comparison to the loss of honesty they each day experienced. Day after day were elderly men, with shabby faces and huge umbrellas, witnessed in the same spot, doing business with those whose characters might be judged from their company. At another point, the youth, just rising into manhood, conscious of a few guineas in his purse, with a resolute determination to increase them at any price, gathered a group around, while he delivered his invention to the listening throng, who regarded him as a superior spirit. In every corner, and in every vacant space, might be seen men eagerly discussing the premium of a new company, the rate of a new loan, the rumored profit of some lucky speculator, the rumored failure of some great financier, or wrangling with savage eagerness over the fate of a shilling. The scene has been appropriated by a novelist as not unworthy his pen. "There I found myself," he writes, "in such company as I had never seen before. Gay sparks, with their hats placed on one side, and their hands in their breeches pockets, walked up and down with a magnificent strut, whistling most harmoniously, or occasionally humming an Italian air. Several grave personages stood in close consultation, scowling on all who approached, and seeming to reprehend my intrusion. Some lads, whose faces announced their Hebrew origin, and whose miscellaneous finery was finely emblematical of Rag-fair, passed in and out; and besides these, there attended a strangely varied rabble, exhibiting, in all sorts of forms and ages, dirty habiliments, calamitous poverty, and grim-visaged villany. It was curious to me to hear with what apparent intelligence they discussed all the concerns of the nation. Every wretch was a statesman; and each could explain, not only all that had been hinted at in Parliament, but all that was at that moment passing in the bosom of the Chancellor of the Exchequer."

The entrance to the Stock Exchange became at last so choked up, that nothing but a fine of £5 on those who stopped the way had any effect in dispersing the nuisance.

Among the companies which sprung up daily was one to make gold; and success was declared to be undoubted. The shares were all greedily taken; and it was then advertised, that, as the expense of producing one ounce of gold would cost double the value of the produce, the company would be dissolved, and the deposits kept to pay expenses.

The capital of a mining company was divided between fifty proprietors, whose advertisements and puffs were disgraceful. The meanest utensils of the peasantry were declared to be silver; and, although there were but ninety-nine mines in the whole district, the company professed to have purchased 360. In a place containing 5,000 inhabitants, it was affirmed the projector possessed 3,000 mines; and, although they had been previously abandoned after a loss of £170,000, they were purchased at a high price, and puffed to an enormous premium.

The Equitable Loan Company was another specimen. In paragraphs calculated to excite the sympathy of the public, the directors denounced the profits of the pawnbroker, arraigned his evil practices, and delicately

concluded by hinting that a company formed upon the most philanthropic principles, and paying forty per cent., would soon be formed. The philanthropy might have been proclaimed for centuries, but forty per cent. was irresistible. The Duke of York good-naturedly lent his name; members of Parliament were bribed with shares; and when it was honestly said by one, that the bill would never pass the House, the triumphant reply given was, "O, we have so many on the ministerial, and so many on the opposition side, and *we are sure of the saints!*" The shares, however, went to a discount; both opposition and ministerial members lost all interest in the nefarious doings of the pawnbrokers, and the philanthropy of the saints faded with the fading vision of forty per cent.

The Bolivar Mining Company boasted of "mountains, not mines," of metals. A railroad was projected to cross from Dover to Calais. A loan of £225,000 was proposed for Patagonia; another in derision advertised for the Lilliputians and Houyhnhnms of Swift's political satire; and, to assist them all, a parliamentary steam company announced to pass more rapidly the bills before the House.

At the formation of another mining company, the utmost magnanimity was evinced. Rules were passed that none of the directors should hold more than 200 shares, that all which remained should be brought honestly into the market, and that every thing should be fair. But this moderation waxed weaker as their power increased. Thousands of shares were allotted among the managers, and locked carefully up. A resolution was passed, that no director or officer should be required to pay deposits; and then, employing the most respectable brokers to purchase 1,000 shares with the money of the company, they created a sensation in the market, and sent them to a premium. The person who sold the mines to the company was employed to report upon their value. Opinions the most flattering were given of property absolutely worthless; and, as a proof of the greediness of one party and the incapacity of the other, it may be mentioned that a mine, the full value of which was £400, was purchased at £11,000; and that £121,000 were paid for some which, in almost every instance, were exhausted.

When the Lower Rhine Steam-Navigation Company was announced, it became a great favorite. Large quantities were sold for the account; and, as the settling time approached, the premium rose to 28. The sellers were unable to deliver the shares, and their difficulties became serious. To meet them, new receipts were printed, closely imitating the old, the name only of the banker being changed. The deceit was discovered. A committee sat to elucidate the fraud, and the supposed condoctor was expelled from the Stock Exchange. The circumstance excited great attention at the time; and many more were said to be implicated than it was in the power of the committee to reach.

Another peculiar feature of the period was to be found in the loans which preceded and accompanied the memorable era when the public was wild to lend its capital to foreign states, and the resources of the borrowers were scarcely regarded. The dividends of the English funds were scoffed at; the general rate of percentage was increased in the

eyes of the many; Patagonian or Lilliputian securities, which promised eight per cent., were eagerly looked for; and solid loans were followed by visionary dividends.

It is a somewhat curious fact, that directly the Navy five per cents were reduced, the people rushed wildly into new securities to retrieve their loss, and missed in the promises of the one the certainty of the other. In 1822, foreign states which, in some cases, had not even attained the freedom for which they fought, became creditors to the English public to the amount of £ 10,150,000.

Chili, after a protracted resistance to the mother country, found success followed its efforts. Lord Cochrane gave his powerful support to the navy; and, in 1818, a large tract of coast was declared by him in a state of blockade. The vigor of his Lordship proved too much for the royalists; and in a short period a free constitution, with a popular government, was appointed. But neither the free constitution nor the popular government could do without money. The Chilian republic, therefore, borrowed one million of the English people, at six per cent., and, having received the cash, thought it unnecessary to pay the interest after 1826.

Peru, a place so interesting to the historic reader, from its early discovery, its connection with the Spaniards, and the cruelties of Pizarro, exhibited another specimen of loan-contracting. After years of violent commotion and of resolute resistance, her independence was proclaimed; but independence did not produce quiet, and the name of Bolivar became known in a sanguinary and protracted war. The Spaniards refused quietly to yield their territory; Lima surrendered to Spanish troops; and though they were dispossessed by Bolivar, and Peru became safe from subjugation, doubt, distrust, and anarchy remained. During this period, the opinion of the English people may be guessed from the fact, that they lent, in 1822, £ 450,000 at six per cent., and that it was contracted for at eighty-eight per cent.

Colombia, which only dates its history as a nation from 1819, followed. During the contest which preceded its independence, the insurgents were supplied with implements of war and ammunition from this country, on the security of debentures bearing ten per cent. interest; and when the great battle, in which Bolivar the hero of American independence obtained a complete victory, and consummated the freedom of Colombia, was fought, the new state borrowed two millions at eighty-four per cent.

Poyais was another instance of English liberality. £ 200,000 were lent on a security so visionary, that not one dividend was ever paid; while sadder and more sorrowful effects than this followed. Adventures which commercial history has rarely paralleled marked its progress; and sufferings, which make us shudder at the recital were the result of the delusion. But little known out of a particular circle, the name of the Poyais settlement is never mentioned there but with feelings of unmitigated detestation.

A Scotchman, named Gregor MacGregor, claiming to be chief of the clan which bears his name, formed the idea of creating a settlement on the shores of the Black River. The first appearance of this man in a public character was in the service of the patriots of Spanish America.

Under the florid title of "General of Brigade of the Armies of the United Provinces of New Granada and Venezuela, and General-in-chief of the Armies destined against the Floridas," he succeeded in seizing a place known as Amelia Island, which he proposed to use for purposes of aggrandizement. His views proving fallacious, he vacated it, and was next heard of as carrying, with a trifling force, the rich town of Portobello. Here he addressed to his men a manifesto, in which gold and glory, plunder and patriotism, equally occupied its periods. Scarcely was it issued, however, ere the force of MacGregor was surrounded, and the great general could only save his life by leaving his followers, leaping out of the window in his shirt, and swimming on board his ship. It is probable that, during these campaigns, the idea of a settlement first occurred to MacGregor, as, not long after their conclusion, he proposed a plan of emigration about to be related; a plan by which colonization was to extend to that part of America known as the Mosquito country. The more pleasing title of Poyais was given; the Stock Exchange was employed to circulate some bonds for a loan of £200,000, at eighty per cent., on the security of the country; and a land renowned for its inhospitable climate was puffed into a most undeserving celebrity. Every device of human ingenuity was practised. Books were published in which the climate of paradise seemed uncongenial by that of Poyais. The air was soft and balmy; the sun and sky were alike fructifying; the soil yearned to yield its fruits; the water ran over sands of gold. Grain was to grow without sowing. Tortoise-shell, diamonds, and pearls were plentifully promised; and, to the least imaginative, the most glowing realms of the Pacific grew pale in comparison with a region where the sun was ever bright, and the soil ever yielding. Labor would be superseded, life commenced in hardship would end in luxury; while gorgeous pictures of "the finest climate and most fertile place in the world," excited the undisciplined imagination of those who had the money necessary to convey them thither. A song, to be paid for by a company of Poyais lancers, was chanted in the streets; and the attention of the passing crowd was attracted by hired ballad-singers. The new home was to be graced with a knight of the Green Cross, a colonel to command, three legislative houses to guide its affairs, and a sovereign in the person of Gregor MacGregor, under the romantic title of Cacique of Poyais. An agent was employed to make sales of land, and, unhappily, the applicants were numerous.

Nor was this all. An engraving was published, in which a church attracted the religious sympathies of some, and a bank the mercenary thoughts of others; while a theatre gave an air of civilization and luxury the scene.

Tempted by such descriptions, two hundred and fifty persons embarked for the land of promise; their lives, their fortunes, and their families engaged in a scheme which led to destruction. The mere adventurer was drawn by the beauty of the settlement, the fineness of the climate, and the hope of making a fortune. The son of the soil, who had amassed a capital which in Great Britain was unable to save him from a poor-house, but promised in Poyais a sufficiency for life, gathered his family together, sold his little furniture, reserving, with Scottish piety, the

Bible which had often consoled his Scottish hearth, and sought an unknown clime, and a new home for his household deities. Notes, payable at the Bank of Poyais, were given in exchange for notes of the Bank of Scotland, under the plea that the latter would not circulate in the Mosquito country. At length, the barks which were to conduct the settlers were entered at Leith harbour; and under different auspices, but with similar results to those which marked the Darien expedition from the same port, they left the spot which many were destined to see no more.

Their arrival at the Black River was ominous. As their vessel neared the new country, a gun was fired, and colors hoisted, to announce the coming of the emigrants. Every moment they looked anxiously out for some symptoms of the settlement. Every eye was strained to see the spire of the church which, in all their dreams, had decorated their home. Every heart beat with a strange, unwonted anxiety as they came near the place which had been pictured in such vivid colors. No great powers of imagination are necessary to conceive their watchful expectation, as hour after hour passed, and their signals remained disregarded; or with what a bounding joy they must have seen the first boat, conveying three white people, approach the ship. The delusion was brief; and a few words damped their hopes and destroyed their visions, by the information that it was a savage, sterile, and desolate spot. Greatly dispirited, they commenced a sad and sullen journey up the creek. With a burning sun and sky above, no traces of civilization around, exhausted by the climate, and galled by insects which the heat of the air nourished in great size, they proceeded with an almost funereal melancholy to their city of refuge. The young and ardent asked for gold and gems; the old and cautious looked at the situation, as, with an anxiety they could not conceal, they questioned of the soil, its capabilities, and its cultivation. "Lo!" wrote one who suffered greatly in this disastrous expedition. "Lo! they said it was all swampy." By the shades of evening they landed, and eagerly looked for their future home. It was too dark to see where the old town of St. Joseph's formerly stood, as its site was covered with bushes; and new town there was none, save a couple of huts, scarcely worthy the name. The next day, the terrible heat of the climate demanded shelter; but, with every possible exertion, it occupied three days in clearing sufficient ground for their habitation. Some wept at sight of the desolate spot; others gnashed their teeth; while many, yielding to despair, threw themselves on the ground, and declared themselves abandoned of God and man. The more hopeful were employed in pitching tents, and had scarcely commenced landing the goods, on which their safety depended, when a great gale arose, and the vessel was blown away; nor did they hear of her until a month had elapsed. Their situation was not only painful and perilous, but almost hopeless. Hardy as they were, and fit to battle with any fate, they bore with them those for whose safety they would gladly have perilled their lives.

The young child and the aged grandsire, alike incapable of restraining their wants and wishes, were there. The mother and the infant, the maiden and the matron, had each her representative. "Bushes were around, and the moon above," wrote one of the survivors. Night brought

its fearful malaria, day its yet more fearful sun ; and who can imagine the first dig of the spade which, as it sunk deeply into a soil, half mud and half water, sunk more deeply into the heart of the unhappy agriculturist. They sowed corn, and the sun withered it as it rose from the ground. They planted potatoes, and as they sprung up, they perished from the great heat. A further danger appeared to the settlers. They were told by the king of the Mosquito nation, that no grant would be recognized by him, and that they must acknowledge allegiance or quit his territory. In these circumstances, it was deemed advisable for a deputation to wait upon his Majesty ; and over sandy beaches they took their way. Weak from want of food, weary from want of rest, their journey proved one of toil and trouble. The rainy season was fast approaching ; sickness and death decimated the wanderers ; and vainly did they make desperate efforts to avert their impending fate. One party procured a boat, and started in search of aid ; but, unhappily, forgetting to take water, died ere it could attain help. Others bought a canoe, and, with Indians to guide them, were scarcely at sea, ere their treacherous companions plundered and flung them overboard. Those who remained had yet to be acclimated ; and sickness added to the sufferings they had already endured. Eating salt provisions, drinking impure water, burning by day and shivering by night, on the borders of a creek which bred disease, with a fatal malaria around, they were unable to resist the ague, which in its worst form seized upon them. Without help and without hope, far from home, in an inhospitable country, sickness seized upon one and all. It spared neither age nor sex, neither strength nor decrepitude. The most resolute fell beneath its power ; the weakest felt its fatal influence ; and so fearfully was the colony at one time situated, that not one could lift a finger to assist the other. Death ensued ; and the only portion of the soil gained by many was that which gave a grave. The mortality was two thirds.

But these were not the only evils. In September, 1824, it was said, " Another thing, in the shape of a Poyais loan, has been brought into the market." Great as the excitement was, there were not many disposed to risk their money ; but those who did were persons who had saved a small amount, which, though insufficient to live upon, was sufficient to excite a desire for more. By this class a considerable sum was advanced ; and the ruin which fell upon them was tremendous. Their despair was loud, but useless. The Poyais loan was an epoch from which many dated for the remainder of their lives ; and the figure of one of these unhappy speculators must still be familiar to some readers, as she wandered daily through the offices of the Bank of England, and the purlieus of the Stock Exchange, exposed to all the annoyances which fall upon those who earn their bread in the public thoroughfares. The Poyais scrip was destined to a lower employment still. It was used during the mania for foreign loans in 1836, as a mode of jobbing, the turn in which, suited to the pockets of those who dealt in it, varied from a halfpenny to a penny, according to the demand.

Emigration received a great shock ; and " to be served like the Poyais settlers " was a common excuse of the poor and unthinking. If, how-

ever, the Stock Exchange proved indirectly injurious to the great cause in this instance, one of its members has done more towards its assistance than is often effected by individual exertion. The efforts of Mr. Benjamin Boyd will form an important chapter in some future history of our Australian colonies; as, from his determined energy, an impulse has been given to emigration which no future official supineness can eradicate.

Steam navigation to Australia is greatly desirable; and governments which, as the present volume proves, often lavish their money unworthily, should at least be ready to assist in achieving so great and beneficial a fact. All local objections are overcome. The difficulty of the "barrier reef" is proved to be an idle dream; and the time will yet arrive when men will wonder that a few thousand pounds should for years have retarded steam navigation to colonies important alike to the commerce, the comfort, and the civilization of England. The writer gives the following, to show that the few words he has said are not unsupported:—

"We unhesitatingly and confidently reply, that for all this the colony has to thank Mr. Benjamin Boyd. With this gentleman solely the movement originated; by him and his family it has been maintained and supported. To this cause Mr. Boyd has devoted his individual labor; he has lavished his wealth on it; he has enlisted in it the activity and talent of his own relations, and that of their numerous and influential friends; he has supplied them with information and advice, and urged on their flagging zeal, when requisite, up to the formation of the Colonization Society, and the commencement of the Colonization Crusade now in progress. And in this course he has persevered, in spite of obstacles cast in his way by the colonists themselves, in spite of obloquy and ridicule from men who were to benefit by his exertions, but on whose ignorance and supineness his stirring activity was a bitter and ceaseless censure."

GOLD REGIONS OF VIRGINIA.

From a Correspondent of the Lowell Courier.

SPOTTSYLVANIA CO., VA., *March 25th, 1850.*

It is very remarkable, in this age of gold manias, that the vast resources of this portion of the country, in that precious metal, are so little known to the people, and to capital. Perhaps it may be upon the medical principle of counter irritants, so that the more inflammatory fever of California has left less chance for the more unpretending gold regions of our own soil. Still, for all the purposes of prudent and safe investment, without the gambling risk of a California pilgrimage for fortune, the resources to the gold seeker to be found here are immense and inexhaustible. They are far less rich, yet far more certain and reliable, than are now offered in California. The geological laws of gold regions are comparatively obscure; that is, there are prime, fundamental facts, wholly inexplicable, or, at least, as yet unexplained. Gold washings from allu-

vial soil have proved to be amazingly rich; but the source of these has never been satisfactorily explained. The natural inference is, that they are supplied from veins gradually decomposed and washed out by rains. This is the present best theory in regard to California gold; and I think it will prove true. But there are well-settled facts which go to defeat this idea, so far as former investigations are concerned, and the matter still remains a curious mystery to science. "Whence does alluvial gold come?" is a question yet to be satisfactorily answered. I saw, some years since, three large lumps of pure gold, worth \$ 580, \$ 175, and \$ 75, respectively, all taken from alluvial soil, near to each other, and about two feet and a half beneath the surface, in this region. Each piece presented indications of the action of fire; yet they were already placed there by some action of nature, within a not very remote period of time. The character of the soil proved this. How came they there? It will match the best Yankee wit to "guess" the proper answer.

The geological character of the gold region in this and adjoining States, however, is plain and well defined. It is in the nature of continuous, inexhaustible veins, commencing as far down as Georgia, at least, and following very nearly the line of the coast, into New Hampshire. My own impression is, that some of the richest gold veins in the world will yet be found in the latter State, upon the gold line as indicated in some of the quartz formation of her hills. Upon that line here, the quartz to be found is immense. Along the course of the gold formations, it can be traced very clearly by the "outcroppings" and "pointers," and other indications, familiar to experienced miners. I cannot doubt that when capital and enterprise, guided by experience, shall fairly develop the golden wealth of this and the neighbouring States, enough will be realized to satisfy any reasonable cravings of cupidity, — the diseased hankering for that grand "root of all evil." When the first attempt to work these mines was made, some fourteen years ago, every thing was done at odds and ends; and the whole fell through with a crash, as a matter of course. With occasional exceptions, the vein ore is not very rich, though abundant for ages of profitable working. It requires care and judicious management; but with these it is now a source of vast profit, for it is now conducted with some skill and business judgment, though still imperfectly, and with a great loss of the precious metal. It is more sure, and vastly more profitable, than your cotton and woollen manufactures, upon which so much capital is expended. It is even surer and better than boots or cheap clothing, and almost a match for wooden-nutmeg and tin-ware peddling. You would be amused to see the vast labor that has been quietly going on in this almost unknown branch of enterprise. I had no idea of its extent until I saw it. There are miles of "tunnels," miniature streets, far beneath the surface, made in burrowing upon the veins for ore. And all the tens of thousands of tons of ore, thus taken out, have been reduced to powder and the gold extracted. There are excavations of this character in which a score of large dwellings could be placed, with plenty of good room for each. When you consider that the steam-engines are driven day and night, constantly reducing the ore by pulverization, and this continued for years, disposing of hun-

dreds of tons per day, you may have some idea of what sort of a gold business is really going on here.

The first mine in reputation in this State is the Whitehall, better known abroad as Stockton's mine. I did not visit it, but I understand that the original cost to Stockton and Heiss was \$ 6,000. After taking out a large amount of gold, a portion was sold to stockholders at the rate of \$ 150,000 for the whole, and some of the stock has been since sold at the rate of \$ 300,000. Since the formation of stock, the profits of this mine have paid for the whole property, including engine, horses, &c., and the last dividend was sixteen per cent. upon the capital. I give this as one case. Nor is there any reason to suppose that the mine will not go on yielding in the same way, as the results each week are surprisingly uniform in all cases. Occasionally, the yield is largely increased by finding "pockets," or very rich veins that do not continue long; but they do not fall below a certain average. I visited the Vauclose mine, which has been steadily worked, and with very large profit, for many years. A steam-engine of 150 horse-power is worked day and night, stamping and grinding the ore, and pumping water for the washings and from the mines. Here the amount of labor that has been expended is seen in the immense extent of tunnelling and excavations by which the ore has been brought out. Every facility to see all the works was kindly offered by the gentlemanly superintendent, Mr. Smith, and I left, wondering not a little at the new things I had there seen. Near by is another mining property, from which \$ 250,000 in gold have been washed; but no proper efforts have been made to seek the mine that doubtless exists there. I visited also a mine, worked on a small scale, but very profitably, on the same range, — for these mines all lie upon certain lines, which follow the great course of the gold formation. The Woodville mine, which I more particularly examined, has been recently opened by Col. John P. Adams, former consul at Laguayra, a gentleman of great enterprise, who has already done the country no small service in largely promoting the opening of the Orinoco to steam navigation, and the project of the Panama railroad, for both of which important schemes he obtained original grants.

Col. Adams has just completed the erection of excellent machinery, the best in the State, driven by a 35 horse-power engine. The full power will not be put on, however, until to-day; and, as I leave directly, I shall lose the satisfaction of knowing the result. Enough is known, however, to settle that it will be largely profitable. His machinery consists of six head of stamps, three Chilian mills, and forty-two patent Sullivan bowls, — capable of reducing and washing more than thirty tons of ore per day. The veins opened number about a dozen, of various sizes, one of which is twenty feet thick. They run about N. N. E. and S. S. W., with a dip to the N. E. and inclining to the north. The ore is composed of quartz, micaceous and talcose slate, bemitites, the black, brown, and yellow oxides, and the sulphuret of iron. Some of the veins "crop out," and others are found by exploring, and the quantity is inexhaustible. Its quality is excellent, and will no doubt improve as the work proceeds deeper into the earth.

L. R. S.

A CITY INSURANCE COMPANY.

From the New Orleans Commercial Bulletin.

The city of Lafayette has got up a scheme for making the city corporation a grand insurance company, to insure against fire *all the buildings* in the city.

A scheme of this kind we consider as visionary as it will be disastrous, should it be carried into effect. The objections to it are so obvious, and so numerous, that we should suppose they would strike every mind. This plan of a town or city corporation acting as general insurers on all the buildings of a city, is very common in Germany, where it operates with success; but we suppose it would be hardly necessary to go into any argument to show the difference in a business of this kind, between a German and an American town. In the former the houses are built in the most solid and substantial manner, with heavy stone masonry, stone floors on the first story, generally with stone stairs, and heavy and solid tile roofs. They are, in fact, almost fireproof, both as regards the interior and exterior of the buildings. A fire is a thing of rare occurrence, and an extensive conflagration is almost unknown, in "the memory of the oldest inhabitant." In towns of 20, 30, and 40,000 inhabitants, successive years will frequently pass without the occurrence of a single fire, and when such an event does occur, the damage is but trifling, as it cannot readily extend, and the houses having so little combustible material about them, it is soon extinguished. A large town will thus be exempt for many years from any fire tax, and when it does come, may probably be *one-twentieth*, or *one-fiftieth*, or *one-hundredth* of one per cent. In these towns, too, there is such uniformity in the mode of constructing the buildings—for, however they may differ in beauty, size and appearance, they are all of stone, with stone floors and stairs, and roofs perfectly fireproof—that the *fire risk* is the same in all. The value also is so well known that the true loss can always be ascertained, to a single florin, to say nothing of the system, regularity and correctness with which a business of that kind would be conducted, by investigating the mode in which the fire originated, and ascertaining the actual amount of loss, under a set of old-fashioned burgomasters, who have managed the town affairs for thirty or forty years, and conduct everything like perfect clock-work.

Now we would ask, what kind of comparison can possibly be drawn between a general fire insurance by such corporations, in such towns and under such circumstances, and one of our American towns; with rows of wooden houses, each one a tinder box, with wooden stables and cattle sheds, and with a population, as is the case in most of our American towns, so careless as regards fire, as to amount almost to wilful recklessness, and accompanied with a floating and ever-changing non-resident population, even more careless than the residents?

It is also a notorious fact in this country, which cannot be disputed, that anything of this nature, which is undertaken to be managed by and for account of the public, is invariably badly managed. There is no public improvement or work attempted to be made by public money, which does

not cost two, three, and even four-fold what it would cost under private management, for private account. "Public money is cheap," is a saying the truth of which no one can doubt in this country.

It is provided in the proposed plan, that each building shall be considered as being insured for the amount at which it is assessed in the tax roll, and, if burned, the owner will have a claim for that amount. We know how vague and uncertain are the assessments thus made, sometimes far *greater* and sometimes far *less* than the real value. Is it right that the public treasury and the private house owner should be thus placed at the mercy of an ignorant assessor?

The fundamental principle of fire insurance is *indemnity*, and *only* that. If a man has five thousand dollars insured on his house, and it is utterly and entirely destroyed, he nevertheless is not entitled to recover five thousand dollars from the insurers, if they can replace his house for less than that amount. If they can put up an equally good house for four, or three, or even two thousand dollars, it is all the underwriters are bound to do. But this principle, so vitally important in fire insurance, is entirely lost sight of in the present plan, and if the house is overvalued, it becomes the interest of the owner that it should be burned, which, as experience has fully shown, many are not too good to do themselves; and those are still more numerous, who, under such circumstances, would not exercise the care and vigilance they otherwise would.

Different rates of premium will of course be charged upon different buildings. A man having a frame house, with shingle roof, will not expect to have it insured as low as his neighbor, in a brick house, with a slate roof. In the administration of such a business by a corporation, does any one suppose that political or private influences will not be brought to bear successfully, in fixing the rate of premium and in the settlement of losses? And if in the latter, where there is a *total* loss, this could not be the case, as the assessed value is to govern, still it would readily be done in partial losses; and how often would hundreds, if not thousands, of dollars be paid under the plea of—"Oh! it is nothing to the public, and it is very material to him!" There is no business where the vigilance and jealousy of private interest are so necessary to guard against impositions, if not actual fraud, as in the case of fire insurance.

There are in Lafayette, as in every other town or city, many buildings which, either from the character of the occupants, or from the very hazardous nature of the risk, and sometimes from both causes combined, which cannot be insured at any rate of premium. The parties owning or occupying such premises, knowing that in case of fire the loss would be their own, exercise double and especial vigilance to guard against accident; and fires, therefore, among these kinds of buildings, are of more rare occurrence than they otherwise would be. Let these parties, however, once be aware that they are fully insured, and their vigilance would immediately relax, even if they did not proceed to more extreme measures than mere negligence.

But there is another consideration connected with these highly dangerous risks, which should be taken into consideration. There are good risks of brick buildings with slate roofs that are adjoining, or in the immediate

vicinity of them, which are now taken at fair and moderate premiums, merely from the fact that the insurers know their dangerous neighbors cannot obtain insurance, and that therefore they exercise great care on their own premises. But when these latter become insured, and that vigilance, in consequence, is abated, it greatly augments the risk of all the neighborhood, and will subject the corporation to much heavier losses than now occur.

It will no doubt be said that these extra hazardous and highly dangerous risks, would be charged a premium in proportion; but no adequate premium could be charged that the parties would bear, or which would not be really oppressive. There is but little probability that these risks, particularly if they are fully insured, would run through a period of ten years without being destroyed, and it would therefore be worth a premium of ten per cent. per annum to insure them. Does any one suppose that the owners or occupants of such buildings will be willing to pay such a rate, or if they did pay it, that the buildings would go through the above period of ten years, without being destroyed by fire? If burned at any time within that period, the corporation would evidently be a loser, even at this enormous premium.

The present assessed value of real estate in Lafayette, we believe, is something above four millions of dollars, and the friends of the proposed measure estimate that \$20,000 is now annually paid for fire premiums. If this be so, it is a very unprofitable business for the insurers, as a greater amount than the above was paid by only two insurance companies in New Orleans, for losses in Lafayette, during the past year; and under a corporation system of insurances upon *all* property, no one can doubt that the losses would be greatly increased.

Admitting that the eventual security for the payment of losses is good, in consequence of having all the real estate of the city bound, the guaranties offered for a *prompt* settlement are by no means satisfactory in case of any heavy loss. This is a very important consideration with parties owning property, and it will be anything but agreeable to a loser to be told that he must wait for his money until a tax can be levied and collected. We do not think there is much probability of any profit accumulating from this business, but if such should be the case, the plan does not contemplate that it should remain as a nest egg, to provide for unexpected or unusual losses, but it is to be expended for city purposes, in erecting water works.

There is another very curious item in this plan of city insurance, which is, that in case of loss beyond the means in hand, the whole real estate of the city, including, of course, the *ground*, shall have a tax levied upon it, to meet the demands upon the insurance fund. On what principle the owner of even an *improved* lot is to be called upon for a tax upon his *ground*, to pay a fire loss upon a building, we are unable to divine, and it is still more difficult to do so as regards a *vacant* lot. If there is any virtue or security in this plan of mutual insurance, we can understand it might be just and proper that the owner of a *house*, who participates in the advantages of the general insurance, should be obliged to contribute to the payment of losses for other *houses* that may have been burned; but why the *ground*, which, so far as our experience goes, is not liable to be de-

stroyed in that way, and derives no advantage from the system, should be made to pay, passes our comprehension.

If we were the owners of *vacant* lots to the value of one hundred thousand dollars (which heaven knows we are *not*, and if this plan goes into effect, we shall be very *thankful* such is the fact), we should really think it very hard to have those *lots* taxed to pay for the burnt *houses* of our neighbors.

We recollect being in the office of a northern insurance company when a resident of a neighboring country town came in and inquired what would be the premium upon his house and *lot*. "As regards your *house*," said the venerable President of the Company, "we must have a description of it, its location, materials, etc., before we can fix the rate, but for the *lot* we will allow you to fix the premium yourself, and will fill up a policy accordingly." Perhaps, however, the lots in Lafayette are of a kind that may be destroyed or injured, or their dimensions curtailed under the effect of fire, and therefore the *unburnt* lots are bound to contribute, as well as the *unburnt* houses.

The ordinary losses by fires in Lafayette cannot well be less than 40 to \$50,000 per annum, and any one who will walk through it can readily imagine how an extensive fire might at "one fell swoop" destroy to the extent of \$100,000 dollars or more. Nothing therefore would be more probable than that a tax of two or three per cent. on *all* the property, houses and *lands* in the city would be necessary to pay the amount of the losses, and if levied on the *buildings alone*, which would be the only just mode, it might be five or six per cent.

There are other points of much force which could be urged against the plan, but we think we have pointed out sufficient to show that it would be an injudicious and highly disadvantageous experiment, and the results of which would compel the abandonment of it after a very short experiment. That it would very seriously affect the value of property in Lafayette, and seriously check its improvement, we have no doubt. Many would be unwilling to continue to be property holders there, or to increase the amount already invested by making improvements, whilst they would be subject to the great probability of a very heavy tax, to pay for all the hazardous risks and tinder boxes which are so numerous in that city, of which but few, if any, under such a system, would survive a period of five years.

~~~~~

**GOLD ALLOY.**—An ingenious and interesting discovery has been made in the manipulation in metalliferous substances, by which an alloy is produced that is likely to come into very general use for numerous articles hitherto manufactured in gilt work, or molu, and other more expensive metals. It is a mixture in certain proportions of copper, tin, zinc, &c., perfectly homogeneous, close in texture, highly ductile, rolls into sheets, and is manufactured with the greatest facility. It can be had of various tints, to represent gold of different degrees of color and purity, takes a high degree of polish, and cleans easily when tarnished. We have inspected some small articles, pencil-cases, &c., manufactured from this alloy, and it would indeed be difficult for the most practised eye to discover that they were not gold, without having recourse to the acid test, or ascertaining the specific gravity, which is of course less than that of the precious metal.—*Mining Journal.*

## EARLY BANKING IN MASSACHUSETTS.

Extracts from the Speech of the Honorable Caleb Stetson, of Braintree, in the Massachusetts House of Representatives, on the 28th March, 1850.

Our forefathers, in the early history of our country, for want of a circulating medium, were obliged to change in kind or barter. As early as 1631 corn was made a legal tender, and it was ordered by the colonial court that corn should pass for payment of all debts at the usual rates for which it was sold, unless *money* or *bearer* were expressly named. Yet during seventy years corn was the only real money used in North America. Mints were established in Massachusetts in 1652—the money coined was shillings and sixpences; these coins had a tree in the centre. Maryland established a mint similar to Massachusetts in the year 1662. The want of money was so oppressive in 1690, in consequence of the war against the French in Canada, under Wm. Phipps, that the colonial court, by the influence of Major Hutchinson and others, proposed to issue bills of public credit, to furnish means to carry on the war. The court granted an issue of £7,000 in bills of credit—printed upon slips of paper, varying in value from five shillings to five pounds. The assembly voted that the sum expressed in said bills *should* be equal in value with coin. The court provided no sinking fund for the redemption, only making them receivable for taxes or public dues; or promising when demanded, to pay the full sum in money or public stock. The form of the first paper bill issued in America is as follows:—

“This indented bill of twenty shillings, due from Massachusetts colony to the possessor, *shall* be in value equal to money, and shall be accordingly accepted by the treasurer, and receivers subordinate to him, in all public payments, and for any stock, at any time, in the treasury.

“Boston, in New England, December 6, 1690, by order of the general court.”

Massachusetts established the first mint, and issued the first paper currency in America. The colonial assembly asserted and declared that its bills shall be equal to coin. Another issue was granted, authorizing the issue of bills of £10, and fixed the limit to £40,000. The experiment of paper at once relieved the pressure for money. Consequently, produce increased in value, and the sudden rise in bread stuffs was a subject of alarm to a portion of the people.

At the next session of the court an act was passed that the price of grain should be reduced one third from the price formerly ordered by the court. The general court, from time to time, for the period of fifty years, were almost yearly passing bills of public credit, contriving all possible expedients to sustain their value. New emissions and old, called old tenor and new, were made; yet they ceased to circulate. South Carolina issued bills of credit in 1702, Pennsylvania in 1723.

Notwithstanding all legislative enactments, the bills of credit issued in other States, shared the same fate as in Massachusetts. The currency gradually depreciated from the commencement to the final issue. The paper currency in circulation in Massachusetts, 1749, was £2,200,000, which was depreciated 89 per cent. from specie value. Mr. Hutchinson, who then was

Speaker of the house, obtained a sufficient loan to purchase the currency at the circulating value, viz. : 11 cents the dollar.

About 1740 a paper scheme, called the Land Bank, was granted. Great and strenuous efforts were made to resist the grant ; but the plot was so deeply laid that it found a majority in the colonial assembly. The company issued bills of credit to the amount of £150,000 lawful money, each borrower to mortgage real estate for security ; personal security for more than £100 was not to be taken. The bill had the violent opposition of Governor Hutchinson, who did everything to blast the fraudulent undertaking. Such was the opposition to the bank that application was made to parliament for an act to suppress the company. The act was easily obtained, and it was declared that the act of the 6th of King George the First, Chapter 18, called the Bubble Act, shall extend to America. Thus ended the famous land bank, founded on the principle of one John Law, who was celebrated for *scheming* in England.

The sad failure of bills of credit had a depressing influence upon the country. No paper scheme was revived till the commencement of the revolutionary war ; the congress of 1775, for the purpose of carrying on the war, issued bills called continental money. The first emission was made in May, 1775 ; the bills passed for near their declared value till the year 1777, when the issue was about nine millions ; from the first issue to 1781 over three hundred and eighty-nine millions of this paper was issued ; the value constantly declining till 1,000 of paper was not worth one dollar of coin. The depreciation of paper caused successive acts to sustain the value of the currency, declaring that whoever should refuse to receive in payment continental bills, should be declared and treated as an outlaw, an enemy of his country, and precluded intercourse with its inhabitants. The passage of the tender acts, penal laws, was accompanied with ruinous punishment, and awful threatening declarations, to be executed by the highest authority then in being—by congress, by assemblies and conventions of the States, by committees of inspection, and even by military force.

When we consider the strenuous efforts made, with all the appeals to patriotism and love of liberty, it is one of the most *signal* failures of the force of legislative enactments on record. The distress occasioned by the failure of the currency was universal. The disappearance of paper brought specie directly into circulation, and the country gradually revived from the shock, but with a deep-seated prejudice against paper currency.

The first bank in America chartered upon the specie basis of conversion of bills on demand into coin, was established at Philadelphia, by and through the influence of Robert Morris, in 1781, called the Bank of North America, with two millions of capital. It commenced operations in January, 1782. The experience of the evils of continental money was still fresh in the minds of the people, consequently great difficulty was encountered in giving currency to notes of the bank. The people could not be made to believe that the bank had coin, or could redeem the bills on demand. To remove the prejudice, the directors or officers of the bank employed persons about town to go to the bank and get silver in exchange for bank notes. The bank also made great public display of its silver, and during bank hours, employed men in raising and lowering boxes, supposed to contain silver, from the

banking room to the cellar, and vice versa. By contrivances like these, the bank finally obtained the reputation of having large quantities of coin on hand, and means for the basis of circulation, always convertible into coin on demand. After a time the bank obtained the confidence of the public, and its bills obtained good circulation.

The second bank in America was the Massachusetts Bank, established in Boston in 1784; twenty-three institutions were chartered previous to the year 1800. Since the beginning of the present century banks have increased in rapid succession. From 1780 to 1790 the country was fairly supplied with specie for currency, though the want of money was severe, growing out of troubles of the revolution. From 1792 to 1808 the country was eminently prosperous, without any sudden reactions or contractions of currency. The prosperous condition of our commerce from 1795 to 1806 or 7, caused a corresponding trade; and speculative movements in real estate, with the turnpike mania, which was very general in Massachusetts, produced a large demand for money and high rate of interest, which ended in a general revulsion in trade in 1808 and 1809. Several banks failed; great depreciation in real estate and all descriptions of property. No shock of public or private credit had taken place since the peace of 1783 which so terrified the people of New England as did these failures. The Farmers' Exchange Bank, established in Rhode Island, which after a few years was wholly owned and controlled by Andrew Dexter, Jr., who had in a short time put in circulation over 650,000 of currency, was a total loss to bill holders; the failure of this bank on the 9th of February, 1809, caused several other failures—Farmers' Bank of Gloucester, Coos Bank in New Hampshire, &c. Though over forty years since, the impression made upon my mind, the consternation and dismay of the people, are as fresh in my memory as though they had transpired but yesterday. \* \* \* \*

Mr. Speaker, when I arose to address the House, a member says, "You ought not to speak on banks, as you represent a bank which charges high rates of exchange." I am aware, sir, of such charges made against this bank; I will say, however, they are not true in regard to the bank, more than any bank in Boston, and I believe the rates of exchange are as low upon an average as at any other institution. When the bank commissioners visit this bank they will find it managed on true banking principles, and in the most energetic manner, without any dead weight. In regard to exchanges, the banks are obliged to use their best judgment, and charge such rates of exchange on discounted paper as will protect them from any probable loss, on payments at a future day; the country banks, many of them, are charging higher rates of exchange on New York than the banks of this city; whatever these rates may be, I think the banks are justifiable for charging such rates, so as to be sure to pay well for doing the business. I believe no rates of exchange can be fixed by law which will in any manner regulate the price of exchange, any more than this legislature can stop the infringement of the usury law. I believe all laws which are passed to fix the price of money in a commercial community, are null and void, and cannot be enforced in any manner, when the value of money is so much above the legal rate. I hope to live to see the time when commercial men may act free in this matter.

Mr. Speaker, it may be said that a commercial crisis, with expansions and over-trading will happen, let us do what we will. I admit, they may and will arise under the action of a credit system, and would arise under a circulation of coin only, as well as under a mixed circulation of paper and coin. It is the combined action of paper credits and bank circulation which stimulates trade, and causes a commercial crisis. It is the bank power which produces the greatest evil, and one of which the State has power to control; if, therefore, any measure can be adopted to control and restrain banks in the course of their action, I believe it will do the people some service.



**BILLS AT SIGHT, AND BILLS ON DEMAND.**—Occasional disputes arise as to the right of a drawee to hold one day for acceptance, a bill payable *on demand*. The following extract from "McCulloch, on Exchange" [*ante*, page 851] is to the point.

"When a bill, check, or note, is payable *on demand*, or when *no time of payment is expressed*, it should be presented within a reasonable time after receipt, and is payable *in presentment*, without the allowance of any days of grace. It is yet unsettled (Chitty, 344, *et seq.*) whether bills drawn *at sight* are entitled to days of grace, though the weight of authority is rather in favor of them."

Some weeks since a dispute arose in a bank at New York, between the cashier and a well-known merchant, upon this subject. The bank received for collection a draft on the merchant, having no time expressed in it; being on its face *an order* for payment, in these words: "Pay to the order of ——— three thousand dollars, for value received, and charge, as per advice, to Yours, &c., A. B."

The merchant insisted that he was entitled to hold the bill twenty-four hours before acceptance, which the cashier did not agree to, and it was protested for non-payment. Such a bill differs materially from a bill at sight, or payable at a fixed period after sight or after date.

Boyles, on his Treatise on Bills of Exchange, (page 273, vol. III, Bankers' Magazine,) says, "Bills and checks payable on demand, are evidently intended to be presented and paid *immediately*, and the drawer may have good reasons for desiring to withdraw his funds from the control of the drawee without delay. But a common promissory note, *payable on demand*, is very often originally intended as a continuing security, and afterwards endorsed as such."

**PROPERTY, INDUSTRY AND PUBLIC EXPENDITURES.**—We have now seen how labor may be rendered most productive of wealth, how that wealth is distributed among the various classes of society, and how it may be most advantageously consumed. We have seen the indissoluble connection between private and public opulence: that whatever has any tendency to increase the former, must, to the same extent, increase the latter; and that SECURITY OF PROPERTY, FREEDOM OF INDUSTRY, AND MODERATION IN THE PUBLIC EXPENDITURES, are the only, as they are the certain, means by which the various powers and resources of human talent and ingenuity may be called into action, and society made continually to advance in the career of wealth and civilization. Every increase of security or of freedom is a benefit, as every diminution, whether of the one or the other, is an evil. It is by the spontaneous and unconstrained efforts of individuals to improve their condition and rise in the world, that nations become rich and powerful. The labor and the savings of individuals are at once the source and the measure of national opulence and public prosperity. They may be compared to the drops of dew, which invigorate and mature all vegetable nature. None of them has singly any perceptible influence, but we owe the foliage of summer and the fruits of autumn to their combined action.—*J. R. McCulloch—Political Economy.*

## NEW YORK HOMESTEAD EXEMPTION BILL.

AN ACT TO EXEMPT FROM SALE ON EXECUTION THE HOMESTEAD OF A HOUSEHOLDER HAVING A FAMILY.

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

SECTION 1. In addition to the property now exempt by law from sale under execution, there shall be exempt by law from sale on execution for debts hereafter contracted, the lot and buildings thereon, occupied as a residence and owned by the debtor, being a householder and having a family, to the value of one thousand dollars. Such exemption shall continue after the death of such householder, for the benefit of the widow and family, some or one of them continuing to occupy such homestead until the youngest child shall become twenty-one years of age, and until the death of the widow. And no release or waiver of such exemption shall be valid, unless the same shall be in writing, subscribed by such householder, and acknowledged in the same manner as conveyances of real estate are by law required to be acknowledged.

Sec. 2. To entitle any property to such exemption, the conveyance of the same shall show, that it is designed to be held as a homestead under this act, or if already purchased, or the conveyance does not show such design, a notice that the same is designed to be so held shall be executed and acknowledged by the person owning the said property, which shall contain a full description thereof, and shall be recorded in the office of the clerk of the county in which the said property is situate, in a book to be provided for that purpose and known as the "Homestead Exemption Book." But no property shall, by virtue of this act, be exempt from sale for non-payment of taxes or assessments, or for a debt contracted for the purchase thereof, or prior to the recording of the aforesaid deed or notice.

Sec. 3. If, in the opinion of the sheriff holding an execution against such householder, the premises claimed by him or her as exempt, are worth more than one thousand dollars, he shall summon six qualified jurors of his country, who shall upon oath, to be administered to them by such sheriff, appraise said premises; and if, in the opinion of the jury, the property may be divided without injury to the interests of the parties, they shall set off so much of said premises, including the dwelling house, as, in their opinion, shall be worth one thousand dollars, and the residue of said premises may be advertised and sold by such sheriff.

Sec. 4. In case the value of the premises shall, in the opinion of the jury, be more than one thousand dollars, and cannot be divided as is provided for in the last section, they shall make and sign an appraisal of the value thereof, and deliver the same to the sheriff, who shall deliver a copy thereof to the execution debtor, or to some one of his family of suitable age to understand the nature thereof, with a notice thereof attached, that unless the execution debtor shall pay to said sheriff the surplus over and above one thousand dollars within sixty days thereafter, that such premises will be sold.

Sec. 5. In case such surplus shall not be paid within the said sixty days, it shall be lawful for the sheriff to advertise and sell the said premises, and out of the proceeds of such sale, to pay to such execution debtor the said sum of one thousand dollars, which shall be exempt from execution for one year thereafter, and apply the balance on such execution: provided, that no sale shall be made unless a greater sum than one thousand dollars shall be bid therefor, in which case the sheriff may return the execution for want of property.

Sec. 6. The costs and expenses of selling off such homestead as provided herein, shall be charged and included in the sheriff's bill upon such execution.

Sec. 7. This act shall take effect on the first day of January, one thousand eight hundred and fifty-one.

[For the Vermont law upon home exemptions, see page 859.]

~~~~~

GREEK FINANCES.—Although it is stated that the arrears of dividends on the guaranteed Greek loan form no part of the demands for which the present blockade of the Greek ports has been established by the English Government, it may be useful, while attention is drawn to the subject, to describe the general position of the debt of that country. It consists of a five per cent. loan of £800,000, taken in 1824 by Messrs. Ricardo, at 59, and of another of £2,000,000, taken by the same house, in the following year, at 56½. These have been allowed by the Greek government to remain wholly unnoticed, and their price in our market is now only 6½. The loan guaranteed by England, France, and Russia, upon the elevation of Prince Otho, of Bavaria, to the throne, was for £2,343,750, and was conducted by Messrs. Rothschild. Upon this the dividends have of course been regularly paid, but only from reserved funds of the loan itself, in the first instance, and since then, chiefly from the treasuries of the guaranteeing powers, who are now, therefore, in each case, heavy claimants upon the Greek government. This guarantee is not by the Powers jointly, but is distinct in each case for a third of the loan, and the present price of the English portion is about 110 to 112; of the Russian, about 100; and of the French, about 90.—*London Times*, February, 1850.

☞ Messrs. Ricardo, in a note to *The Times*, say the above is partially incorrect, and that the existing liabilities of the Greek government are as follows:—

£530,000 loan of 1824, with arrears from July, 1826.

£1,900,000 loan of 1825, with arrears from January, 1827.

“In the columns of the *Journal of Commerce* is an inquiry for the owner of certain halves of bank notes now in the possession of D. Leavitt, Esq., President of the American Exchange Bank. These bills, representing over \$1,000, were found, not many months since, in a single parcel in this city. The finder, in attempting to procure the specie for a few of them through some of his friends, was discovered, and after no little trouble the whole amount was gathered together by the present holder, who will restore them to the *bona fide* owner, who must be prepared to establish his claim by the most conclusive proof. The probability is, that they are a portion of the spoils of some mail which has been robbed, and have been kept in anticipation of a reward being offered for their recovery. They are in various denominations, and upon different banks.”—*N. Y. Journ. of Commerce*.

INTERIOR OF THE GLOBE.—Throughout the whole duration of geological times, the interior of the globe should appear to us as a centre of continuous emanations, which have sent enormous masses of iron to the surface; these emanations mingling their anhydrous products, sometimes with those of sedimentation, at other times interposing themselves under the form of concentrated repositories in the rocks elevated by the eruptive masses.—*Annales des Mines*.

TEN MINUTES' ADVICE ABOUT KEEPING A BANKER.

BY J. W. GILBART, F.R.S.

General Manager of the London and Westminster Bank.

1. A banker is a man who has an open shop with proper counters, clerks, and books, for receiving other people's money in order to keep it safe, and return it upon demand.

2. The building or shop in which this business is carried on, is usually called in London a "Banking-house," but in Scotland, and in the country parts of England, it is called a "Bank." The word "bank" is also employed to denote the partnership or company who carry on the business of banking. Thus we say, the Bank of Scotland, the London and Westminster Bank, the Bank of Messrs. Coutts & Co.

3. When a company of this kind does not consist of more than six partners, it is called a "Private Bank;" but when the company consists of several hundred partners, it is called in Scotland a "Public Bank," and in England a "Joint-stock Bank."

4. A private bank is usually managed by one or more of the partners, and all the partners are styled bankers. A public bank is managed by a principal officer, who is usually styled a manager. In England a bank-manager is not commonly called a banker; but in Scotland all managers of banks, and managers of branch banks, are called bankers. So mind, when I use the word "banker," you may apply it to either a private banker or to a bank manager, whichever you please, as my observations will be as applicable to one as to the other. A banker is a man who carries on the business of banking; and whether he carries it on upon his own account, or as the agent of a public company, it appears to me to make no difference as to his claims to be called a banker.

5. It is the business of all these banks to receive other people's money, and to return it upon demand. And when any person puts money into one of these banks, he is said to open an account with the bank; and when he has thus opened an account, and continues to put in and draw out money, he is said to have a current account, or, in London phraseology, "to keep a banker."

6. In Scotland almost every man has an account of some sort with a bank. The rich man in trade has an account because of the facility of conducting his operations: the rich man out of trade has an account because he gets interest upon his lodgments, and he keeps his money in the bank until he has an opportunity of investing it elsewhere at a better rate of interest. The middle class of people have an account because of the convenience of it, and because they obtain the discount of their bills, and perhaps loans, on giving two sureties, which are called cash credits. The poorer classes lodge their small savings in the bank, because of the security, and because they get interest on the sums which are lodged.

7. But in London the practice of keeping an account with a bank is by no means so common as in Scotland. The London banks are banks only for the rich. The bankers require that every person opening an account shall

always have a sum to his credit; and if the sum thus kept is not what they deem sufficient, they will close the account. Hence the middle class of people in London have no banker at all, and the poorer class lodge their money in the savings banks where they get interest, which they would not get from the London banker. It should also be stated that besides keeping a sufficient balance, a party opening an account with a London banker is expected to give a certain sum every year to the clerks. This is called Christmas-money, and the object is merely to enable the banker to pay a less salary to his clerks, at the expense of his customers.

8. But within a few years, public or joint-stock banks have been established in London. These banks, or at least some of them, will allow you to open an account without promising to keep a large balance, or even any balance at all, provided you pay a small sum annually as a commission. This sum is fixed when you open the account, and it is about the same that you would be expected to give as Christmas-money to the clerks of a private bank. Hence people of moderate incomes, and those who can employ the whole of their capital in their business, are now able to keep a banker. These banks, too, give interest on deposits, whether the sums be large or small, as I shall hereafter explain.

9. The first public or joint-stock bank established in London was the London and the Westminster Bank. This bank is in Lothbury, and it has branch establishments at No. 1, St. James's-square; No. 214, High-Holborn; No. 3, Wellington-street, Borough; No. 87, High-street, White-chapel; and No. 4, Stratford-place, Oxford-street. The success of this bank has led to the formation of several others. You will observe that all banks which have branches conduct their business on the same terms at the branches as they do at the central office.

10. Since, then, the Scotch system of banking is established in London, why should not the keeping of a banker be as general in London as in Scotland? I have stated that, under the old system, those chiefly who were denied banking facilities were the middle class of people. Now, these people may be subdivided into two classes—those who are engaged in trade, and those who are not. I shall address myself, in the first place, to the former class.

11. Now, I ask you, why do n't you keep a banker? You say you have been in business several years, and have never kept one. Of course, if no banker would take your account you could not do otherwise; but now there are bankers willing to take your account. But you say you can do without a banker. Of course you can. The question is, not whether by possibility you can do without a banker, but whether you cannot do better with one? But you reply, it would not be worth any banker's while to take your account. That is for his consideration, not for yours. The question for you to decide is, not whether your keeping a banker would be of use to him, but whether it would be of use to yourself. I shall point out to you some of the advantages.

12. In the first place, by keeping a banker, your money will be lodged in a place of security. You have now £50 or £100, or perhaps sometimes £200 that you keep in your own house; you take it up into your bedroom at night, and when you go out on Sunday you carry it in your pocket. Now

you may lose this money out of your pocket—the till may be robbed by your servants—or your house may be broken open by thieves—or your premises may take fire and the money may be burned. But even should you escape LOSS, you cannot escape ANXIETY. When you have a little more money than usual, you have fears and apprehensions lest some accident should occur. Now you will avoid all this trouble by keeping a banker.

13. The banker will not only take care of your money, but also of anything else you commit to his charge. You can get a small tin box with your name painted on it, and into this box you can put your will, the lease of your house, policies of insurances, and any deeds or other documents that require particular care. You can send this box to your banker, who will take care of it for you; and you can have it back whenever you like, and as often as you like. If your premises are insured, it is clearly improper to keep the policy on the premises: for if the house be burned the policy will be burned too; and where then is your evidence of claim upon the insurance office?

14. Another advantage is the saving of time. When you receive money you will send it in a lump to the bank: and when you pay away money you will draw cheques upon the bank. Now to draw a cheque takes up much less time than counting out the money that you have to pay, and perhaps sending out for change because you have not the exact sum. Besides, you sometimes hold bills which, when due, you have to send for payment; now you can lodge these with your banker, who will present them for you. And when you accept bills, you will make them payable at your banker's, instead of making them payable at your own house. Now in all these cases there is a great saving of time; and, besides, your bills, from being made payable at the bank, will be considered more respectable.

15. Another advantage of keeping a banker is, that it will be a check upon your accounts. I need not speak to you, as a trader, of the importance of correct accounts. Your banker's book will be an authentic record of your cash transactions. If you make a mistake in your trade books, the banker's book will often lead to a detection of the error. If you have paid a sum of money, and the party denies having received it, you can refer to your banker's account, and produce your cheque, which is as good as a receipt. By means of a banker's account, you could trace your receipts and payments, even after a number of years had elapsed; and hence disputed accounts could be readily adjusted, and error, arising from forgetfulness or oversight, be speedily rectified.

16. I could mention several other reasons why you should keep a banker.* But what I have said will be enough to induce you to make a trial; and when you have once opened an account, you will find so much convenience from it, that you will require no farther reasons to induce you to continue it. If it should not answer your expectations, you can, whenever you please, close it again.

17. Now then, as you have made up your mind to keep a banker, the next thing is to determine at what bank you will open your account. On

* The reasons assigned here have a reference chiefly to London banking. The operations of country banking are familiarly described in "The Anatomy and Philosophy of Banking; or, the true Character and Value of Banks briefly explained to the Middle Classes of Society." By James Strachan." (Groombridge.)

this point I must leave you to make your own choice. All the PUBLIC BANKS issue prospectuses, containing a list of their directors, the amount of their paid-up capital, the names of the bankers who superintend their respective establishments, and their rules for transacting business. You can get a prospectus from each bank, compare them together, and please your own fancy. But if you have no other grounds for preference, I advise you to open your account with the BANK OR BRANCH BANK that is NEAREST TO YOUR OWN PLACE OF BUSINESS. You will often have to go or send to the bank, and if it be a great way off, much time will be lost, and you will at times be induced to forego some of the advantages of keeping a banker rather than send to so great a distance. On this account, let your banker be your neighbor. Recollect, time is money.

18. There is no difficulty in opening an account. You will enter the bank, and ask for the manager. Explain to him what you want to do. He will give you every information you may require, and you will receive, without charge, a small account book, called a Pass-book, and a book of cheques. I advise you to keep these two books, when not in use, under your own lock and key.

19. You now require no farther advice from me, as your banker will give you the most ample information respecting the way of conducting your account. Nevertheless, I may mention a point a two for your own government:— Do not depend entirely upon your banker's Pass-book, but keep also an account in a book of your own. Debit your banker with all cash you may pay into the bank, and credit him for all the cheques you may draw at the time you draw them. Send your Pass-book frequently to be made up at the bank, and when it returns, always compare it with your account-book. This will correct any mistake in the Pass-book. Besides, some of your cheques may not be presented for payment until several days after they are drawn, and if, in the meantime, you take the balance of the banker's Pass-book, you will seem to have more ready cash than you actually possess, and this may lead you into unpleasant mistakes.

20. When you lodge any money at the bank, always place the total amount of the cash and your name, at full length, upon the outside of the parcel, or on a slip of paper. The cashier will then see at once if he agrees with your amount. This will save time, and prevent mistakes.

21. Be always open and straightforward with your banker. Do not represent yourself to be a richer man than you are; do not discount with your banker any bills that are not likely to be PUNCTUALLY paid when due; and, should any be unpaid and returned to you, pay them yourself IMMEDIATELY. Do not attempt to OVERDRAW your account; that is, do not draw cheques upon your banker for more money than you have in his hands, without first asking his consent; and if you make him any promises, be sure that they be strictly performed. If you fail ONCE, the banker will hesitate before he trusts you again.

22. Should you be dissatisfied with any thing connected with your account, make your complaint to the BANKER himself, and not to the clerks. Let all your communications be made in PERSON, rather than by LETTER. But do not stay long at one interview. Make no observations about the

weather or the news of the day. Proceed at once to the business you are come about, and when it is settled, retire. This will save your banker's time, and give him a favorable impression of your character as a man of business.

23. If you are in partnership, besides opening an account with your banker in the names of the firm, you should open a private account for yourself, that your personal affairs may be kept separate from those of the partnership. Or if you are in an extensive way of business, and have a large family, it is advisable that you open a separate account with your banker, in the name of your wife, that your trade payments and your household expenses may not be mixed up together in the same account. This is a good way of ascertaining the exact amount of your family expenditure.

24. If you are appointed executor or assignee to an estate, or become treasurer to a public institution or charitable society, open a separate account with your banker for this office, and do not mix other people's moneys with your own. This will prevent mistakes and confusion in your accounts. These separate accounts may be kept still more distinct by being opened with another banker, or at another branch of the same bank.

25. There are a good many of the middle class of people who are not in trade, and I must now address them. Perhaps you are a clergyman, or a medical man, or you are in a public office, or are living on your rents or dividends. At all events, whatever you may be, I conclude you are not living beyond your means. If you are, I have not a word to say to you about keeping a banker; you will soon, most likely, be within the keeping of a jailer.

26. Several of the reasons I have given to the trader will also apply to you; but there is one that applies with much greater force—the tendency to insure accurate accounts. As you are not a man of business, I shall not advise you to keep an account of your receipts and your expenditure. I know you will do no such thing. Should you ever commence to do so, you will get tired before the end of the year, and throw the book aside. Now, if you keep a banker, he will keep your accounts for you; his Pass-book will show you the state of your accounts. All the money you receive you must send to the bank, and all your payments must be made by cheques upon the bank. If you want pocket-money, draw a cheque for £5 or £10, payable to Cash, but by no means disburse any money but through your banker. Your book will be balanced every half-year. You will then see the total amount of your receipts during the half-year, and your various payments to the butcher, the baker, the tailor, &c. &c. The names to which the cheques are made payable will show you for what purpose they were given, and you should write these names in a plain hand, that the clerks may copy them correctly in the Pass-book. Now, if you look through your book once every half year in this way you will probably see occasion to introduce some useful reforms into your domestic expenditure. But if you are too lazy to do this, hand the book to your wife, and she will do it for you.

27. I shall now address another class of people. Perhaps you are a clerk, or a warehouseman, or a shopman, or a domestic servant. Well, you have no occasion to keep a banker; that is, you have no occasion to open a current account. But you have got a little money which you would like

to put into a safe place, and upon which you would like to receive interest. Well, now, listen to me.

28. If the sum be under £10, or if the sum be above £10, and you are not likely to want it soon, put it into the savings bank; you will receive interest for it at the rate of about £3 for every £100 for a year. But mind, you can only put money into the savings bank at certain hours in the week, when the bank is open, and you cannot put in more than £30 in any one year, nor more than £150 altogether, and you will receive no interest for the fractional parts of a month, and you cannot draw out any money without giving notice beforehand.

29. If, then, your money is more than £10 and you have already lodged £30 this year in the savings bank, or £150 altogether, or if will you have occasion to draw out your money without giving notice, then lodge it in one of the public banks. These banks are open every week-day from nine o'clock in the morning till four in the evening; they will take lodgments of money to any amount, and interest will be allowed from the day it is lodged until the day it is drawn out; and if the sum is under £1,000 no notice is required. For all sums lodged on interest the bankers give receipts called deposit receipts.

30. When you go to the bank to lodge upon interest any sum under £1,000, you need not inquire for the manager. Hand your money to any clerk you may see standing inside of the counter, and ask for a deposit receipt. You will be requested (the first time you go) to write your name and address in a book which is kept for that purpose, and then the deposit receipt will be given to you without any delay.

31. Mind, this deposit receipt is not transferable; that is, you cannot lend it or give it to anybody else. When you want the money, you must take it yourself to the bank, and ask the cashier to pay you the amount. You will then be requested to write your name on the back of the deposit receipt; the cashier will see that the signature corresponds with the signature you wrote in the book when you lodged the money, and will then pay you the amount, and keep the receipt.

32. Although you cannot lodge upon a deposit receipt a less sum in the first instance than £10, yet, having lodged that sum, you can make any additions to it you please. Thus, if you wish to lodge £5 more, you can take your £5 note and your deposit receipt for £10 to the bank, and get a new receipt for £15. If, after having lodged £10, you wish to lodge £10 more, you can get a separate receipt for the second £10, or have a new receipt for £20, whichever you please; and observe, whenever any addition is made to a former receipt, the old receipt is cancelled, and the interest due upon it is either paid to you in money, or added to the amount of the new receipt, as may be most agreeable to yourself.

33. The interest allowed you by the bank will at present be at the rate of 2 per cent.; that is to say, after the rate of £2 upon every £100 for a year.

34. Upon sums above £1,000 the interest allowed is sometimes more and sometimes less than 2 per cent., according to the value of money; that is, according to the rate at which the bankers can employ it again, and a few days' notice is usually required before the money is withdrawn; but,

upon sums under £1,000 the rate of interest varies less frequently, and they are always repayable upon demand.

35. You will be surprised to find how the desire of lodging money in a bank will grow upon you. When you had the money in your pocket, you were anxious to find reasons for spending it. When you have placed it in the bank, you will be anxious to find reasons for not spending it. All habits are formed or strengthened by repeated acts. The more money you lodge in the bank, the more you will desire to lodge. You will go on making additions, until at last, you will probably have acquired a sum that shall lay the foundation of your advance to a higher station in society.



MINES AND MINING.

From the London Correspondent of the *New York Courier and Enquirer*.

London, March 8th, 1850.

The following facts, drawn from the experience of all the chief mining countries and great mining associations of the world, can hardly fail to be interesting to such of your readers as are in any way connected with California; and I suppose there are few who have not some direct or indirect interest there.

I have often addressed you on the subject of mining—(long before California made gold-mining the absorbing topic)—and in reference to the development of the mineral wealth of the United States proper; and you are aware that it is a subject to which I have given much attention, and with which I am very conversant.

Such being the case, I cannot, without anxiety and regret, see the disposition (which begins to be manifest) to comparatively abandon gold-washing, and turn to sub-surface mining, and the pursuit of "Quartz veins."

"Vain" mining it has invariably proved to be; and the rich specimens and flattering reports—(always authenticated beyond question)—furnished as an encouragement to this species of adventure, now in California, are to be met with, in equally tempting and equally authentic form, in the history of every project of the kind that human experience has furnished.

I am not offering an individual opinion, but all experience (facts and statistics) seems to show that the solid deposits of gold which are looked for now, as often before, do not exist; and the statements which have reached this country up to this date do not appear at all to controvert the principle; for although it may prove erroneous, it is true that the first specimens of ore, (*i. e.*, those at the surface) have always been richer than any which could subsequently be found, and the delusive pursuit of the subterranean wealth has invariably ended in ruin. I would deter my countrymen from the experiment,—and I would at any rate ask them to read the "evidence" which I have here placed before them, and which could easily be doubled in quantity and quadrupled in force.

In return for this discouragement to gold-mining, analogy encourages the

belief that *diamond* mines will be found in California; and a little mineralogical survey with *that* view, would neither be unwise nor costly.

Of all the gold mines of the world, the most celebrated in ancient or modern times is the *Congo Soco*, belonging to the "Imperial Brazilian Mining Association of London." Its very name of "Congo Soco," being the negro term for "midnight thief," is strongly suggestive of hidden wealth, and of the attempts to obtain it. This company is the oasis in the desert, the only one of all the many mining companies started in the eventful year of 1825, which did not turn out a positive failure, and yet even *this* company has not given five per cent. interest on its capital. At a time when companies were being brought forward in shoals, this one made its appearance under very indifferent auspices. The projector was unknown in this city, and to judge by his outward appearance, had not much credit with his tailor. However, sufficient was scraped together to advertise it; but no one applied for shares, until, as a last resort, a "puff" of extraordinary magnitude was put forth, in the shape of an announcement that "no more shares could be sold under a premium of £5 per share." The bait *took*. Ten thousand shares, at £5 premium per share, gave £50,000 net to the pockets of the few. This was a gold mine to begin with. What more did they require? Unluckily, the shareholders expected great things, and something must be done to give at least a colorable pretext to the appearance of business. The projector was sent to Brazil. To be sure, he was totally innocent of all knowledge of science—the arts were hermetically closed to him; but then, he had been in Brazil;—he had kept a shop in the mines there, and *consequently* he knew all about mining! His previous principal business there, had been to retail rum to the negroes employed in washing for gold, and therefore his ability to conduct the operations of a large mining company was unquestionable. However, fools sometimes stumble upon what wise men can't find out; and in this instance it certainly was the case. Guided, not by his knowledge, but literally by his ignorance, he purchased the mine most noted for its wealth, and thus got over all difficulty as to the relative claims of others, and escaped from the necessity of showing his ignorance of mining and of geology. It was enough for him that the mine had a good name, and would make up for *his* bad one; and that it was "puffable" on the London Stock Exchange. The difficulties attending the working were of no moment. That the nature of the ground would require much timber-work to sustain the walls of the shafts and levels, was of no consequence; nor that the quantity of water in it would be an endless source of expense. All these points never entered the head of the projector, because he was by nature and education utterly unable to entertain them. His knowledge was limited to the fact that he was sent to the Brazils at a salary of three thousand pounds a year (and pickings) to buy a mine, and he bought one; which, after proving a failure for several years, suddenly became rich, and returned large amounts of gold to its owners.

The surrounding country is a red micaceous schist: the mine itself is an iron one, producing micaceous black oxide of iron combined with black oxide of manganese; and amid this large mass, thin veins of pure gold are found. The ore is brought to the surface and crushed through wet stamps, from under which it passes in the form of a minute powder; thence by the action

of a small stream of water it is conveyed over inclined planks, covered with half-tanned cow-skins with the hair still on. The gold, by reason of its great specific gravity, sinks immediately, and the oxides of iron and manganese are floated off. The gold as soon as it sinks passes under the hairs of the cow-hide, (the cow-hide being so placed, strange as it may seem, that the hairs point down the stream,) and is there retained until the skins are taken up at night and washed. After the projector had done with the mine, and while it was under the care of Capt. Lyon, R. N., (of Arctic expedition celebrity,) it has been known to yield in a single day as much as one hundred pounds weight of gold dust; which at the lowest computation was worth twenty thousand dollars. But the expenses were enormous. To begin, the Brazilian Government exacted and obtained *one-fourth* of the gross produce, on the ground that the company consisted of foreigners solely, and must therefore pay that tax; natives paying only five per cent. It was calculated that the mine must average seven pounds weight of gold dust for every working day, to enable it to pay this tax, and to pay the ordinary working expenses. The country could furnish nothing worthy of a name, except the most ordinary supplies of food, in the shape of Indian corn, coffee and beef. Everything else had to come from Rio de Janeiro, on the backs of mules, a journey varying with the wet or dry weather from forty down to twenty days, and the distance not four hundred miles! Steel, gunpowder, nails, cloth, tools, in short, *everything* which it required the hand of man to produce, had to be imported and taken to the mines. The Brazilian, surrounded with all the luxurious vegetation of the tropics, will not labor. His mountains contain iron, lead, manganese, and other ores, but there is not one permanent establishment for working them. [DON PEDRO I. once visited the interior, and after his return, his Emperorship denominated his people "*Macacos*" or *Monkeys*; and if the want of manliness, industry, and intelligence, constitutes a claim to the title, they certainly have it.] The Company had to do everything for itself. It could not place the slightest reliance on the Brazilians for even the most trifling assistance; every nail required had to be imported from Europe, or else made at the Company's own forges, and when obtained, it was calculated to have cost its own weight in silver. But a better judgment can be formed from the fact, that in the gold regions, all payments were made in a *copper currency*!

In the year 1825, when the mining mania was so strong in this country that it was considered sufficient to hold a few shares in any one of the companies, to have the foundation of a secure fortune, many mines were selected, in the Brazils and other parts of South America, in the full belief that though they had been abandoned by the former owners, it was only necessary to apply the skill of the Cornish miners, and power of the Cornish engines, to obtain larger amounts of gold and silver than had ever yet been taken from them. The total absence of all dividends, from the date of the subscription until this present moment, fully testifies how egregiously mistaken were the projectors, directors, and all others, in this matter. Another error was, a belief that, by the superior talent employed, *the source from whence the gold originally came, could be discovered*—for it was supposed that the water-worn fragments found at the bottom of the valleys were not in

their natural position, but were by some means borne thither from mines in the adjacent hills. As I perceive that this same fallacious view is now entertained by the gold-washers in California, I consider it well worth while to point out the result of the labor of many of the companies, who, with enormous capitals, and with the best intelligence that Europe could furnish, (from the *Hartz Mountains*, or from the Cabinets and Colleges of *Paris*, or from *Cornwall*, *Derbyshire* or *Scotland*,) all alike failed in the object in view; just as in 1836, the "Union Gold Mine" in Goochland County, Virginia, and "Smith's Gold Mine," in the same State, failed, from seeking what was not in existence.

"The National Brazilian Mining Company" was formed in London for the purpose of examining the mines in the hills of Cuiaba, Descoberta and Emilia. The principal reasons for selecting these localities being that the valleys at their heads had been successfully washed from end to end, the entire breadth; and if the valleys were rich enough to pay for working, the veins which originated the gold must be enormously valuable. On the Emily mine, under the efficient management of able mining captains, with a full force of nearly forty English miners and artisans, and recently two hundred Brazilians and slaves, the entire monthly produce seldom exceeded *one ounce of gold!*—being about half the amount paid for wages to a single Cornish miner for the same period, and I believe less than the result of the day's labor of a single man in California. The hills were pierced in all directions: vein after vein of pure white quartz was cut, but scarce a trace of the gold could be discovered, although the nearer the works were to the crown of the veins, the richer the returns. I think I shall be able to show, presently, the reason for this anomaly, which is diametrically opposed to the doctrine universally adopted by miners, that the greatest riches are at the greatest *depth*. So persevering were the miners, and so delusive the hopes held out to the *fortunate* shareholders, that the money was forthcoming bountifully, in spite of the poverty of the returns of gold; and hundreds upon hundreds of fathoms of galleries, shafts and adits were driven, before the infuriated projector could be induced to withdraw the workmen and "stop the mine."

The *Cuiaba-hill* is one mass of quartz, interspersed with auriferous iron pyrites; its produce is always proportioned to the quantity of labor done; but, unfortunately, the expenses being always equal to the produce of gold, profits are exactly *nil*. There are neither veins, nor shafts, nor galleries, nor adits, nor levels, nor any other of the ordinary concomitants of mines; but simply an immense *quarry*, open to the skies. The rock is carried down by means of "shoots" to the foot of the hill, (about four hundred feet descent,) and there crushed under stamp-heads, each iron head weighing 400 lbs. and the "lifter" cut out of a single tree, and weighing about 200 lbs. more. About sixty such heads, (not to count the *animated* wooden ones,) are employed; each capable of reducing to dust a ton of rock in a day. The whole of this vast machinery is moved by water power, and the clatter made by the heads as they strike upon the ore is worthy of Pandemonium, or the work-shops of the Cyclops. No one *attempts* to speak within the sheds under which the works are carried on; and the rattle may be heard at the distance of a mile. As soon as the ore is sufficiently crushed,

it is floated by the action of water through grates; such grates being so finely pierced that pins could scarcely be passed through them. When once the sand has escaped from under the crushers, it floats down along inclined planes covered with the hair skins of cows or oxen, placed as already described. Contrary to what would be supposed, the hairs are turned *down* the stream, and thus the heavier grains of gold sink under the hairs, and are there retained, while the lighter portions are floated off. It is very curious, but *true*, that although the gold produced monthly has amounted to some pounds in weight, it has never yet, even with the finest microscope, been *seen* in the stone from which it is obtained.

The *Descoberta* (or discovery) was so named by the former owner; but unfortunately the English Company cannot authenticate the justice of the nomenclature, as they have failed to "discover" anything but their own gullibility; and they dug pretty deep, before they discovered *that*. It was represented as being a mine of "pockets;" sometimes valueless, but often producing large "bunches";—in short, just the mine to sell to a man thoroughly ignorant of mining; and just the sort of a mine for him to buy, because he could easily palm it off on men as ignorant as himself, as being worth the money he *charged* for it, although very different from the money he *paid*. This mine is in a mica schistous formation, having veins of quartz running through the hill; these veins often containing quantities of iron ore, and sometimes showing gold. Though rather richer than the Emily, yet it has never realized sufficient to repay one-thousandth part of the sums expended upon it, and, like the Emily, has been abandoned.

The Directors, finding that the profits of the Company from its three mines were "*nil*," determined to purchase a mine not in quartz, but in an *iron* formation; and as an apology, published a pamphlet containing the following paragraph, which I am anxious to lay before you, that the miners in California may not be induced to leave their profitable gold-washing to go searching for gold in the QUARTZ veins:—

"The produce from these mines has hitherto much disappointed expectation. The lodes are composed principally of quartz: at depth, they have either split into branches, rendering it uncertain which ought to be followed, or they have diminished in size and produce by what are termed by the miners, '*Horses of Killas*.' In an infant country like Brazil, whose geological structure is almost entirely unexplored and unknown, opinion on many affairs must, of necessity, lean in a great measure for its guidance on European analogy; and no human science or sagacity could have discovered, no human prescience could have foreseen, these peculiarities in the quartz lodes, worked by the association in Minaes Geraes."

But now that the fact is *known*, that the modern mining rules applicable to copper, and tin, and silver, and lead, do *not* accord with the gold mines in the Brazils, the sooner this fact is widely disseminated, the better. These mines were carried on with great liberality and vigor, and I have before me sundry balance-sheets, showing £200,000 (say \$1,000,000) to have been expended in the purchase and working of the mines. Now one million of dollars is a large sum for such a purpose, and therefore it is evident that the operations of the Company were not stinted for want of means. Had the "quartz veins" contained anything, it would have been got out. Manager,

surgeon, clerks, mining-captains, a score of Cornish miners, a dozen of mechanics (including carpenters, masons, and smiths), making a total of about fifty Europeans, averaging a pay of about four guineas a week each, is sufficient "staff" to carry on any mining operations; and the pay would ensure the selection of the most capable men. In addition, the slaves would not be less than four hundred, exclusive of children, and, perhaps, eighty hired Brazilians, being sufficient manual force for the intellectual power of the Europeans to keep in motion.

Another of the Brazilian Mining Companies of English growth, is the "*St. Joao del Rey*." It was formed by the late Capt. Lyon, whose travels in Mexico are well known to the reading world on both sides the Atlantic, but who is better known as one of the earlier Arctic voyagers, and is alluded to by me in connection with the "*Congo Soco*." This mine is little more than a quarry of rock, containing, besides gold, sulphuret of iron, and arsenic. It cannot be classed among "veins." This company is the only one now working to a profit; and that too, after eighteen years of steady labor had been bestowed upon the mine. A change in the management, introducing the most grinding economy, and forcing from the slaves an overplus of labor, was requisite, before the slightest shadow of a dividend was forthcoming. Yet it has had more advantages than any other mining company. Owing to the stoppage of other companies, it has bought their negroes cheap, after they have had from seven to fourteen years' tuition under English artisans, and have become truly expert in their various avocations. This alone has been a great gain. Another benefit to the *St. Joao del Rey* Company, has been the facility with which it obtained, often at reduced wages, the services of many of the European miners, discharged from other companies, without incurring the expense of bringing them from Europe, or entering into bonds to return them at the expiration of the agreement.

After a period of twenty-five years has elapsed, it is amusing to reflect how ingeniously the polite old Portuguese "took in" the English speculators who were purchasing mines. The courteous Creoles spoke with becoming humility of their "ignorance of the art of mining;" of the "superiority of the knowledge of foreigners;" of their own inability to construct the simplest machinery; of the difficulty of cutting even an adit level; of their futile attempts at emptying the works of the smallest quantity of water; of the necessity which they labored under, of laying open the vein by cutting a deep trench along side of it;—in fact, they spoke of everything but the to them known fact that, in every instance, the only profitable part of the mine was at the *surface*, within a few fathoms of the grass; and that all below it was barren quartz, solid veins without a *trace* of gold. In many instances the reason for having discontinued the mines was placed thus:—"That the ancestors of the present owners having found an unusually rich spot at the lowest depths of the mine, were employed with *all* their slaves in getting it, and just after the solid gold had been broken, and before it was raised to the surface, the mine fell in and buried them." These to the greedy eyes of the speculators, were visions of dead men's bones, commingled with lumps of gold, of wealth enormous: and all to be obtained for the paltry consideration of a few bills of exchange on England;

being, in other words, the purchase-money—a few “tens of thousands.” Alas! for the result. After bestowing “no end” of labor in pumping the mine dry, when the wished-for spot was obtained, the bones had rotted away with the lapse of years, and some how or other the imperishable gold had vanished with them.

The three existing companies of Congo Soco, Cuiaba and St. Joao del Rey, own not less than fifteen hundred slaves: and as these companies are almost entirely composed of *British subjects*, we have the anomaly of English slaveholders to a pretty round extent. About twenty-five years ago they were first purchased, and at that time they consisted of lads and girls, just brought from Africa: in fact, just out of the slave ships; ignorant of every word of Portuguese or English, ignorant of their destination, or of their probable treatment. They were bought and sold in gangs of about sixty each; all or none—and at a round figure for the lot. Occasionally, an old one was found among them, but then his head and beard were close shaved, and under the influence of new rum, and the promise of the prettiest girl for a wife, he generally showed, for the hour at least, considerable alacrity: but the fire of his eye soon fled; the unwonted animation gave way to his usual heaviness of limb; and in about a fortnight, the active, powerful negro was converted into a grey-headed old badger, who could not work, although he must be fed;—but this was a rare case. These negroes were well treated, overclothed, fed with abundance of vegetable food, and three times a week with fresh beef. They soon became acclimated—marriages were soon made among them—their houses were proof alike to the cold rains, and to the rays of the tropical sun; their masters were never allowed to strike them: they could only be flogged by the Brazilian driver, and that, too, after they had been tried before the officers of the mine, and then in their presence. The duties of the English surgeon included attending on the slaves. At one time an English Protestant clergyman attended to their spiritual wants—at the others, Catholic priests performed the same duty.

So well contented are they with their lot, with their wives, their homes and their children, that in no one instance has any one of them availed himself of that paternal law in the Brazils, which enables any slave to free himself or his offspring. The law is this: a slave may summon his master before two magistrates, who possess the power of appraising the slave, and if he, or any one for him, at any future time pays the amount, he can demand his freedom. Nay more, if at the birth of a child he tenders his master the fixed sum of five pounds sterling, the infant is free, and the master is obliged for seven years to find that infant food, without exacting any labor from him or any extra labor from his parents. The existing race of negroes, sprung from these imported slaves, are said to be remarkably well formed, with well developed foreheads, and speaking fluently both English and Portuguese; willing to work as artisans; having a thorough knowledge of their duties; showing great love of music, and having a just fear of punishment and hope in a future state. They do not *read*. Some attempts have been made to give the negroes wholesale freedom; but at present this would not be a benefit, and in this case Englishmen *admit* it; because negroes, only one remove from the African, are not in a condition to understand the blessings freedom; because, with every want supplied as soon as known by a

proprietary of slaveholders, their position could not be improved ; because the class of knowledge they possess is limited to the due performance of certain duties as blacksmiths, &c.; but how to turn that knowledge to account, how to sell it to advantage, they have never been taught and do not know.

Gold-washing and Mining Practically Considered.

At this time, the two greatest GOLD MINING COUNTRIES are the United States and Russia, and if any one has any doubts of the superiority of the West over the East, let him compare the machines used by each of them. The American BURKE Rocker, is the result of the labors of a poor carpenter in Burke County, North Carolina, and is a rare instance of the application of simple practical wisdom, unincumbered by theory or abstraction.

It is seldom, indeed, that the fertile imagination which suggests the remedy for a want, is to be found in combination with the artistic skill which can create in *solid* material what the mind only shadows forth. This "rocker" was perfect as first invented—all its fellows have been made after the same model that first drew the admiration of the miners of BURKE. In form, it is an oblong, about five feet by two feet, having a pierced iron plate at the top, and the bottom is rounded. It is hung on swivels by the head and foot, and rocks to and fro, cradle-fashion, by the help of springs. From side to side across the bottom, are thin ridges of wood about two inches in height. While one man works the "rocker," another, at the rate of a spadeful a minute, puts the auriferous diluvium on the pierced iron plate, while a stream of water continuously falls upon it. The action of the rocker is rapidly (almost instantaneously) to separate the large stones from the smaller, and from the sand and earthy matters ; and by causing the large stones to rub against each other, under the action of the water, on the top of the iron plate, they become perfectly clean, and roll off at the bottom without even a grain of sand adhering to any of them.

The smaller stones, the sand, the earthy coloring matters and the GOLD, having passed through the holes, they, together with the water, are saturated from side to side of the machine, until the gold, by reason of its specific gravity, has subsided ; and the other substances floating over its ridges, ultimately pass off at the lowest end of the BURKE rocker. In this way, from forty to sixty pounds of poor alluvium may be washed in a minute ; but if it is known to be *rich*, the quantity put on at a time is much less, perhaps only a fourth. Now let us balance the foregoing account of the simple American rocker which can be worked by a single man, and can be removed from place to place with the same facility as a plough ; and also can be used *on the spot where the gold is found*. Let us compare this with the following account of the famous Russian invention, which I have obtained direct from an experienced Russian miner. The Russian troughs are much longer than the rockers, but like them, are circular at the bottom. The distinctive difference is, that while the rockers *move*, the troughs are *stationary*—the needful motion being given to a series of small rakes, which work from side to side, and stir up some portion of the sand. The quantity of work done by one of these instruments, is mere child's-play to that of the

other, so much so, that the Russians actually *weigh* the earth which they put into their machine; a folly of which the Californians will never be guilty. The machines of the Ural mountains, are fixtures, put at work with all the gear of cog-wheels and water-wheels, and are useless in dry seasons, besides often requiring the earth or sand to be transported many a weary mile from the spot where it is found to the site of the "washing-tub."

For the last hundred years, gold-washing in Europe has been confined to gypsies and to such classes of society;—it had become the last resource of an ignorant, hard-working population. It was not always so. Three hundred years ago it engaged the attention of all classes. There was scarcely a hilly micaceous schistous range any where that did not have its regular gold-washers. Of the books on mining, published in those days, at least one fourth were devoted to this art, and although written in quaint Latin, they still leave us much valuable knowledge. As much of this knowledge will be serviceable to your readers in California, and also interesting to the general reader, as well as to the literary antiquarian, I make no apology for introducing into your columns the details of a subject which, although purely scientific, has a direct practical bearing.

Where the banks of the stream contained gold, the plan used to be to throw small dams of furze, twigs and stones across the stream, and then breaking the earth from the banks into the water with mattocks, to allow the water to wash and float away the earthy particles, leaving the grains of gold which sunk to the bottom, to be retained by the dams. At nightfall the gold was gathered up and washed clean. This could be done only where the stream was little more than a mountain rill, and the banks overhanging it some feet. So *this* process was of limited application.

In some cases, the diluvium was put into a labyrinth of troughs, (such troughs being made out of trees hollowed by fire) and then gradually washed away under the combined action of the stream and of a rake in the hands of an experienced workman. The roughness of the interior of the troughs was an advantage, because every little hollow would retain the gold.

At one place, the gold-seekers are represented as conducting a small stream around the hills until it is brought to the auriferous hill, and then it is allowed to run down a channel cut in its sides, in which channel the washers placed wooden troughs, with transverse ledges; and then their whole duty was to tumble the earth into the stream, and rely upon the gold being retained by the ledges—one of the workmen being constantly employed in agitating the muddy water with a rake.

Similar "landers" to those then in use, may be seen at any of the tin mines in Cornwall; twenty inches deep,—two feet wide at the top, where the sand and water is put in,—four inches wide at the foot, where the sand and water pass off,—and four to six feet long; the object of making the foot so much narrower than the top, being, that whatever is sufficiently light to float at all may be carried away altogether by the increased power of the water: such increased power being gained by compressing the water into a narrower space.

Another class of washers stretched across their troughs skins of animals, tanned with the hair on, and relied upon the gold becoming entangled with the hair, and there retained until the skins were taken up at nightfall and

washed in the tubs. This system is universal in Brazil at this day; although it is so old as to be the foundation of the Golden Fleece so famous in the voyage of JASON and the ARGONAUTS, to Colchis. In a print now before me, persons are represented as examining the fleecy skin of a ram, which had been placed in a running stream, and had caught and retained all the grains of gold which had been brought down upon it, either by the ordinary action of the stream, or of floods.

Another variety of the "*Golden Fleece*" is the woolly hair of the head of a negro, and a very profitable one it is sometimes found to be; but in *this* instance the fleece is not plunged beneath the stream. An attentive overseer of the slaves in the Brazils, will often see them *scratch their heads*, while washing for gold, and he knows as well as they do, that each elevation of the hand has robbed the bowl of a grain of precious metal. Accordingly, at the end of the day's work, he had the hair shaved off and then washed, and thus adds materially to the profits of the day's work. Sometimes the negro is thirsty, and will constantly *drink water* from the hollow of his hand. The overseer, watching from the river bank, notes the circumstance, and alleviates his thirst with a solution of sulphate of zinc. The emetic soon operates, and returns a fee of granular gold to the "doctor." In the diamond district of the Brazils, this is a constant operation; and all the punishments cannot put a stop to the attempts to secrete the gems, because the plunder of a single fine stone is sufficient to make a negro's fortune for life if he can but recover his liberty;—but in the gold districts, *one* such emetic or shaving operation is sufficient. I ought not to mention the "diamond district" without pointing out that every *gold* region has its concomitant *diamond* range; and I am in daily expectation of hearing from California of a discovery of these precious stones. I am sure that Professor Clemson, of Philadelphia, had one in his possession, and that he found it in one of the Southern States. And although "one swallow does *not* make summer," nor one diamond make a diamond mine, still it justifies the supposition that more might be found for the seeking.

Another method of the earlier followers of this business, was to spread rough cloth with long hairs upon it, in the troughs, and after washing the earth in another trough, to allow the whole to float gently over the cloth, relying upon the specific gravity of the gold to cause it to sink, and thus become entangled with the hairs, and retained there. The description of cloth manufactured in modern days, and denominated "Bear Skin," exactly accords with those mentioned as being "in general use" for this purpose. When skins are difficult to obtain in the Brazils, coarse green baize is substituted, but not oftener than necessity compels. Sometimes a net is used; it is spread like a cloth, and each line of the net causes a ripple in the water, and when the gold receives the slightest check in its motion while floating down the stream, it subsides in an instant and is there retained. The old gold-washer knew his business:—he relied upon his own simple experience; he relied upon the well-known fact that the specific gravity of gold being so much greater than that of any other substance found in combination with it, it was sufficient to give the gold an *opportunity* of subsiding, in "troubled waters," and it would *do* so. To a neglect of these simple rules we may readily ascribe the abuse and mal-application of the many

scientific machines conveyed to *California* at great expense. Had they been submitted to the inspection of any one conversant with gold-washing, their inability would at once have been pointed out; at least I learn that it was so with those which emanated from the prolific brains of the Englishmen, during the mining mania of 1825, in London; and that many a "brilliant invention" was condemned before trial.

One peculiar class of the gold-washers may be termed the "Knights Errant." They are not gregarious. They work alone. Each on "his own hook." The solitary trapper of the territories of the far West is not more solitary. His mattock, knife and frying-pan are his only companions. The pan is, however, innocent of culinary uses. The *solitaire* would eat roots before he would desecrate his friendly utensil to the vile purpose of cooking. One particle of grease would render it useless. The frying-pan is his sole gold-washing machine; and it is wonderful how, with so rude and so unscientific an implement, by mere mechanical ability on the part of the operator, and by unwearied assiduity, he can and does separate the nobler metal from the impurities with which it is surrounded. This class of men are of all the most valuable; they are the pioneers of the mass. To them we must look if we would have the gold region extended; for the knowledge that a single unknown man has returned from the wilderness with a store of gold induces a number to penetrate into and develop its fastnesses; and thus the limits of the washings are extended. These men scoop into their pans a small quantity of the earth, and stooping down by the margin of the streams, "wash" in that awkward position. Even *here* we may learn from the wisdom of those who have preceded us. Some of the German washers in 1561, used a bowl the shape of half an egg cut the *long way*, and suspended it *from the bough of a tree*, over a stream; thus with less labor they washed at once a quantity which the modern workmen could not even *lift*.

Another plan in use, at the same date, was to avail themselves of the *stream itself*, to carry the load, and for this purpose the washer entered the river to the full depths of his legs, floated his bowl containing the *diluvium*, and found that a very small exertion would enable him to support a weight resting on the water, while to carry it in the air, would require a very great one. The negroes in the Brazils pursue the same system; and although it may seem highly detrimental to health, to stand for hours with the feet and legs in a cold mountain stream, while the head is exposed to all the heat of a vertical sun, yet it is not found that life is shortened by the process. The Brazilian washers have been employed for centuries, and have simplified the two tools which they use, until it seems impossible to improve upon them. The "*Almocafa*," or "*Bonhomo*," is a tool, combining with much lightness, all the useful qualities of the pick, the mattock, and the large trowel. It is used with one or both hands. The "*Gamella*," or "*Cone bowl*," is used in the same way as the frying-pan; but it possesses the great advantage of causing the whole of the gold to settle and concentrate in the *centre*, thus effecting in a single operation what the frying-pan does in ten. Both these instruments are made in Birmingham, from models obtained from the Brazils, by Messrs. SCHOLEFIELDS & SONS, who have secured the manufacture of them by Letters Patent, and they now send them in hundreds to California. (Their agents in New York, are Messrs. ELLIMAN, BROTHERS.)

ANGLO-KNICKERBOCKER.

DEMANDING THE SPECIE.

The contemplated movement to establish a bank in this city which shall compel the country banks to provide by deposits for redeeming their bills at its counter, reminds us of an occurrence which took place in Connecticut at the time this system was adopted by the Suffolk Bank in Boston. The Bostonians had long been annoyed by the discount which they were obliged to pay upon uncurrent bills, and a *requirement* was issued, compelling country banks throughout New England to keep a deposit with the Suffolk for the redemption of their notes at par, under penalty of being called on for the specie. Most of these institutions acquiesced in the arrangement; but there was *one* country bank in Connecticut which remained obstinate. It had been established for local purposes; its circulation was almost entirely in the hands of farmers, who laid its bills away in the tills of their chests in preference to coin, and it, therefore, paid little heed to the requirement, and cared less for the threatened penalty.

After the lapse of six months, or, perhaps, a longer interval, a small collection of its notes had been in Boston, and an agent was despatched to present them at its counter and demand the coin. At that period the country was not, as at present, intersected by railroads, and the agent made his debut in the town where the bank is located, by the afternoon stage. The offices were accessible at all hours to their country customers, but as the period for city banking had passed for the day, our friend waited, as a matter of course, until "banking hours" next morning. Meanwhile, it is said, he entertained the gossips at the country tavern with divers mysterious intimations, that the bank in their vicinity was likely "to suffer some loss" the following day. Whether this hint reached the ears of the parties interested, is not *certainly* known; but when he presented himself at the banking house, in the morning, he created nothing like the sensation which he expected. He laid down his bundle of bills, and his call for specie was answered by the appearance of a shrewd boy, eleven years old, or thereabouts; who, from what appeared to be an old nail-keg behind the counter, commenced, with great care and deliberation, counting out the sum in five and ten cent pieces. The gentleman who wished to bag his gold or silver and be off in the morning stage, was very indignant, and vociferated his request to see some of the officers of the bank. A very queer-looking old codger who sat writing at a desk near by, gave him a peculiar look over the top of a pair of silver spectacles, and quietly replying, that he "guessed the boy would make no mistake in the count," went on with his employment. It was near evening when the payment, which had been confined as far as possible to the smallest silver coin in the vaults of the bank, was concluded. The old gentleman had relieved the boy a portion of the time in his duty, but made little faster progress, and the agent was completely wearied out. After transferring his treasure to the tavern, he learned that the stage only ran each, nay, on alternate days, Sundays excepted, and this being Friday, it would not forward him in his journey until Monday. The landlord gave the slightest possible chuckle, as he furnished him this intelligence, and two or three lookers-on comforted him very drily with the assertion, that he

would find Parson B. (their minister,) a very solid preacher—" a little tedious at times, but very sound!"

The agent returned to Boston thoroughly disgusted with his experience, and was never again seen in the village on a similar errand. At present the population in that vicinity having become more commercial, the bank has found it for its interest to conform to the existing arrangement, and the demand for specie is remembered only as an item of history.—*New York Journal of Commerce.*

MORAL DUTY OF LIFE ASSURANCE.

From Chambers' Edinburgh Journal.

Such being the equitable and beneficial principles on which mutual assurance societies are established, it is clear that they present, to men in the enjoyment of income, but possessing but little, a most suitable and favorable means of providing, in a greater or less degree, for the endeared and helpless relatives who may survive them. That only about one hundred thousand persons in the United Kingdom should have taken advantage of life assurance, being but one in sixty-two of the supposed heads of families, surely affords a striking view of—shall we call it the improvidence of mankind, or shall we rather not designate it as their culpable selfishness? For what is the predicament of that man who for the gratification of his affections, surrounds himself with a wife and children, and peaceably lives in the enjoyment of these valued blessings, with the knowledge that, ere three moments at any time shall have passed, the cessation of his existence may throw wife and children together into a state of destitution? When the case is fully reflected upon, it must certainly appear as one of gross selfishness, notwithstanding that the world has not been accustomed to regard it in that light. It is imperatively the duty of every man to provide, while he yet lives, for his own; we would say it is not more his duty to provide for their daily bread during his life, than it is to provide as far as he can, against their being left penniless in the event of his death. Indeed, between these two duties there is no essential distinction, for life assurance makes the one as much a matter of current expenditure as the other. One part of his income can be devoted by a head of a family to the necessities of the present; another may be stored up, by means of life assurance, to provide against the future; and thus he may be said to do the whole of his duty to his family, instead of, as is generally the case, only doing half of it.

It may be felt by many, that admitting this duty in full, their income is nevertheless insufficient to enable them to spare even the small sum necessary as an annual premium for life assurance. The necessities of the present are in their case so great, that they do not see how they can afford it. We believe there can be no obstacle which is apt to appear more real than this, when an income is at all limited; and yet it is easy to show that no obstacle could be more ideal. It will be readily acknowledged by every body who has an income at all, that there must be some who have smaller incomes.

Say, for instance, that any man has \$400 per annum: he cannot doubt that there are some who have only \$350. Now, if these persons live on \$350, why may not he do so too, sparing the odd \$50 as a deposit for life assurance? In like manner, he who has \$200, may live as a man who has only \$175, and devote the remaining \$25 to have a sum assured on his life; and so on. It may require an effort to accomplish this, but is not the object worthy of an effort? And can any be held as honest, or any way good, who will not make such an effort, rather than be always liable to the risk of leaving in beggary the beings whom he most cherishes on earth, and for whose support he alone is responsible.

WEALTH AND PROSPERITY OF NEW YORK CITY.

From the New York Correspondent of the *Washington Union*.

In the last few years the demands upon New York capital for fixed investments and government war loans have been pretty large, without producing any apparent diminution of capital. Of the government debt of sixty millions, New York holds the following proportion, as indicated in the amount of interest payable here:

	January, 1849.	July, 1849.	January, 1850.
Principal held, - -	\$24,080,130 32	\$29,239,730 32	\$35,866,069 20
Interest paid, - -	662,752 00	817,540 70	1,013,331 17

This would indicate the concentration of some \$12,000,000 in New York in one year; but a portion of this—probably equal at least to the New York stock drawn home by the operation of the new law—has been sent abroad. Of the whole amount of war debt, (\$60,000,000,) one-half has been paid by New York in five years. In the same period \$30,000,000 have been subscribed to railroads, including \$20,000,000 for the Erie and Hudson roads; also \$5,000,000 for other companies. In the same period the ships and houses built have exceeded those of any former period. The following is a table of the houses and ships built in New York for two periods, of five years each:

HOUSES AND SHIPS BUILT IN NEW YORK.

	Houses.	Ships.	Tons.		Houses.	Ships.	Tons.
1840 - -	850	72 - -	13,786	1845 - -	1,980	230 - -	29,342
1841 - -	971	63 - -	17,438	1846 - -	1,910	260 - -	33,253
1842 - -	912	184 - -	20,241	1847 - -	1,823	371 - -	50,994
1843 - -	1,273	124 - -	13,298	1848 - -	1,191	382 - -	68,435
1844 - -	1,210	181 - -	21,518	1849 - -	1,495	265 - -	44,104
Total, 5 yrs.	5,216	624	86,281	Total, 5 yrs.	8,399	1,508	223,128
Value, \$13,040,000		\$3,588,430		Value, \$20,997,500		\$9,045,120	

Of the new houses erected in 1849, eighty-one only were less than two stories. It has also been the case that in the last five years the scale of

expenditure upon stores and houses has immensely increased. The amount of capital now locked up in the dwellings and warehouses of merchants bears a much larger proportion to their actual capital than formerly. In addition to these leading items of expenditure, the city taxation has greatly increased. In 1840 it was \$1,100,000 : in the five years ending with 1849 the average was \$2,536,000 ; in 1849, \$2,715,501. In the last year a large demand for capital for California has taken place. Thus the American tonnage in San Francisco, December 31, 1849, was 152,155 tons ; of this probably 90,000 tons were from New York, which may be estimated as worth \$30,000 per ton, according to the sale of the packet ship Oxford, of 752 tons, which was made this week at \$25,000, for California. Hence the shipping is worth \$2,700,000, but is by no means lost. The cargoes were worth probably \$8,000,000, at the rate of \$60,000 for such a cargo as the Oxford—making \$10,700,000 ; but more than this amount of gold has been received. It follows then, that New York has in five years permanently invested the following leading sums :

In United States federal stock, - - - - -	\$35,866,069
In railroads and companies, - - - - -	35,000,000
In houses, - - - - -	20,997,500
In ships, - - - - -	9,045,120
Total, - - - - -	\$100,908,689

And at this season of the year, when the demand for capital is usually the greatest, when the investments in imported and domestic goods not yet sold, are unusually large : when many articles—cotton, tobacco, coffee, sugar, real estate—are held to a greater or less extent on speculation, capital is still so abundant as to seek investments at less than the legal rates. These are evidences of prosperity, resulting from successful industry, that have perhaps never before been so manifest. The same progress has by no means been so apparent in Boston. The railroad undertakings in that section, although probably not requiring a larger sum in the aggregate than has been in New York, have overtasked their means, and kept the rent of capital uniformly higher than in New York. One great element of the superior increase of capital here has been the influx of immigrants. The number arrived for five years has been as follows :

1845 - - - - -	82,960
1846 - - - - -	115,230
1847 - - - - -	166,110
1848 - - - - -	191,909
1849 - - - - -	234,271
Total, - - - - -	790,480
Previous five years, - - - - -	302,397

From the returns of the immigrant commissions, it appears that five per cent. of these arrivals are citizens—leaving 750,956 foreigners, of whom twenty per cent. are paupers : leaving 640,289 possessed of means ; of these probably 100,000 are dependent on friends, and the remaining 540,289, may be estimated at \$150 each, making in the aggregate \$81,043,350,

cash brought through the city and expended between tide-water and the West for expenses, and for the purchase of lands, which they obtain at first hands from the government at low rates, instead of from speculators at exorbitant prices, according to the old whig bank plan.

These are the general elements of existing prosperity, developing gradually a season of speculation. For the moment business is slack, mostly in consequence of the retirement of southern jobbers and of a general advance in prices of goods, which always for the moment check business; nevertheless, the stocks are not large, and will all be taken off at the rates demanded. The arrivals of California gold at the Philadelphia mint reach \$8,000,000, to February 1st: and the certificates issued prior to December 31, are now notified for payment. There having been six new furnaces added to the mint, it is understood the coin will be more rapidly delivered hereafter. As it is, the delay and expense of sending to Philadelphia are driving the bullion out of the country. The Bank of England, by law is required to issue notes for bullion on demand, at £3 17s. 10½d. per standard ounce. Hence holders can sell it to bill drawers for bills at 9¼ to 9½, and realize at once, without awaiting the slow action of the Philadelphia operations.

~~~~~

UNITED STATES MINT, PHILADELPHIA.

|                                                                                                       |             |
|-------------------------------------------------------------------------------------------------------|-------------|
| Total amount of California gold received up to the 28th February, 1850, as per last report, . . . . . | \$8,500,000 |
| Receipts from the 1st to 15th March, 1850, . . . . .                                                  | 825,000     |
| Amount of gold dust on hand, but not weighed, estimated at . . . . .                                  | 150,000     |

BRANCH MINT AT NEW ORLEANS.

|                                                                              |         |
|------------------------------------------------------------------------------|---------|
| Total receipts up to the 1st of January, 1850, as per last report, . . . . . | 666,079 |
| Receipts during January, 1850, . . . . .                                     | 376,512 |
| “ “ February, 1850, . . . . .                                                | 561,538 |
| Estimated receipts from the 1st to the 15th of March, 1850, . . . . .        | 300,000 |

*Recapitulation.*

|                                                         |              |
|---------------------------------------------------------|--------------|
| Receipts at United States Mint, Philadelphia, . . . . . | 9,475,000    |
| Receipts at Branch Mint, New Orleans, . . . . .         | 1,904,129    |
| Total, . . . . .                                        | \$11,379,129 |

To which may be added, say about \$750,000 worth of gold still remaining in private hands.

The coinage at the mint during the present quarter has been very heavy, as may be inferred from the number of certificates paid. About \$100,000 of double eagles have been coined and issued, and a still larger amount will be coined in the course of a few days.

**THE NORTH EASTERN BOUNDARY LINE.**—The boundary line between the United States and Canada, run in accordance with the Ashburton treaty, cost the labor of three hundred men for eighteen months. For 300 miles, a path was cut through the forest thirty feet wide, and cleared of all trees. At the end of every mile is a cast iron pillar, painted white, square, four feet out of the ground, seven inches square at the bottom, and four inches at the top, with raised letters on its sides, naming the commissioners who run the line, and the date.—*Montreal Morning Courier.*

TABLE OF DISTANCES IN NEW YORK.

| From the Battery.       | From the Exchange.      | From the City Hall.     | To              |
|-------------------------|-------------------------|-------------------------|-----------------|
| $\frac{1}{4}$ of a mile | -                       | -                       | Rector Street.  |
| $\frac{1}{2}$           | -                       | -                       | Fulton Street.  |
| $\frac{3}{4}$           | $\frac{1}{4}$ of a mile | -                       | Warren Street.  |
| 1 mile                  | $\frac{1}{2}$           | $\frac{1}{4}$ of a mile | Leonard Street. |
| $1\frac{1}{4}$          | 1 mile                  | $\frac{3}{4}$           | Canal Street.   |
| $1\frac{1}{2}$          | $1\frac{1}{4}$          | $\frac{1}{2}$           | Spring Street.  |
| $1\frac{3}{4}$          | $1\frac{1}{2}$          | 1 mile                  | Houston Street. |
| 2                       | $1\frac{3}{4}$          | $1\frac{1}{4}$          | 4th Street.     |
| $2\frac{1}{4}$          | 2                       | $1\frac{1}{2}$          | 9th Street.     |
| $2\frac{1}{2}$          | $2\frac{1}{4}$          | $1\frac{3}{4}$          | 14th Street.    |
| $2\frac{3}{4}$          | $2\frac{1}{2}$          | 2                       | 17th Street.    |
| 3                       | $2\frac{3}{4}$          | $2\frac{1}{4}$          | 24th Street.    |
| $3\frac{1}{4}$          | 3                       | $2\frac{1}{2}$          | 29th Street.    |
| $3\frac{1}{2}$          | $3\frac{1}{4}$          | $2\frac{3}{4}$          | 34th Street.    |
| $3\frac{3}{4}$          | $3\frac{1}{2}$          | 3                       | 38th Street.    |
| 4                       | $3\frac{3}{4}$          | $3\frac{1}{4}$          | 44th Street.    |
| $4\frac{1}{4}$          | 4                       | $3\frac{1}{2}$          | 49th Street.    |
| $4\frac{1}{2}$          | $4\frac{1}{4}$          | $3\frac{3}{4}$          | 54th Street.    |
| $4\frac{3}{4}$          | $4\frac{1}{2}$          | 4                       | 58th Street.    |
| 5                       | $4\frac{3}{4}$          | $4\frac{1}{4}$          | 63d Street.     |
| $5\frac{1}{4}$          | 5                       | $4\frac{1}{2}$          | 68th Street.    |
| $5\frac{1}{2}$          | $5\frac{1}{4}$          | $4\frac{3}{4}$          | 73d Street.     |
| $5\frac{3}{4}$          | $5\frac{1}{2}$          | 5                       | 78th Street.    |
| 6                       | $5\frac{3}{4}$          | $5\frac{1}{4}$          | 83d Street.     |
| $6\frac{1}{4}$          | 6                       | $5\frac{1}{2}$          | 88th Street.    |
| $6\frac{1}{2}$          | $6\frac{1}{4}$          | $5\frac{3}{4}$          | 93d Street.     |
| $6\frac{3}{4}$          | $6\frac{1}{2}$          | 6                       | 97th Street.    |
| 7                       | $6\frac{3}{4}$          | $6\frac{1}{4}$          | 102d Street.    |
| $7\frac{1}{4}$          | 7                       | $6\frac{1}{2}$          | 107th Street.   |
| $7\frac{1}{2}$          | $7\frac{1}{4}$          | $6\frac{3}{4}$          | 112th Street.   |
| $7\frac{3}{4}$          | $7\frac{1}{2}$          | 7                       | 116th Street.   |
| 8                       | $7\frac{3}{4}$          | $7\frac{1}{4}$          | 121st Street.   |
| $8\frac{1}{4}$          | 8                       | $7\frac{1}{2}$          | 126th Street.   |
| $8\frac{1}{2}$          | $8\frac{1}{4}$          | $7\frac{3}{4}$          | 131st Street.   |
| $8\frac{3}{4}$          | $8\frac{1}{2}$          | 8                       | 136th Street.   |
| 9                       | $8\frac{3}{4}$          | $8\frac{1}{4}$          | 140th Street.   |
| $9\frac{1}{4}$          | 9                       | $8\frac{1}{2}$          | 145th Street.   |
| $9\frac{1}{2}$          | $9\frac{1}{4}$          | $8\frac{3}{4}$          | 150th Street.   |
| $9\frac{3}{4}$          | $9\frac{1}{2}$          | 9                       | 154th Street.   |

DISTANCES ACROSS THE DIFFERENT FERRIES FROM NEW YORK.

|                   |     |            |                      |     |            |
|-------------------|-----|------------|----------------------|-----|------------|
| South Ferry,      | - - | 1,066 yds. | Peck-slip Ferry,     | - - | 2,300 yds. |
| Fulton Ferry,     | - - | 731 yds.   | Williamsburgh Ferry, | - - | 950 yds.   |
| Catherine Ferry,  | - - | 736 yds.   | Staten Island Ferry, | - - | 6,418 yds. |
| Walnut-st. Ferry, | - - | 635 yds.   |                      |     |            |

[From Valentine's Manual of New York.]

The following table gives the area, in feet and acres, of the Public Parks:

|                                | AREAS.           |            |          |        |
|--------------------------------|------------------|------------|----------|--------|
|                                | Square feet.     | Acres.     | R'ds.    | Poles. |
| Battery, - - - - -             | 463,609          | 10         | 2        | 22,239 |
| Bowling-green, - - - - -       | 24,483           | 0          | 2        | 9,253  |
| City Hall Park, - - - - -      | 472,080          | 10         | 3        | 14,000 |
| Duane Park, - - - - -          | 5,783            | 0          | 0        | 21,066 |
| Five Point Park, - - - - -     | 6,727            | 0          | 0        | 24,193 |
| Hudson-square, - - - - -       | 177,962          | 4          | 0        | 13,183 |
| “ - - - - -                    | 3,080            | 0          | 0        | 11,085 |
| Washington-square, - - - - -   | 424,684          | 9          | 2        | 39,246 |
| Tompkins-square, - - - - -     | 457,764          | 10         | 2        | 1,112  |
| Abingdon-square, - - - - -     | 9,021            | 0          | 0        | 33,036 |
| Union-place, - - - - -         | 151,080          | 3          | 1        | 34,253 |
| Stuyvesant-square, - - - - -   | 171,190          | 3          | 3        | 28,217 |
| Gramercy-park, - - - - -       | 73,600           | 1          | 2        | 30,092 |
| Madison-square, - - - - -      | 299,250          | 6          | 3        | 19,047 |
| Bloomingdale-square, - - - - - | 786,666          | 18         | 0        | 9,136  |
| Hamilton-square, - - - - -     | 1,046,999        | 24         | 0        | 5,193  |
| Observatory-place, - - - - -   | 1,122,375        | 25         | 3        | 2,160  |
| Manhattan-square, - - - - -    | 830,000          | 19         | 0        | 8,182  |
| Mount Morris, - - - - -        | 878,665          | 20         | 0        | 27,114 |
|                                | <u>7,415,339</u> | <u>170</u> | <u>0</u> |        |

The number of new buildings erected in the City of New York in the following years, is as follows:

|      |           |       |      |           |       |
|------|-----------|-------|------|-----------|-------|
| 1834 | - - - - - | 877   | 1842 | - - - - - | 912   |
| 1835 | - - - - - | 1,259 | 1843 | - - - - - | 1,273 |
| 1836 | - - - - - | 1,826 | 1844 | - - - - - | 1,210 |
| 1837 | - - - - - | 840   | 1845 | - - - - - | 1,980 |
| 1838 | - - - - - | 781   | 1846 | - - - - - | 1,910 |
| 1839 | - - - - - | 674   | 1847 | - - - - - | 1,823 |
| 1840 | - - - - - | 850   | 1848 | - - - - - | 1,191 |
| 1841 | - - - - - | 971   | 1849 | - - - - - | 1,618 |

COMFORT FOR TIMID TRAVELLERS.—In the two years ending December, 1848, the total mileage of the passengers on the railways of the United Kingdom was 4,830,184,617 miles. The number of accidents to passengers, attended with loss of life, arising from causes beyond their own control, in the same period, was 28. Dividing the same mileage, therefore, by 28, we obtain the quotient, 65,363,736. Hence it appears that if a passenger travel one mile, the chances against his suffering an accident fatal to his life are 63,365,735 to 1. In the same period the number of accidents attended with bodily injury to passengers, arising from causes beyond their own control, was 215. Dividing this in the same manner into the total mileage, we find that the chances against such an accident in travelling one mile are 8,512,486 to 1. In each case we find the chances for greater distances by dividing these numbers by the distances respectively.—*Dr. Lardner's Railway Economy.*

## JOHNSON'S TREATISE ON BANKING.

We received some time since a copy of "A Treatise on Banking," in which "the duties of a banker, and his personal requisites therefor," are discussed with ability and clearness. The writer of this treatise is A. B. JOHNSON, Esq., President of the Bank of Utica, New York. Mr. Johnson has employed the last twenty years of his life in the business of banking, a circumstance well calculated to impart a thorough practical knowledge of the business in all its details. In a letter addressed to the Hon. CHARLES STEBBINS, late Bank Commissioner of the State of New York, Mr. Johnson states that the incessant responsibilities and urgent cares of banking are "little suited to the anxiousness of his disposition," and that he has long borne himself onward with a determination, indefinite as to the period of its execution, to transfer his position (as president of the Utica Bank) to "some person better organized" for its duties. With this design, he commenced, as we are informed, a summary "treatise on banking," thus yielding to his eventual successor the aid of his valuable experience.

The London *Bankers' Magazine* for January, 1850, contains an article on the "Duties and Responsibilities of a Banker," and "American Banking," made up, almost entirely, of extracts from Mr. Johnson's treatise. The extracts in the English magazine, referred to above, are introduced with the following remarks:—

"The literature of American banking is but little known in this country. The pamphlet of Mr. Gallatin, published above twenty years ago, is the only work that has attracted much notice. Nor need our American brethren complain of this; for until about the same period English banking had no literature of her own. Since that time, however, many excellent works on banking, and a still greater number of articles on banking, in magazines and other periodical publications, have appeared in America. We have before us one of no common merit. It is entitled "A Treatise on Banking—the Duties of a Banker, and his Personal Requisites therefor." By A. B. Johnson, President of the Ontario Branch Bank, at Utica, in the State of New York.

"This work is divided into three parts:—'The Bank'—'The Banker'—'The Man.'

"The first part—'The Bank'—contains a clear exposition of some important principles of banking and currency, and a comparison between the safety fund system and the free bank system established in New York.

"The second part—'The Banker'—is of a highly practical character; and it shows that however widely the banks of England and of America may differ in their principles, the fields of their operations, their constitution, and their privileges, yet the practical operations, the qualifications of their bankers, the dangers to which they are exposed, and the means necessary to success, are much the same in both countries."

The reviewer, after quoting from Mr. Johnson's treatise, passages "on the securities taken by bankers for advances," "acceptances in advance of consignments," "kiting," "enforcement of payments," "speculations," etc., proceeds to remark as follows:—

"Our readers will doubtless observe that many of the lessons inculcated in the above quotations are similar to those that have often appeared in our pages, either in original contributions or in extracts from works that we have reviewed.

This coincidence in the views of English and American bankers is a confirmation of their soundness. We like the sentiment—'While a banker adheres with regularity to known forms of business and settled principles, Providence is guarantee for his success.' We believe that in almost every case the failure of a bank has arisen from a disregard of sound principles. Whether or not a bank follows, in its practical administration, the lessons of experience, is of much more importance to success than whether it consists of six or seven hundred partners. The management of a bank is of more importance than its constitution. To use the language of the Report of the Lords' Committee on Commercial Distress, 'the best banking system may be defeated by imperfect management; and, on the other hand, the evils of an imperfect banking system may be greatly mitigated, if not overcome, by prudence, caution, and resolution.'

Closing with a few suggestions from Mr. Johnson's comprehensive treatise, personal to the man who is to perform the duties of a banker, the reviewer apologizes for the length of his quotations "by alluding to the importance, and to the circumstance that the work is not published in England." The treatise of Mr. Johnson is concise, and would not occupy more than thirty pages of the *Merchants' Magazine*. It has been published in the newspapers of the day, and in *Homans' Bankers' Magazine*; but not, that we are aware, in the book or pamphlet form. We shall endeavor to find room in our journal for such occasional extracts as appear to us to embody the most valuable and practical suggestions, for the benefit of our banking and financial readers. Without endorsing all the opinions of Mr. Johnson, we are unwilling to close this reference to the treatise before us, without expressing the hope that one who has written a little on an important topic so well, will find time to produce a more elaborate and complete work, a task which he is in every respect well-fitted to undertake and accomplish, in a manner that will redound to his own credit, and to the great benefit of the commercial world.—*Hunt's Merchants' Mag.*

## TRADE OF THE UNITED STATES.

Table showing the aggregate of the exports and imports of the country, for the years ending June 30, 1848 and 1849.

|                                                                                              | 1849.         | 1848.         |
|----------------------------------------------------------------------------------------------|---------------|---------------|
| Domestic exports in American vessels, - - -                                                  | \$91,363,308  | \$95,544,217  |
| Domestic exports in foreign vessels, - - -                                                   | 41,303,647    | 37,359,904    |
| Foreign exports in American vessels, - - -                                                   | 9,169,815     | 14,113,714    |
| Foreign exports in foreign vessels, - - -                                                    | 3,919,050     | 7,014,296     |
| Total, - - - - -                                                                             | \$145,755,820 | \$154,032,131 |
| Imports, paying duty, American vessels, - - -                                                | 103,293,220   | 110,070,915   |
| Imports, paying duty, foreign vessels, - - -                                                 | 17,088,932    | 18,575,317    |
| Imports free, American vessels, - - -                                                        | 22,168,554    | 22,210,410    |
| "    "    foreign    "    - - -                                                              | 5,288,733     | 4,141,286     |
| Total, - - - - -                                                                             | \$147,857,439 | \$154,998,928 |
| Number of vessels built in nine months of the year 1849, 1,447, which<br>comprise, - - - - - | - - - - -     | 256,000 tons. |
| Total registered tonnage, - - - - -                                                          | - - - - -     | 1,438,941 "   |
| Licensed "    "    - - - - -                                                                 | - - - - -     | 1,895,373 "   |
| Total, - - - - -                                                                             | - - - - -     | 3,334,314 "   |

THE BANKS OF GREAT BRITAIN.

The returns of circulation of Irish and Scotch banks for the four weeks ending the 23d of March, 1850, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

|                                                      |            |
|------------------------------------------------------|------------|
| Average circulation of the Irish banks, - - - - -    | £4,490,324 |
| Average circulation of the Scotch banks, - - - - -   | 2,993,621  |
| Average circulation during the past month, - - - - - | £7,483,945 |

On comparing the above with the fixed issues of the several banks, as given in the Banking Almanac, the following appears to be the state of the circulation :—

|                                                         |            |
|---------------------------------------------------------|------------|
| The Irish banks are below their fixed issue, - - - - -  | £1,864,170 |
| The Scotch banks are below their fixed issue, - - - - - | 93,588     |
| Total below the fixed issue, - - - - -                  | £1,957,758 |

The amounts of gold and silver held at the head offices of the several banks, during the past month, have been as follows :—

|                                                     |            |
|-----------------------------------------------------|------------|
| Gold and silver held by the Irish banks, - - - - -  | £1,495,844 |
| Gold and silver held by the Scotch banks, - - - - - | 930,886    |
| Total of gold and silver held, - - - - -            | £2,426,730 |

The above statements complete the returns of the circulation of notes in England, Scotland, and Ireland, for the month ending the 23d of March.

These returns, combined with the average circulation of the Bank of England for the same period, will give the following results of the total circulation of notes in the United Kingdom, when compared with the previous month :—

|                    | Feb. 23, 1850. | March 23, 1850. | Increase. | Decrease. |
|--------------------|----------------|-----------------|-----------|-----------|
| Bank of England,   | £19,280,468    | £18,865,904     | ....      | £414,564  |
| Private Banks,     | 3,597,017      | 3,614,709       | ....      | 82,308    |
| Joint Stock Banks, | 2,657,976      | 2,676,802       | 18,826    | .....     |
| Total in England,  | £25,535,461    | £25,057,415     | ....      | £478,046  |
| Scotland,          | 3,054,463      | 2,993,621       | ....      | 60,842    |
| Ireland,           | 4,635,741      | 4,490,324       | ....      | 145,417   |
| United Kingdom,    | £33,225,665    | £32,541,360     | £....     | £684,305  |

Showing a decrease of £478,046 in the circulation of notes in England, and a decrease of £684,305 in the circulation of the United Kingdom, when compared with the previous month, ending the 23d of February.

The following statement will show the position of the currency, when compared with the same period last year :—

|                    | March, 1849. | March, 1850. | Increase.  | Decrease. |
|--------------------|--------------|--------------|------------|-----------|
| Bank of England,   | £17,900,527  | £18,865,904  | £965,377   | ....      |
| Private Banks, -   | 3,466,975    | 3,614,709    | 47,734     | ....      |
| Joint Stock Banks, | 2,590,876    | 2,676,802    | 85,926     | ....      |
| Total in England,  | £23,958,378  | £25,057,415  | £1,099,037 | ....      |
| Scotland, - -      | 2,935,120    | 2,993,621    | 58,501     | ....      |
| Ireland, - - -     | 4,401,750    | 4,490,324    | 88,574     | ....      |
| United Kingdom,    | £31,295,248  | £32,541,360  | £1,246,112 | ....      |

Thus showing an increase of £1,099,037 in the circulation of the United Kingdom, when compared with the corresponding period last year.

The average stock of bullion held by the Bank of England, in both departments, during the months ending the 23d of March, was £17,203,111, being an increase of £234,727, as compared with the previous month, and an increase of £1,932,952, when compared with the same period last year.

The stock of specie held by the Scotch and Irish banks, during the month ending the 23d of March, was £2,426,730, being a decrease of £58,653, as compared with the previous return, and a decrease of £291,300, when compared with the corresponding period last year.—*London Times*, April 12.

## CAPITAL OF ENGLAND.

Communicated to the "New York Courier and Enquirer," in 1849.

In the consideration of her present precarious position, due weight has not been accorded to the enormous amounts of *capital* abstracted from England within a not distant term. She has had command of the trade of the world, and with it has in some measure become its banker, and it is a serious question, whether in the enjoyment of an unlimited credit, her situation has not been approximating the position of that of some of her great merchants, whose names, synonymous with wealth, have within a few months suddenly sunk and disappeared from before our eyes, leaving us gazing on vacancy.

It must be borne in mind, that while she has carried on an enormous trade, she has had likewise enormous losses. Without counting her (1) national debt of three thousand two hundred millions of dollars, (the interest of which amounting to one hundred and thirty millions, must be paid annually, from the industry of the country, before prince or peasant can put a crust within their mouths,) that her merchants in their enterprises have sunk millions (3) all over the world; in this hemisphere, for instance,—in Mexico, in South America, in the West Indies, and in the United States.

Lord Palmerston, (2) not long since, in his speech on the "Spanish Bonds," stated that there was a foreign public debt due to England of seven hundred and fifty millions of dollars, upon which she received not one farthing of interest, which is equivalent to the sinking of all that capital for present use, and most likely of the great majority of it for the future.

The emancipation scheme in the West Indies has cost them ninety millions of dollars, besides ruining the colonies.

The late bankrupt act of (4) the United States swept off four hundred and forty millions of dollars of debt. It is fair to say that England must have been saddled with at least fifty millions of that.

“But her colonial possessions are so vast.” They are vast! Are they profitable? Are not, rather, the suppressed sobs we hear from the masses, wrung from them in their hopeless task of supporting, in addition to the artificial fabric of their home government, this chained train of foreign conquests?

“The colonies draw all their manufactures from home.” England exports to all her colonies annually about fifty millions of dollars, but the expense *proper* to those colonies, for the army, navy, and their civil list, is fifteen millions of dollars; a deduction of thirty per cent. from their face for the privilege of monopolizing the trade (5). Is that a profitable trade? The Canadas, twenty years since, had cost the mother country nearly three hundred millions of dollars. The yearly expenditures since have been at least a million sterling; they stand her in, therefore, nearly four hundred millions of dollars of treasure (6). Do we witness any excess of gratitude on the part of the Canadas toward the mother country? Look at Ireland—her people, grateful for the meanest sustenance that prevents the separation of soul and body, deprived of that, are in thousands flying the pestilence and famine. On one side of those that remain, bristle the *bayonets, paid* for by English people, while on the other, *food, paid* for by English labor, is laid before them.

The wealth of our country is exhibited in the comfort and tranquillity of the masses. How fearfully is that wealth disproved by the abject, suffering condition of the toiling, disheartened, still increasing population of England. The importation of corn to supply her short crops last year, was over one hundred and thirty millions (7) of dollars. Where was the wealth,—the foreign loans to be called in,—the hoarded treasure to pay for it?

But the darkest immediate feature of her present troubles exhibits itself in the insane scheme of railroad expenditure in which she is involved.

|                                                                |               |
|----------------------------------------------------------------|---------------|
| In the last seven years, she has paid, for railway investment, | \$580,000,000 |
| The requisitions for the year 1848, are                        | 390,000,000   |
| Do. do. do. 1849,                                              | 230,000,000   |
| Do. do. do. 1850,                                              | 50,000,000    |

(9) In round numbers, . . . . \$1,250,000,000

Twelve hundred and fifty millions of capital withdrawn from the commerce and productive industry of the country in ten years! The instalments for the coming three years are extended two years, but with this avalanche hanging over her trading community,—these railway calls standing ready to seize at every instant any accumulation of capital. This vast amount is withdrawn from the productive capital of the country, and is in the main nonproductive.

Within the last two years, we have seen hundreds of her manufactories closed, or working half the time. We have seen their stocks of raw

material unreplenished, dwindling away. We have seen her demand for cotton decreasing, and other countries entering eagerly into competition in this important branch of manufacture, the very centre and citadel of her industry, heavy additional demands for that staple springing up around her, in North America, Germany, France, Italy, and even in South America, and this while one-half of the export of England consists of manufactured cotton. Her total export in 1846 was £50,279,735, of which £25,600,697 was of manufactured cotton (10). Is not this a dark foreboding for the future?

But all glory and honor, nevertheless, should be awarded to England. Impelled by an overruling power, she has pioneered the way of human freedom, carrying in her van the flag of Christianity, the sure harbinger, even though trammelled, of equal rights. She has become the mother of what are to be mighty nations; and in these United States, her first-born, should she not, discarding unworthy jealousy, see HERSELF, relieved from feudal restraints and century-gathered burdens, marching still onward, with renewed youth and giant strength, on her allotted journey.

1 "London Economist," January 22, 1847. Actual debt, January 5, 1847, £724,666,729.

2 See "Debate in the House of Commons." July 6, 1847.

3 See, The late heavy failures of foreign English houses—McCulloch's Political Economy, p. 333; English Mexican Mining Companies, &c. &c.

4 Hunt's Mag., Vol. XIX., p. 414. Amount of debt proved, \$440,934,615.01; assets, \$43,697,307.13

5 See Bankers' Magazine, Vol. II., pp. 240, 247. Exports to British Colonies in the year 1844, £10,213,564. Expenditures proper, £3,171,646.

6 Idem, p. 243.

7 New York Albion, July 19, 1847.

8 Hunt's Merch. Magazine, p. 153, Vol. XVIII.

9 The same, Vol. XVIII., p. 223. Railway expenditures to first half of 1847, £96,770,000; authorized for 1848, £78,000,000; 1849, £47,000,000; 1850, £10,000,000.

10 The total receipts at all the shipping ports, are 1,342,123, bales, against 1,318,680 to same date last year—an increase of 23,443 bales. The total foreign export this year is 134,888 bales more than last—say, 10,934 decrease to Great Britain, 76,349 increase to France, 31,612 increase to North of Europe, and 37,851 increase to other foreign ports.—*New York Express*, March 10.

---

**FINANCES OF MARYLAND.** By an Act of the Legislature of Maryland, passed in March, 1847, the Treasurer of the State was authorized to issue *six per cent.* bonds for all arrears of interest prior to October, 1847. Of the interest due, the sum of \$618,621.11 was funded, *redeemable at the pleasure of the State.* By public notice it will be seen that the Treasurer is now prepared to pay fifty per cent. of such newly funded debt.

**SMALL NOTES.**—For four or five years, the House of Delegates of Virginia, whether whig or democratic, has passed, by large majorities, bills to authorize our own banks to issue small notes. But this measure, thus endorsed and reendorsed by the immediate representatives of the people, has been constantly defeated by the check-mating Senate. The effect of this conduct of the Senate is to subject all the border counties, the cities, and all the lines of travel, to the vile shimplasters of the neighboring States. It enables Baltimore, Ohio and North Carolina to make thousands out of our own people annually.—*Richmond Whig*, April, 1850.

## MISCELLANEOUS.

**GOLD WEIGHING MACHINES.**— [From a statement laid by Mr. William Miller, Weighing Clerk in the Bank of England, before the Royal Mint Commissioners.] When, in the month of June, 1842, a proclamation was made, setting forth that a large portion of the gold coinage in circulation had been reduced by wear below the current weight, and ordering all persons to cut or deface such sovereigns, many complaints arose that sovereigns which were issued from one counter of the bank, were refused to be taken at another. These complaints were not only made to the governors, but frequently found their way into the public journals. Mr. William Cotton was the deputy governor at that time, and he gave the subject his earnest attention.

The bank, therefore, at a considerable expense, re-weighed the whole stock of sovereigns, and took from it a large number, which were sold to the government, under the terms of the proclamation, at a loss of between £3,500 and £4,000. These sovereigns had all been weighed singly at the time they were received, and were supposed to be all of full weight; and even the second weighing did not detect all the light, as there were numerous well-founded causes of complaint of light sovereigns having been issued from the bank counters, which were proved to have come out of this select stock. Mr. Cotton found some of the causes of the defective weighing, in the rude construction of the scales then in use, and in the great variation in the weights issued by the mint, so that in a dozen new weights, hardly two could be found sufficiently near to each other for practical purposes. Other errors were traced to arise from the want of attention in the weigher, the natural consequence of the monotony of the employment; while the constant watching of the indicator of the scales seriously affected his eyesight.

The moisture of the air often affected the operation by causing the scales to stick to the table, and a current of air acting unequally upon the scales, frequently prevented a very correct weighing when the sovereign was near the current weight. The diminution of the weight of one of the scales, by the placing and displacing of the sovereigns, rendered a frequent adjustment necessary, and was often a cause of error. Most of the above causes of error, and many other which it seemed at one time almost impossible to remove, were effectually obviated by Mr. Cotton's invention.

His machines were first used in January, 1844, and since then have weighed upwards of 48,000,000 of pieces, and during the whole time not a single charge of incorrect weighing has been substantiated against them. When they were first used, many complaints were made by bankers, that sovereigns which were standard in their scales were rejected by the machines, and returned to them cut; but in all those cases, upon reference to a very fine assay beam, it was found that the machines were correct. These complaints have for a long time altogether ceased, as the bankers, who send the largest quantities of sovereigns into the bank, know well by experience that the errors of the machines, if there are any, are beyond detection by their scales.

Some few sovereigns are still weighed as they are received from the public, by the common scales; but such are never re-issued by the bank until they have passed through the machines, which extract from them between one and two per cent. light. The bank sustains the loss upon these unavoidable errors, in preference to the loss of time, the trouble and vexation, which the re-issues of the sovereigns as they were received would occasion, both to the public and to the clerks of the bank.

There is but little wear in the machines, as the motion is very inconsiderable, and the power required to drive them only a few pounds. They weigh quite as well now as they did at first. Each machine will weigh about thirty-three sovereigns per minute: the bank has now in use six machines, five for sovereigns and one for half-sovereigns, which have weighed 60,000 per day.

In the course of his subsequent evidence, Mr. Miller stated, in reply to the

question—What is the difference in the weight of a standard and a current sovereign?—The pound Troy being equal to £46 14s. 6d., the standard weight of one sovereign is usually 123.274 grains; and the lowest weight at which a sovereign is current by law being 122½ grains, the difference is nearly .774 grains. The remedy stated in the Mint Indenture being twelve grains in one pound Troy, how much in decimals of a grain is this, if applied equally to each sovereign? Nearly 257.

**FARMERS' BANK OF KENTUCKY.**—The books for subscription to the capital stock of the Farmers' Bank of Kentucky, were opened at the Mayor's office in the city of Covington, on Monday, the 25th March.

This bank was incorporated by the Legislature of Kentucky, at its late session, and its complete organization and commencement of operations are looked to with much interest, by the business classes in different sections of that State. Its principal office of discount and deposit is to be kept in the city of Frankfort, but it is to have offices of discount and deposit at Covington, Princeton, Henderson, Bardstown, Maysville, Mount Sterling and Somerset. The charter declares that its "business shall be to loan money, discount promissory notes and bills, and deal in exchange;" but "it may issue bills and bank notes, payable to bearer, on demand, at any of its offices of discount and deposit," of one dollar and upwards; all bank notes so issued, to be signed by the president of the principal bank, and countersigned by the cashier thereof.

The Farmers' Bank is prohibited from owing, in any manner, at any time, "an amount exceeding twice the amount of the capital stock actually paid in, exclusive of sums due on deposits; it is forbidden to suspend specie payment, under severe penalties; its property of all kinds, and general administration and control, are vested in seven directors, to be chosen annually, by the shareholders; the president to be chosen by and from among the directors; each branch to have seven directors also, with a president chosen in the same manner; the directors of the principal bank to appoint a cashier of that bank, and also a cashier for each of the branches; the president and directors of the principal bank having power likewise to fill vacancies in the directory of the branches."

The amount of capital to be employed at the Farmers' Bank in Frankfort is \$300,000; at Covington \$600,000; at Maysville \$400,000; at Princeton \$300,000; at Henderson \$250,000; at Mount Sterling \$200,000; at Bardstown \$150,000; at Somerset \$100,000.

The president and directors of the principal bank are required, as often as once in three months, "to cause a strict examination to be made of the accounts of the cashier," and to "cause the president and directors of the several branches to make a like examination and statement of the accounts of the cashiers, once every three months."

The president and directors of the principal bank are also required during the first week of the session of the legislature, in each year, to "transmit to the Secretary of State, an accurate and just statement of the condition of the principal bank and branches," in every respect, "as it existed on the first day of the preceding month."

Six per cent. per annum is the special interest which the Farmers' Bank is to take, and any higher rate is forbidden.

The bank goes into operation so soon as \$150,000 of capital stock shall have been paid in, in gold and silver.

On each share, (of one hundred dollars,) \$5 is to be paid at the time of subscribing, \$5 within ten days after the election of the first board of directors, \$20 within sixty days thereafter, and the residue in such instalments as the president and directors of the principal bank shall require, not to exceed \$20 each, nor the time between them to be less than ninety days.—*Cincinnati Gazette*.

**MUTILATED BANK NOTES.**—In a suit brought against the City Bank of Montreal, on a two dollar note, of which payment had been refused on the ground that it had been cut and mutilated by some party, with a view of making, by a certain combination of pieces, a larger number of notes than was originally issued, Judge Bruneau gave judgment in favor of the bank.

THE NEW INTEREST LAW OF OHIO.—*An Act to amend "An Act fixing the rate of interest," passed January 12, 1824, and all laws on that subject.*

Be it enacted by the General Assembly of the State of Ohio, That the parties to any bond, bill, promissory note, or other instrument of writing, for the payment or forbearance of money, may stipulate therein, for interest recoverable upon the amount of such bond, bill, note, or other instrument, at any rate not exceeding ten per centum yearly.

*Provided*, however, that no incorporated banking institution of this State shall be entitled to receive more than the rate of interest specified in its charter, or, if no rate be specified, more than six per cent. yearly, upon any loan or discount whatever.

Sec. 2. That upon all judgments or decrees rendered upon any bond, bill, promissory note, or other instrument aforesaid, interest shall be computed till payment, at the rate specified in such bond, bill, note, or other instrument, not exceeding ten per centum aforesaid, or, in case no rate of interest be specified, at six per centum yearly.

Sec. 3. This act shall take effect on the first day of May next.

March 18, 1850.

NEW PUBLICATIONS.—*The Edinburgh Review.* Messrs. Leonard Scott & Co. have issued the April number of this Journal in the Edinburgh edition. The subjects of the articles, are: I. National Observatories—Greenwich. II. Sidney Smith's Sketches of Moral Philosophy. III. Supply of Water to the Metropolis. IV. Lander's Poetry. V. The Polynesians. New Zealand. VI. British and Continental Taxation. VII. The Village Notary and Memoirs of a Hungarian Lady. VIII. Authority in Matters of Religion. IX. Agriculture Complaints. X. Germany and Erfurt.

*The London Quarterly for April.*—The contents are: I. Giacomo Leopardi. II. Ranke's House of Brandenburg. III. Queen's College, London. IV. Grote's History of Greece. V. Urquhart's Pillars of Hercules. VI. Facts in Figures. VII. Diary of a Dutiful Son. VIII. Cunningham's Handbook for London. IX. Lord Lieutenant Clarendon. X. Baxter's Impressions of Europe.—*Agents, Crosby & Nichols.*

GOLD ORE.—A remarkable lecture on the *Distribution of Gold Ore in the Crust and upon the Surface of the Globe*, was recently delivered at the Royal Institution of Great Britain, by Sir Roderick J. Murchison, the Vice President. A "very fine lump of ore," brought from California *thirty years ago*, was exhibited. Here is an extract from the report of the lecture.

"From the Ural mountains and the twenty-five districts of Siberia, in the region around the flourishing city of Krasnjarsk, of which one is two hundred miles in length and one hundred in breadth, where the metal is invariably found in the broken materials and debris above mentioned, nearly the value of £3,800,000 in gold is annually derived. Precisely similar, geologically, are the chief backbones of the American continent, which also afford at intervals clustered collections of gold ore. It is right, however, to state a fact of financial importance,—that California has not hitherto produced more than £1,500,000 annually. The learned lecturer adverted to a remark, which seemed to amuse the audience not a little, made by Sir Robert Peel, when addressed a few years since by Sir Roderick on the probability of gold being found in Australia, that he hoped, "We might not have too much of a good thing." The recent explorations of those intelligent and persevering American officers, Abert, Emory, and Peck, employed under General Kearney, proved that in all the long tract watered by the Rio del Norte, the Colorado, and the Gila, which had been, for the most part, long inhabited by civilized men, gold ore was known in two or three spots only, and then the real profit was derived from gold gravel. Such would be the case in California; and Sir Roderick inveighed against what he might almost designate as the popular delusion, that all that region would prove equally productive of gold. Of course his opinion was founded on the presumption that there would be no deviation from the 'Constants,' which appeared, almost, as far as they had been determined, to be a law of nature."

**LONDON MONEY MARKET.**—[From Messrs. Barings' London Circular.] The high prices asked for United States, New York, Ohio and Massachusetts stocks, have checked business, which would otherwise continue to be extensive. Transactions have, however, occurred in these securities, as well as in Maryland and Pennsylvania, at our quotations. There are no South Carolinian or Louisiana Union Bank bonds in the market. A parcel of Louisiana Citizens' Bank bonds might be had at 65 per cent. Something has been done in Canada, six per cent. sterling bonds at par, exclusive of interest. Nothing done in Virginia stock. United States 5's, 94 a 95; ditto 6's, 1862, 106 a 107; ditto 6's, 1867-8, inscriptions, 109 a 109½; ditto 6's, 1868, bonds to bearer, 110 a 111; New York 5's, 97 a 98; ditto 6's, 108 a 110; ditto City 5's, 95 a 96; Pennsylvania 5's, 82½ a 83½; Ohio 6's, 1860, 100 a 101; ditto 1870, 104 a 105; Massachusetts, 105 a 106; Maryland, 90 a 91; Mississippi Planters' Bank, 60; ditto Union Bank, 20; Alabama 5's, 67 a 68; Virginia 6's, 94½ a 96½; Kentucky 6's, 96 a 97; Florida 6's, 30; Canada 6's, 100.

The annexed table gives the prices of American Securities in London at five periods, and shows the advance since February, 1849:—

UNITED STATES STOCKS IN LONDON.

|               | U. S. 6's, 1867-8. | Mass. 5's. | Ohio 6's, '60. | Penn. 5's. |
|---------------|--------------------|------------|----------------|------------|
| Feb. 9, 1849  | 106½               | 101 @ 102  | 95 @ 99        | 73 @ 75    |
| Nov. 9, 1849  | 108                | 102 @ 102½ | 99 @ 101       | 80 @ 81    |
| Dec. 14, 1849 | 106                | 103 @ 104  | 102 @ 103      | 82 @ 83    |
| March 9, 1850 | 108                | 105 @ 106  | 99 @ 100       | 83 @ 84    |
| April 5, 1850 | 109½               | 105 @ 105½ | 100 @ 101      | 83 @ 83½   |

The United States stock had the dividends paid January 1, and at the latest dates there was three months' dividend accrued. Massachusetts stock at the latest dates, was divided off, showing a rise of 2½ per cent. since March. Pennsylvania stock paid dividend February 1. This stock has risen 8 per cent. since February, 1849. At these high prices there is a continued good demand for investment.

**GREAT INDUSTRIAL EXHIBITION.**—A vast exhibition of specimens of the industry and ingenuity of the whole world, will take place in London, in the year 1851. This gigantic project is entirely the suggestion of His Royal Highness Prince Albert, as President of the Society of Arts. It is proposed to be held in Hyde Park, in a building to be constructed for the purpose, a mile long, at an expense of £100,000. Prizes are to be given to the value of £20,000, ranging from £5,000 downward. The total expenses are computed at £200,000, which sum is to be raised by voluntary contributions. The management of the exhibition is confided to a Royal Commission, of which Prince Albert is the president: and it is understood that Her Majesty will probably herself dispense the prizes. The exhibition is to include all the best specimens of human skill and industry, and raw material, from all parts of the world. This grand plan is already in active organization: and public meetings have been held in the principal manufacturing towns in England, at which the proposition has been most enthusiastically received. The subscription list to defray expenses, has been headed by Her Majesty, with the munificent gift of £1,000; the Royal President, Prince Albert, contributing £500.—*Year Book of Facts.*

**COUNTERFEIT COIN.**—*Interesting Decision.*—In the Supreme Court of the United States recently, was decided a case, involving the power of Congress to pass laws to prohibit the circulation of counterfeit coin, and punish all persons circulating it. The case came before the Supreme Court, on a certificate of division in opinion of the judges of the United States Circuit Court for New York. The case was argued before the Supreme Court, by Mr. Johnson, the Attorney General, in favor of the power of Congress in the matter, and by Mr. Seward against it. The decision of the Court was in favor of the power, and thus established fully the authority of Congress over the whole question.

## BANK ITEMS.

**MASSACHUSETTS.**—**LOWELL.**—Joel Adams, Esq., has been elected President of the Prescott Bank, at Lowell, chartered by the Legislature of 1850.

**BOSTON.**—The stockholders of the Haymarket Square Bank have chosen their Board of Directors, and William H. Hall, Esq., of Greenfield, has been selected as Cashier, and N. E. Hicks, Esq., President.

**BANK OF COMMERCE.**—At a meeting of the stockholders of the new Bank of Commerce, on Monday, 20th May, the following gentlemen were elected directors:—Edward C. Bates, B. E. Bates, Jas. W. Baldwin, A. G. Farwell, C. J. Hendee, Patrick T. Jackson, T. W. Peirce, Jacob Sleeper, Jarvis Slade, R. S. Wade, John Worster. Subsequently, Edward C. Bates, Esq., was chosen president of the board, and W. H. Foster (now cashier of the Grocers' Bank) was appointed cashier.

**MANUFACTURERS' BANK.**—Warren Ordway, Esq., has been elected president of the Manufacturers' Bank, at Georgetown, in place of Benjamin Little, Esq., deceased.

**JOHN HANCOCK BANK.**—At a meeting of the stockholders of the John Hancock Bank, at the Armory House, Springfield, holden Saturday, May 18th, the following gentlemen were chosen directors:—James W. Crooks, James M. Thompson, Wm. H. Bowdoin, Solomon Hatch, Edward F. Mosley, A. H. Avery, Pliny Caldwell, Geo. A. Kibbe, R. S. Moore.

**CONNECTICUT.**—H. S. Walcott, Esq., has been elected president of the Windham Bank, Connecticut, in place of John Baldwin, Esq., deceased.

**VERMONT.**—The Merchants' Bank of Burlington, (Vermont,) has commenced business with a capital fixed at \$150,000, of which \$90,000 has been paid in.

**RHODE ISLAND.**—On the 10th May the General Assembly adjourned, after a session of four days.

Five bank charters were granted, one in Providence, one in Phenix village, one in Coventry, one in Richmond, and one in Hopkinton. The first is to start with a capital of \$100,000, the others with capitals of \$50,000, and all with liberty to increase. They are to pay a bonus to the State of one and a half per cent. upon their original capital, and of two per cent. upon any increase. Great care has been taken to guard the public against the possibility of fraud. The amount of stock which any one individual may hold is limited, and the stock is to be subscribed and the banks organized, under the direction of commissioners who are charged with distributing it among the bona fide subscribers, and with other precautionary measures. The necessity of that vigilance which has hitherto protected the banking credit of the state is fully appreciated by the General Assembly.—*Providence Journal.*

**NEW YORK.**—W. W. Vanzandt, Esq., late of the Bank Department, Albany, has been appointed cashier of Fort Stanwix Bank, Rome, Oneida County, New York.

**BANK OF CORNING.**—The bank of Corning, whose resources were supposed to have been affected by the recent fire in that town, as we learn from the Albany Evening Journal, has a circulation of \$63,348, secured as follows:

\$50,000 Illinois State Stocks, \$20,000 Michigan, \$25,000 in good bonds and mortgages. The agency at Albany continues the redemption of its bills, the loss to the bank by the fire being less than \$1,000.

**VERMONT.**—The Franklin County Bank, Vermont, went into operation on the 20th ultimo, with a capital stock of one hundred thousand dollars, of which seventy thousand dollars has been paid in. O. A. Burton, Esq., President, and B. W. Parker, Cashier.

**CENTRAL RAILROAD AND BANKING Co.**—Geo. J. Bulloch, late cashier, who absconded from Savannah, is now under trial for embezzlement of the bank funds. An interesting question, in connection with this case, was discussed yesterday afternoon before His Honor Judge Jackson. The question arose on an objection by defendant's counsel to the *array* of the Grand Jury. They contended that stockholders of the Central Railroad and Banking Company were disqualified *propter affectum* from acting upon the case as members of the Grand Jury, and that the same objection applied to every citizen of Savannah, inasmuch as the city, in its municipal capacity, was a stockholder in the Company.

It was replied, that the objection might be good in a civil, but not in a criminal case, where the *State*, and not the bank, was the party prosecuting: and further, that if the position of the defendant's counsel were right, then the State of Georgia, being a stockholder in the State Bank, could not prosecute any man who robbed it, because every citizen in the State would be interested in the case. It was further answered by the counsel for the prosecution, that no case on the criminal side of the Court, punished by *fine*, could be tried, if the objection was sustained, inasmuch as the people of the county where the offence was committed would be interested to the extent of the fine denounced by the law.

The decision of His Honor has not yet been made. Whatever it may be, it is probable the case will be carried up to the Supreme Court.—*Savannah Republican*, 18th May.

**CONGRESSIONAL FUNDS.**—The Clerk of the House has selected the Bank of the Metropolis as the depository for the funds of the House of Representatives, which were heretofore held by the Bank of Washington. Bonds have been given by the President and Trustees for the safe-keeping of said funds.

**MISSISSIPPI PLANTERS' BANK BONDS.**—The following, which we cut from a New Orleans paper, contains information of considerable interest to many business men.

"From the Vicksburg Sentinel, of the 16th inst., we learn that Mr. Weiss, agent for the foreign bond-holders, on the 15th, filed a petition in the Circuit Court of Warren county, praying the issuance of a mandamus to compel the Treasurer of the State to pay him the amount of the 'Sinking Fund,' now in the Treasury, which fund was especially created to meet the contingency of failure of payment, which has happened since the contraction of the debt. The amount of the Sinking Fund in the Treasury is about one hundred thousand dollars."

The Planters' Bank Bond case is still the subject of litigation. We learn from the Vicksburg Sentinel, of the 4th inst., that Judge Tompkins, of that State, has delivered his opinion in the mandamus case. He discharged the rule heretofore granted upon the State Treasurer, to show cause why a peremptory mandamus should not issue against him, to compel the payment of the Sinking Fund to the holder of the Planters' Bank Bonds. The ground of his decision was, that the Sinking Fund could only be paid out of the Treasury upon the Auditor's warrant, and that the application to the Treasurer for payment, before obtaining such warrant, was not authorized by law. There were other points in the case which were decided in the bond-holders' favor. An appeal was taken by the plaintiff. We understand that a demand will forthwith be made upon the Auditor for the necessary warrants, and that upon his refusal to issue them, a mandamus against that officer will be prayed for.

**BANK OF GERMANTOWN.**—Samuel Harvey, Jr., Esq., was on the 19th March elected cashier of the Bank of Germantown, in place of Lloyd Mifflin, Esq.; to commence from the 7th of May, when the new charter goes into effect.

The Charter of the Bank of Newburgh will expire on the first of January next; but the business of the bank will be continued without interruption, under the management of the present Board of Directors—the stockholders having associated under the General Banking law of New York, with an increased capital.

**THE SOUTHERN BANK OF ALABAMA.**—At a meeting of the Board of Directors, H. A. Schroeder, Esq., was elected President of this institution—a selection eminently calculated to inspire confidence in the administration of its affairs.

## PHILADELPHIA BANK DIVIDENDS, 1847-1850.

|                              | Capital, 1850.      | 1847. | 1848. | 1849. | 1850.   |    |
|------------------------------|---------------------|-------|-------|-------|---------|----|
| Bank of Pennsylvania,        | \$1,875,000         | 8     | 8     | 8     | January |    |
| Bank of North America,       | 1,000,000           | 9     | 10    | 15    | "       |    |
| Farmers and Mechanics Bank,  | 1,250,000           | 13½   | 12½   | 9     | May     | 6  |
| Philadelphia Bank,           | 1,150,000           | 8     | 12    | 15    | "       | 7  |
| Commercial Bank of Pa.,      | 1,000,000           | 8     | 8     | 8     | "       | 4  |
| Girard Bank,                 | 1,250,000           | ..    | ..    | 2     | "       | 2  |
| Mechanics Bank,              | 800,000             | 10    | 10    | 10    | "       | 6  |
| Bank Northern Liberties,     | 350,000             | 10    | 10    | 10    | "       | 10 |
| Western Bank,                | 418,600             | 8     | 10    | 10    | "       | 5  |
| Manufacturers and Mechanics, | 300,000             | 8     | 7½    | 8     | "       | 4  |
| Bank of Commerce,            | 250,000             | 3     | 6     | 6     | "       | 5  |
| Southwark Bank,              | 250,000             | 10    | 10    | 10    | "       | 5  |
| Kensington Bank,             | 250,000             | 10    | 10    | 10    | "       | 5  |
| Bank of Penn. Township,      | 225,000             | 10    | 10    | 10    | "       | 5  |
| Tradesman's Bank,            | 150,000             | ..    | ..    | 3     | "       | 3  |
| Bank of Germantown,          | 152,000             |       |       |       |         |    |
|                              | <u>\$10,670,600</u> |       |       |       |         |    |

COUNTERFEIT AMERICAN GOLD COIN.—The following is from the Philadelphia Ledger, as furnished by an officer in the Philadelphia Mint:—

"The most important class of counterfeits are the imitations of our own coin, and some have been brought to light worthy of especial notice. The varieties include the eagle, half-eagle and quarter-eagle. The die is very perfect, for although a coiner might discover that the impression is not quite so sharp and decided as the genuine coin, yet none but a practical eye can detect the difference. Even when examined under a microscope, they are found to correspond in the most minute particular to the genuine coin. This shows that the dies must have been transferred from our own coin by some mechanical process not yet known to honest workmen, as the most accomplished artist in the world could not take up the graver and make such a fac simile. The coins have rather a dull sound in ringing, but not as if flawed, although they are actually composed of three distinct pieces of metal. Where they are full weight, they are necessarily thicker than the genuine, but generally the half-eagle rim, is, in the good piece, from fifty-five to sixty thousandths of an inch within the raised rim. They appear to be made as follows: A thin planchet of silver, of Spanish standard, is prepared so nearly of the right diameter, that the subsequent overlaying of the gold plate at the edge will make it exact. Two planchets of gold are then prepared—one of them to correspond with the true diameter of the coin, the other about one-quarter of an inch larger. These two plates are soldered upon the silver, the projecting rim of the larger is bent up to meet the smaller so as to cover the edge of the coin, and the piece is finished by a blow in the coiner press. The half-eagles, which are, perhaps, the most numerous, bear various dates, such as 1844, 1845 and 1847. Of the quarter-eagle only one date, 1843, and bearing the O for the New Orleans Mint mark, has as yet been detected, but doubtless there are others in circulation. The value of the half-eagles assayed was from \$3 to \$3.40; the quarter eagles \$1.25. They are so well calculated to deceive, that they have passed undetected through the hands of good judges into the Mint. The only reliable method of detection is by their weight. If they come up to the true standard, their increased thickness will be at once apparent to a careful examiner."

# Stocks and Exchanges.

## PHILADELPHIA, 24 MAY.

|                               |      |             |
|-------------------------------|------|-------------|
| U. S. 6 per cent.....         | 1856 | 109½ @ 110  |
| Do. do.....                   | 1862 | 115 @ 116   |
| Do. do.....                   | 1867 | 118½ @ 119  |
| Do. do. [do].....             | 1868 | 119 @ 119½  |
| Do. 5 per cent.....           | 1853 | 103½ @ 104  |
| Do. Treasury Notes, 6 p. ct.  |      | 116½ @ 116½ |
| Pennsylvania, 6 pr. ct. 1879  |      | 109 @ 101   |
| Do. 5 per cent...             |      | 96½ @ 96½   |
| Kentucky, 6 per cent.....     |      | 108½ @ 109  |
| Tennessee, 6 per cent. ....   |      | 85 @ 85½    |
| Cincinnati, 6, water works, . |      | 98½ @ 99    |
| Pittsburgh, 6, .....          |      | 94 @ 96     |
| St. Louis, 6 per cent'.....   |      | 94 @ 95     |
| Bank of Pennsylvania, ..100   |      | 116½ @ 117  |
| Bank of N. America, ...100    |      | 135½ @ 136  |
| Philadelphia Bank, ....100    |      | 137 @ 138   |
| Farm. and Mechanics', ...30   |      | 67 @ 67½    |
| Commercial Bank, .....50      |      | 58½ @ 58½   |
| B. Northern Liberties, ...35  |      | 51 @ 53     |
| Mechanics' Bank, .....20      |      | 27½ @ 27½   |
| Southwark Bank, .....50       |      | 70 @ 72     |
| Kensington Bank, .....50      |      | 62 @ 63     |
| B. Penn Township, .....22½    |      | 28½ @ 29    |
| Western Bank, .....40         |      | 65 @ 67½    |
| Manuf. and Mechanics', .25    |      | 26½ @ 26½   |
| Bank of Commerce, .....50     |      | 56½ @ 58    |
| Girard Bank, .....50          |      | 12½ @ 12½   |
| Bank of Pittsburg, .....50    |      | 50 @ 54     |
| Exchange Bank, .....50        |      | 48 @ 49     |
| Merchants and Manuf. ....50   |      | 50½ @ 52    |
| Philadelphia, 6 per cent., .. |      | 107½ @ 108  |
| United States Bank, .....2½   |      | @ 2½        |
| Bank of Louisville, .....100  |      | 101 @ 101½  |
| Northern Bank, Ky., ...100    |      | 107 @ 107½  |
| Bank of Kentucky, .....100    |      | 103 @ 103½  |
| Union Bank, Tenn., ...100     |      | 60½ @ 60½   |
| Planters' Bank of Tenn., ..   |      | 61 @ 62     |
| N. O. Gas Light Bank Co.,     |      | 114 @ 115   |
| Morris Canal. ....25          |      | 15½ @ 16    |
| Reading Rail Road, .....50    |      | 24½ @ 24½   |
| Do. Bonds, 6 p. ct. 1870,     |      | 69½ @ 70    |
| Do. Mortgages, 1860, ...      |      | 76½ @ 77½   |
| Com. & Vicks. R. R. B., ...   |      | 15 @ 16     |
| Phil. and Trenton R. R. 100   |      | 138 @ 140   |
| Phil. W. Balto. R. R. ....50  |      | 24½ @ 25    |
| Harrisburgh R. R. ....50      |      | 44½ @ 45    |
| Schuylkill Navigation, ...50  |      | 18½ @ 19    |

## BALTIMORE, 24 MAY.

|                               |         |          |
|-------------------------------|---------|----------|
| Maryland, 6 per cent.,.....   | 105     | 106½     |
| Virginia, 6 per cent.,.....   | 105     | 105½     |
| Baltimore, 6 per cent., 1890, | 106½    | 107      |
| B. and O. R. R. Stock, ....   | 59½     | 60½      |
| Do. do. Bonds, 1864, 99       |         | 100      |
| Do. do. Div. Bonds, 95½       |         | 95½      |
| Bank of Baltimore, .....100   |         | 99½ 101  |
| Merchants' Bank, .....100     |         | 100½ 102 |
| Union Bank, .....75           |         | 70½ 71   |
| Mechanics' Bank, .....15      |         | 18½ 17   |
| Commer' l and Farm., ....33½  |         | 40 41    |
| Western Bank, .....20         |         | 21 21½   |
| Farmers and Planters' ...25   |         | 27½ 28½  |
| Chesapeake Bank, .....25      |         | 26 26½   |
| Marine Bank, .....30          |         | 30 30½   |
| Farmers and Merch'ts', ..40   |         | 36 37    |
| Franklin Bank, .....12½       |         | 12 12½   |
| Farmers' Bank of Md., ...50   |         | 49 50    |
| Patapsco Bank, .....25        |         | 23 23½   |
| UNCURRENT MONEY.              |         |          |
| Patapsco Bank, .....          | par.    |          |
| Havre de Grace, .....         | ½ @ 1   |          |
| Cumberland, .....             | ½ @ ¾   |          |
| Maryland, interior, .....     | ½ @ ¾   |          |
| Bank of Virginia, .....       | ¾ @ 1   |          |
| Do. do. Branches, ...         | ¾ @ 1   |          |
| Farmers' Bank of Va., .....   | ¾ @ 1   |          |
| Do. do. Branches,             | ¾ @ 1   |          |
| Exchange Bank of Va., .....   | ½ @ ¾   |          |
| Do. do. Branches,             | ½ @ ¾   |          |
| Bank of the Valley, .....     | ½ @ ¾   |          |
| Do. do. Leesburg, ..          | ¾ @ 1   |          |
| Do. do. Romney, ..            | ½ @ ¾   |          |
| Wheeling, .....               | 1 @ 1½  |          |
| New York City, .....          | par.    |          |
| Philadelphia, .....           | par.    |          |
| Pennsylvania, Country, .....  | ¾ @ 1   |          |
| New England, Country, .....   | ½ @ ¾   |          |
| Ohio, .....                   | 1½ @ 1¾ |          |
| Indiana, .....                | 1½ @ 1¾ |          |
| Kentucky, .....               | 1½ @ 1¾ |          |
| North Carolina, .....         | 1 @ 1½  |          |
| South Carolina, .....         | 1 @ 1   |          |
| Georgia, .....                | 1 @ 1½  |          |
| New Orleans, .....            | 1½ @ 2  |          |
| Tennessee, .....              | 2½ @ 2¾ |          |
| Mobile, .....                 | 1½ @ 2  |          |

NEW YORK, 25 MAY.

|                                |      |     |      |
|--------------------------------|------|-----|------|
| New York, 6 per cent., 1860    | 115  | @   | 116  |
| Do. 6 per cent., 1865          | 117  | @   | 121  |
| Do. 5 per cent., 1862          | 113½ | @   | 114  |
| Do. do. 1858                   | 107  | @   | 109  |
| N. Y. City, 7 per cent., 1857  | 112½ | @   | 113  |
| Do. 5 per cent., 1856          | 103  | @   | 104  |
| Do. Do. W. Ln. 1858            | 104  | @   | 105  |
| N. Y. and Erie R.R., new, 6    | 81   | @   | 81½  |
| Syracuse and Utica, .....8     | 137  | @   | 142  |
| Auburn and Rochester, ...8     | 103  | @   | 105  |
| Long Island,.....              | 15   | @   | 15½  |
| Providence and Stoning, ...5   | 42½  | @   | 43   |
| Tonawanda, .....20             | 115  | @   | 116  |
| Harlaem, .....60½              | @    | 61  |      |
| Mohawk, .....83                | @    | 83½ |      |
| Utica and Schenectady, ...134  | @    | 140 |      |
| Hudson River, .....6           | 75   | @   | 77   |
| Bank of New York, .....10      | 129  | @   | 130  |
| Manhattan Bank, .....7         | 113½ | @   | 114  |
| Merchants' Bank, .....8        | 120  | @   | 122  |
| Mechanics' Bank, .....5        | 119  | @   | 120  |
| Union Bank, .....10            | 129  | @   | 130  |
| Bank of America, .....7        | 108½ | @   | 109  |
| City Bank, .....8              | 117½ | @   | 119  |
| Phenix Bank, .....6            | 105  | @   | 106  |
| Tradesmen's Bank, .....15      | 138  | @   | 140  |
| Fulton Bank, .....10           | 115  | @   | 118  |
| Del. and Hudson C. Co., ...24  | 166  | @   | 167  |
| Butchers and Drovers', ...10   | 123  | @   | 128  |
| National Bank, .....8          | 110  | @   | 111½ |
| Merchants' Exchange, ...8      | 112  | @   | 114  |
| Leather Manufacturers', ...7   | 111  | @   | 112½ |
| Bank of the State of N.Y., 7   | 103  | @   | 104  |
| Bank of Commerce, .....6½      | 109½ | @   | 110  |
| Mech. Banking Ass'n., ...7     | 100  | @   | 102  |
| Amer. Exch. Bank, .....8       | 115  | @   | 118  |
| N. Y. L. I. and T. Co., ...8   | 119  | @   | 120  |
| Farmers' L. and T. Co., ...38½ | @    | 39  |      |
| Ohio Life and T. Co., ...106   | @    | 107 |      |
| Canton Co., .....47½           | @    | 47½ |      |
| Bank of Louisiana, .....8      | 126  | @   | 130  |
| Louisiana State Bank, ...6     | 92   | @   | 96   |
| N. O. Canal and B. Co., ...6   | 80   | @   | 85   |
| Mech. and Traders' Bank, 6     | 94   | @   | 100  |
| Ohio, 6 per cent., .....1870   | 118  | @   | 119  |
| Do. 7 per cent., ...Ex. div.   | 102  | @   | 102½ |
| Ill. Int. Imp. Stock, ...1847  | 49   | @   | 50   |
| Indiana Bonds, .....41         | @    | 45  |      |
| Do. State Fives, .....79       | @    | 79½ |      |
| Arkansas, 6 per cent., ....31  | @    | 40  |      |
| Alabama, 5 per cent., .....76  | @    | 80  |      |

BOSTON, 28 MAY.

|                                 |                 |   |      |
|---------------------------------|-----------------|---|------|
| Albany, W. R. R. 6's, ....      | 105½            | @ | 106  |
| Do. do. 1865                    | 104             | @ | 106  |
| Boston 6's,.....1853            | 100½            | @ | 102½ |
| Boston 5's,.....1860            | 98              | @ | 99   |
| East Boston Co.,.....           | 15              | @ | 15½  |
| Massachusetts 5's,.....1859     | 97              | @ | 99   |
| Massachusetts Sterlings, ...    | 100½            | @ | 102½ |
| Atlantic Bank,.....             | 105             | @ | 107  |
| Atlas Bank,.....                | 100             | @ | 101  |
| Boston Bank,....(par 50)..      | 55½             | @ | 56   |
| Boylston Bank,.....             | 104             | @ | 105  |
| City Bank,.....                 | 102½            | @ | 103½ |
| Cochituate Bank,.....           | 99½             | @ | 100  |
| Columbian Bank,.....            | 101             | @ | .... |
| Eagle Bank,.....                | 103             | @ | 104  |
| Exchange Bank,.....             | 101½            | @ | 104  |
| Freeman's Bank,.....            | 106             | @ | 107  |
| Globe Bank,.....                | 105             | @ | 108  |
| Granite Bank,.....              | 100             | @ | 100½ |
| Grocers' Bank,.....             | 94½             | @ | 95   |
| Hamilton Bank,.....             | 102             | @ | .... |
| Market Bank, ... (par 70)..     | 82              | @ | 83   |
| Massachusetts, (par 250)..      | 240             | @ | 246  |
| Mechanics' Bank, (S. B.)..      | 105             | @ | 106  |
| Merchants' Bank,.....           | 107½            | @ | .... |
| New England Bank,.....          | 106             | @ | 107  |
| North Bank,.....                | 98              | @ | 99   |
| Shawmut Bank,.....              | 101½            | @ | 102½ |
| Shoe and Leather Dealers',.     | 111             | @ | 112  |
| State Bank, .... (par 60)..     | 61½             | @ | 63   |
| Suffolk Bank,.....              | 125             | @ | 130  |
| Traders' Bank,.....             | 102             | @ | 103  |
| Tremont Bank,.....              | 106             | @ | .... |
| Union Bank,.....                | 103½            | @ | 104  |
| Washington Bank,.....           | 96              | @ | 96½  |
| American Insurance Co., ...     | 127             | @ | .... |
| Boston Ins. Co.,.....           | 100             | @ | 105  |
| Boylston Fire and Marine, ...   | 110             | @ | .... |
| Fireman's Ins. Co., (par 25)    | 41 pr. ct. adv. |   |      |
| Franklin Ins. Co.,.....         | 100             | @ | 101  |
| Hope Ins. Co.,.....             | 108             | @ | 110  |
| Manufacturers' Ins. Co., ...    | 125             | @ | 130  |
| Mercantile Marine,.....         | 96              | @ | 97   |
| Merchants' Ins. Co.,.....       | 125             | @ | 130  |
| National Ins. Co., ... (par 50) | 61              | @ | 65   |
| Neptune Ins. Co.,.....          | 180             | @ | 185  |
| Suffolk Ins. Co.,.....          | 90              | @ | 95   |
| Tremont Ins. Co.,.....          | 122             | @ | .... |
| United States, .... (par 50)    | 60              | @ | 65   |
| Warren,.....                    | 75              | @ | 80   |
| Washington,.....                | 95½             | @ | 96   |

## SUMMARY STATEMENT

*Of the value of the Exports of the Growth, Product and Manufacture of the United States, during the year ending June 30, 1849.*

|                                         |           |                      |
|-----------------------------------------|-----------|----------------------|
| Product of the Fisheries,               | - - - - - | \$2,547,654          |
| Furs and Skins,                         | - - - - - | 656,228              |
| Ginseng,                                | - - - - - | 182,966              |
| Other products of the forest,           | - - - - - | 5,078,800            |
| Beef, Tallow, Hides, and Horned Cattle, | - - - - - | \$2,058,958          |
| Butter and Cheese,                      | - - - - - | 1,654,157            |
| Pork, Bacon, Lard and Live Hogs,        | - - - - - | 9,245,885            |
| Horses, Mules and Sheep,                | - - - - - | 113,287              |
| Wool,                                   | - - - - - | 81,015—13,153,302    |
| Wheat,                                  | - - - - - | \$1,756,848          |
| Flour,                                  | - - - - - | 11,280,582           |
| Indian Corn and Meal,                   | - - - - - | 9,135,994            |
| Rye Meal,                               | - - - - - | 218,248              |
| Rye, Oats and other Grain,              | - - - - - | 139,793              |
| Biscuit and Ship-bread,                 | - - - - - | 364,318              |
| Potatoes,                               | - - - - - | 83,313               |
| Apples,                                 | - - - - - | 93,904               |
| Rice,                                   | - - - - - | 2,569,362—25,642,362 |
| Tobacco,                                | - - - - - | 5,804,207            |
| Cotton,                                 | - - - - - | 66,396,967           |
| All other Agricultural Products,        | - - - - - | 62,540               |
| Coal, Lead, and Ice,                    | - - - - - | 165,621              |

## MANUFACTURES.

|                                              |           |                     |
|----------------------------------------------|-----------|---------------------|
| Soap and Tallow Candles,                     | - - - - - | \$627,280           |
| Leather, Boots and Shoes,                    | - - - - - | 151,774             |
| Household Furniture,                         | - - - - - | 237,342             |
| Snuff and Tobacco,                           | - - - - - | 613,044             |
| Iron, Nails, Castings, Manufactures of Iron, | - - - - - | 1,096,172           |
| Manufactures of Cotton,                      | - - - - - | 4,933,129           |
| Gold and Silver Coin of the United States,   | - - - - - | 956,874             |
| Other enumerated Manufactures,               | - - - - - | 2,182,857—8,615,615 |
| Non-enumerated do.                           | - - - - - | \$1,408,278         |
| All other articles not enumerated,           | - - - - - | 769,557—2,177,083   |
| Total Domestic Exports,                      | - - - - - | \$132,666,964       |

—*Tribune.*

ALABAMA.—The Alabama Journal says a perfect revolution has taken place in the public mind on the subject of banking and the internal improvements, and the recent Legislature has acted in accordance thereto. Had the Constitution allowed it, we have no doubt four joint-stock banks would have been chartered, one for North, one for South, one for East, and one for West Alabama. As it is, the Legislature went as far as it could go on this subject. It chartered a joint-stock bank for Mobile, with a capital of \$834,000; allowed the addition of \$1,500,000 more to the circulation of the Bank of Mobile, and passed a general free banking law, with a circulation based on U. S. stocks.

## COMMERCE OF NEW YORK.

For the years 1848 and 1849—showing a large Increase in the Imports and a large Decrease in the Exports.

| IMPORTS.          |       |                     |                    |                    |
|-------------------|-------|---------------------|--------------------|--------------------|
| Year 1848.        |       | Dutiable.           | Free.              | Specie.            |
| 11 months,        | - - - | \$75,753,331        | \$8,024,189        | \$1,033,231        |
| December,         | - - - | 3,251,940           | 283,755            | 70,488             |
|                   |       | <u>\$79,005,271</u> | <u>\$8,307,944</u> | <u>\$1,103,719</u> |
| 1849.             |       |                     |                    |                    |
| 11 months,        | - - - | \$80,472,494        | \$9,035,202        | \$4,085,834        |
| December,         | - - - | 4,407,715           | 362,858            | 1,381,824          |
|                   |       | <u>\$84,880,209</u> | <u>\$9,398,060</u> | <u>\$5,467,658</u> |
| 1848,             | - - - | 79,005,271          | 8,307,944          | 1,103,719          |
| Increase of 1849, | - -   | <u>\$5,874,938</u>  | <u>\$1,090,116</u> | <u>\$4,363,939</u> |

| EXPORTS.                                      |                     |                  |                    |                        |
|-----------------------------------------------|---------------------|------------------|--------------------|------------------------|
| Year 1849.                                    | Dom. Mdx.           | F'n Free.        | F'n Du.            | Specie.                |
| 11 months,                                    | \$27,930,036        | \$835,918        | \$2,726,488        | \$4,661,477            |
| December,                                     | 2,062,734           | 20,822           | 617,720            | 141,973                |
|                                               | <u>\$29,992,770</u> | <u>\$856,740</u> | <u>\$3,344,208</u> | <u>\$4,803,450</u>     |
| Aggregate exports for the year 1849,          | - - -               | - - -            | - - -              | \$39,016,968           |
| “ “ “ 1848,                                   | - - -               | - - -            | - - -              | 44,689,063             |
| Decrease,                                     | - - -               | - - -            | - - -              | <u>\$5,672,095</u>     |
| 1849. Amount of Duties collected in Dec.,     | - - -               | - - -            | - - -              | \$1,213,058.47         |
| Previously,                                   | - - -               | - - -            | - - -              | 20,719,959.97          |
| Total for 12 months,                          | - - -               | - - -            | - - -              | <u>\$21,933,018.44</u> |
| 1848. Amount of Duties collected in December, | - - -               | - - -            | \$810,315.50       |                        |
| Previously,                                   | - - -               | - - -            | 19,293,119.56—     | 20,103,435.06          |
| Increase in 1849,                             | - - -               | - - -            | - - -              | <u>\$1,829,583.38</u>  |

The public debt now amounts to the sum of \$64,704,693.71, which will be redeemable, as follows:—

|                                                                            |       |                        |
|----------------------------------------------------------------------------|-------|------------------------|
| Parts of the old funded and unfunded debt on presentation,                 | - - - | \$122,735.10           |
| Debts of the District cities assumed by Congress, \$60,000 payable ann'ly, | - - - | 960,000.00             |
| Five per cent. stock, per act of August, 1846, redeemable August 9, 1851,  | - - - | 303,573.92             |
| Five per cent. loan of March 3, 1843, redeemable July 1, 1853,             | - - - | 6,468,231.36           |
| Six per cent. loan of July 22, 1846, redeemable November 12, 1856,         | - - - | 4,999,149.45           |
| Six per cent. loan of April 15, 1842, redeemable December 31, 1862,        | - - - | 8,198,686.03           |
| Six per cent. loan of January 28, 1847, redeemable January 1, 1868,        | - - - | 27,618,350.55          |
| Do do do do,                                                               | - - - | 149,828.00             |
| Six per cent. loan of March 31, 1848, redeemable July 1, 1868,             | - - - | 15,740,000.00          |
| Treasury notes,                                                            | - - - | 144,139.31             |
|                                                                            |       | <u>\$64,704,693.71</u> |

## NORTH CAROLINA.

*Comparative View of the Condition of the Bank of Cape Fear and six Branches, 1849 and 1850.*

| LIABILITIES.                          | 1 April, 1849. | 1 April, 1850. |
|---------------------------------------|----------------|----------------|
| Capital, . . . . .                    | \$1,500,000    | \$1,500,000    |
| Circulation, . . . . .                | 1,489,573      | 1,740,451      |
| Individual Deposits, . . . . .        | 191,545        | 280,320        |
| Bank Balances, . . . . .              | 19,847         | 22,824         |
| Surplus, . . . . .                    | 122,627        | 165,792        |
| In transitu, . . . . .                | 13,438         | 14,025         |
|                                       | \$3,336,930    | \$3,723,412    |
| RESOURCES.                            |                |                |
| Discounted Notes, . . . . .           | \$1,839,733    | \$1,940,475    |
| Bills of Exchange, foreign, . . . . . | 245,481        | 295,392        |
| Bank Balances, . . . . .              | 109,928        | 412,965        |
| Notes of other Banks, . . . . .       | 191,554        | 187,228        |
| Specie on hand, . . . . .             | 629,757        | 665,796        |
| United States Stock, . . . . .        | 250,000        | 150,000        |
| Real Estate, . . . . .                | 70,479         | 71,556         |
|                                       | \$3,336,930    | \$3,723,411    |

## MICHIGAN.

*Michigan State Bank, 1848, 1849, 1850.*

| LIABILITIES.                                      | 1 Jan. 1848. | 1 Jan. 1849. | 1 Jan. 1850. |
|---------------------------------------------------|--------------|--------------|--------------|
| Capital Stock, . . . . .                          | \$140,500    | \$148,700    | \$148,895    |
| Circulation, . . . . .                            | 220,900      | 195,598      | 185,821      |
| Individual Deposits, . . . . .                    | 65,982       | 100,156      | 95,661       |
| Profit and Loss, . . . . .                        | 15,708       | 16,350       | 8,450        |
| Miscellaneous, . . . . .                          | 2,468        | 4,497        | 4,393        |
| Total Liabilities, . . . . .                      | \$445,558    | \$465,302    | \$443,220    |
| RESOURCES.                                        |              |              |              |
| Bills discounted, . . . . .                       | \$170,230    | \$206,166    | \$225,590    |
| Judgments, Stocks, Bonds and Mortgages, . . . . . | 61,285       | 53,232       | 44,466       |
| Central Rail Road Bonds, . . . . .                | 61,120       | 54,900       | 56,176       |
| Coin on hand, . . . . .                           | 61,965       | 58,328       | 44,554       |
| Notes and Checks of other Banks, . . . . .        | 23,892       | 6,214        | 12,173       |
| Bank Balances, . . . . .                          | 65,478       | 84,822       | 58,196       |
| Miscellaneous, . . . . .                          | 1,588        | 1,642        | 2,065        |
| Total Resources, . . . . .                        | \$445,558    | \$465,302    | \$443,220    |

NEW YORK MONEY MARKET, May 24.—The stock exchange has been quite animated to-day, and a very active business has been done at better prices. About \$60,000 U. S. 6's of 1867 sold at 118½, an improvement of ½; a small sale of '68 coupon was made at 121. At the second board New York city 5's closed at 104½. Money continues easy with an abundance of capital offered. There has been for a day or two a larger supply of desirable paper in market, but it has been freely taken at quoted rates.

## Notes on the Money Market.

BOSTON, 27 MAY, 1850.

*Exchange on London, 60 days, 9½ @ 10¼ premium.*

Extensive operations have taken place this month, in government and State securities. High prices have been demanded and obtained, supported by quotations from London, accompanied with orders for remittances. There is a silent abstraction of this species of capital from the United States to Europe, not, we are sorry to say, for investment in public or internal improvements that would exercise a favorable influence upon the condition of the country for the next twenty years, but to pay for costly manufactured goods.

United States six per cents of 1868 have reached 119¾ and 120¼ demanded. The following are the quotations for the last three months.

|                                    | 25 March.  | 25 April.  | 25 May.    |
|------------------------------------|------------|------------|------------|
| United States six per cent. 1868,  | 115 @ 115¼ | 118½ @ 119 | 119 @ 119¾ |
| New York State, 5 per cent.,       | 105 @ 108  | 106 @ 109  | 107 @ 111  |
| Massachusetts, 5 per ct. sterling, | 100½ @ 101 | 100½ @ 101 | 101 @ 102  |
| Kentucky, 6 per cent. 1871,        | 104 @ 104½ | 106 @ 107  | 108½ @ 109 |
| Pennsylvania, 5 per cent.,         | 91¼ @ 91¼  | 93¼ @ 93¼  | 96¼ @ 96¾  |

The stock market has been active during the month, exhibiting generally advanced prices. There is a slight improvement in railroad securities, and increased confidence in this species of investment. As a specimen of the business done upon our railroads, we annex the returns of the Worcester Railroad Co. for the last eight years. The stock of this company has ranged from 95 to 98 during the year 1850.

Capital, passengers, freight, receipts, &c., of the Boston and Worcester Railroad from 1842 to 1849, as follows:

| Year. | Length. | Cost.       | Receipts.   |           |                   |           |
|-------|---------|-------------|-------------|-----------|-------------------|-----------|
|       |         |             | Passengers. | Freight.  | Mails, Rents, &c. | Total.    |
| 1842  | 45      | \$2,764,396 | \$186,610   | \$148,188 | \$14,408          | \$349,206 |
| 1843  | 45      | 2,836,169   | 207,267     | 162,656   | 13,441            | 383,367   |
| 1844  | 45      | 2,914,078   | 234,633     | 175,996   | 15,783            | 426,413   |
| 1845  | 45      | 3,212,264   | 241,219     | 233,505   | 12,732            | 487,456   |
| 1846  | 54      | 3,485,232   | 279,793     | 260,165   | 14,754            | 554,712   |
| 1847  | 59      | 4,113,610   | 304,580     | 374,663   | 42,927            | 722,170   |
| 1848  | 67      | 4,650,393   | 332,886     | 353,073   | 24,325            | 716,284   |
| 1849  | 69      | 4,908,332   | 330,606     | 331,338   | 41,417            | 703,361   |

| Year. | Roadbed. | Expenses.     |                |           | Total.    | Net Income. |
|-------|----------|---------------|----------------|-----------|-----------|-------------|
|       |          | Motive Power. | Miscellaneous. | Total.    |           |             |
| 1842  | \$51,457 | \$19,073      | \$107,980      | \$178,510 | \$170,696 |             |
| 1843  | 44,502   | 28,559        | 117,488        | 190,549   | 192,818   |             |
| 1844  | 49,158   | 57,337        | 124,754        | 231,249   | 195,164   |             |
| 1845  | 69,444   | 61,263        | 129,022        | 249,729   | 237,727   |             |
| 1846  | 47,444   | 67,262        | 172,170        | 286,876   | 267,836   |             |
| 1847  | 65,195   | 91,141        | 225,650        | 381,986   | 340,184   |             |
| 1848  | 50,520   | 61,512        | 269,886        | 381,918   | 334,366   |             |
| 1849  | 86,883   | 72,298        | 246,370        | 405,551   | 297,810   |             |

But little fluctuation has taken place in the price of foreign bills for the month past. The present rate is somewhat above the specie point, and remittances of coin are going forward in small sums, while large remittances are making in United States and State stocks.

We quote bills for the steamer of May 29.

|                  |              |                  |           |
|------------------|--------------|------------------|-----------|
| London, 60 days, | 109 @ 110½   | Bremen, 60 days, | 79 @ 79½  |
| Paris, “         | 5,27½ @ 5,25 | Hamburg, “       | 35½ @ 35½ |

The shipments of coin during the current year have been as follows, from January 1, to May 25.

|                |             |              |           |
|----------------|-------------|--------------|-----------|
| From New York, | \$1,400,000 | From Boston, | \$250,000 |
|----------------|-------------|--------------|-----------|

The government receipts for the last two quarters are shown to be,

|                                 | To December 31, 1849. | To April 30, 1850.  |
|---------------------------------|-----------------------|---------------------|
| Customs, - - - -                | \$7,208,060           | \$11,500,144        |
| Land sales, - - - -             | 533,584               | 565,448             |
| Loans, &c., - - - -             | 563,598               | 2,802,793           |
| <i>Total, six months,</i> - - - | <u>\$8,305,242</u>    | <u>\$14,868,385</u> |

The above figures are sufficient in themselves to account for the present rates of foreign bills. With coin and stocks going forward by every steamer, it must be seen that a drain is taking place which cannot continue long without seriously disturbing the banking system.

That the imports are excessive, may be seen by comparing the customs receipts of 1850 with those of late years.

|                 |              |                   |              |
|-----------------|--------------|-------------------|--------------|
| Year 1836 - - - | \$23,410,000 | Year 1844 - - -   | \$26,183,000 |
| “ 1837 - - -    | 11,169,000   | “ 1845 - - -      | 27,528,000   |
| “ 1838 - - -    | 16,158,000   | “ 1846 - - -      | 26,712,000   |
| “ 1839 - - -    | 23,138,000   | “ 1847 - - -      | 23,747,000   |
| “ 1840 - - -    | 13,500,000   | “ 1848 - - -      | 31,757,000   |
| “ 1841 - - -    | 14,487,000   | “ 1849 - - -      | 28,346,000   |
| “ 1842 - - -    | 18,187,000   | “ 1850 SIX MONTHS | 18,708,000   |

CALIFORNIA.—The following is the official exhibit of receipts of gold from California, to the 15th of May.

|                                                                                        |              |
|----------------------------------------------------------------------------------------|--------------|
| Total receipts up to May 1, 1850, at the Philadelphia and New Orleans Mints, - - - - - | \$13,875,452 |
| Receipts at the Philadelphia Mint from May 1 to May 14, 1850,                          | 1,550,000    |
| Estimated receipts at the New Orleans Mint, - - - - -                                  | 250,000      |

Grand total to 14th of May, - - - - - \$15,675,452

Against this aggregate of nearly sixteen millions, the California balance sheet exhibits on the debit side, viz. :

|                                                                                                                        |            |
|------------------------------------------------------------------------------------------------------------------------|------------|
| One thousand one hundred and seventy-one vessels taken for the trade, valued at \$46 per ton, 300 tons each, - - - - - | 16,000,000 |
| 1171 cargoes, valued at \$20,000 average, - - - - -                                                                    | 24,000,000 |
| Private capital abstracted for temporary uses in California, <i>estimated at</i> 10,000,000                            |            |

It may be assumed that one-third of these vessels will never reach the Atlantic again, and that the cargoes will not realize one-half the prime cost. The present result is therefore as follows :

ACCOUNT CURRENT WITH CALIFORNIA FOR 1849-'50.

| <i>Dr.</i>                |              | <i>Contra Credit.</i>           |              |
|---------------------------|--------------|---------------------------------|--------------|
| To 1171 vessels valued at | \$16,000,000 | By gold dust received           | \$16,000,000 |
| “ 1171 cargoes “          | 24,000,000   | Estimated loss                  | 10,000,000   |
| “ cash advanced           | 10,000,000   | Estimated val. vessels return'g | 8,000,000    |
|                           |              | Balance forward,                | 16,000,000   |
|                           | \$50,000,000 |                                 | \$50,000,000 |

It will thus take fully one year's receipts at least, in gold dust, to compensate for the existing outlay, to say nothing of the abstraction of capital now daily occurring for the same destination.

The New York banks exhibit a decrease in coin for 12 months past, viz. :—

| <i>Coin.</i>      | <i>June 30.</i> | <i>Sept. 22.</i> | <i>Dec. 29.</i> | <i>March 30.</i> |
|-------------------|-----------------|------------------|-----------------|------------------|
| N. Y. City Banks, | \$9,586,000     | \$8,000,000      | \$7,169,000     | \$6,861,000      |

The sixteen millions of coin from California must be in private hands, or in the Sub-Treasury, the government funds on hand being about ten millions. The fostering care of the general government not only offers inducements for large importations from abroad, by low duties, but the coin paid into the Treasury by the people, a fund that should be available for the general good of the whole, is locked up and incapable of producing any good.

Congress has passed a good law, authorizing the Treasury to advance cash upon the gold deposits, whereby the delay hitherto experienced of sixty to ninety days, will be obviated. Nothing is yet done towards the establishment of branch mints in New York or San Francisco. The creation of the latter may be looked upon as of less importance than that at New York. Nine-tenths of the gold product of California, must, in the ordinary way of trade, come to New Orleans or New York, and it is of little importance to the owners whether it comes in the shape of dust or coin. But to the New York and Boston banks it is of some moment to have a branch mint nearer at hand. Assuming the transfers of dust and coin for coinage between Philadelphia and New York to be twenty millions per annum, this alone carries an actual cost, in the shape of commissions and other expenses, of at least one quarter of one per cent.,—say \$50,000, setting aside the loss of time, risk, and trouble to parties concerned.

At New York the money market is in a better condition than with us. We quote,

|                                 |         |
|---------------------------------|---------|
| Loans on call—stock securities, | 4 @ 5   |
| do other good securities,       | 5 @ 6   |
| Prime bills—60 @ 90 days,       | 6 @ 6½  |
| do 4 @ 6 months,                | 6 @ 7   |
| Auctioneers' bills,             | 7 @ 8   |
| Other good bills,               | 7½ @ 8½ |
| Names less known,               | 9 @ 10  |

Four months' paper, well endorsed, has been sold at six per cent. in some instances, but this is a fraction under the current rate. At Boston, money is in more demand than at New York. We quote 60 day bills, prime paper, 7 to 8 per cent., and second rate paper 9 to 12 per cent.

There is an essential relief experienced in the Boston money market within the last thirty days. The banks are enabled to do nearly all the good paper that offers.

There is a great concentration of capital as well as business at New York. The legal rate of interest being higher there than in the adjoining States, is in itself an inducement for the flow of capital from other domestic as well as foreign sources. Connecticut, Massachusetts, New Jersey, &c. aid in the supply of capital to the great commercial emporium, and of this no clearer evidence is wanted than the line of deposits of the New York city banks, viz.: February 1849, \$22,900,000, June 1849, \$27,200,000, December 1849, \$28,800,000, and on the 1st April, 1850, \$31,200,000, while at the same time there was due other banks \$12,000,000. Here is an aggregate and available line of deposits, varying but little from month to month, of forty-three millions of dollars—while the entire deposits and foreign balances held by the one hundred and nineteen banks in Massachusetts are about fifteen millions of dollars.

The Sub-Treasury now holds at New York about five millions in coin. This sum will shortly be advanced by payments on account of the Mexican indemnity, and by advance payments of mint certificates.

### SALES OF PUBLIC LANDS IN 1849 AND 1850.

[Communicated for Publication in the Bankers' Magazine.]

| <i>States.</i>         | <i>Sales in 1848.</i> | <i>Receipts, 1848.</i> | <i>Sales in 1849.</i> | <i>Receipts, 1849.</i> |
|------------------------|-----------------------|------------------------|-----------------------|------------------------|
| Ohio,                  | Acres 6,895,292       | \$113,991.87           | Acres 4,588,585       | \$77,482.49            |
| Indiana,               | 39,611,338            | 707,967.52             | 17,047,882            | 276,061.28             |
| Illinois,              | 29,786,950            | 372,414.08             | 26,117,988            | 326,874.36             |
| Missouri,              | 22,250,272            | 278,197.64             | 17,073,196            | 213,602.37             |
| Alabama,               | 9,447,878             | 118,561.76             | 14,480,733            | 181,453.51             |
| Mississippi,           | 2,949,631             | 36,882.87              | 3,224,916             | 42,409.34              |
| Louisiana,             | 14,559,013            | 183,630.55             | 7,329,870             | 91,637.19              |
| Michigan,              | 6,973,275             | 106,049.49             | 4,839,568             | 71,204.88              |
| Arkansas,              | 9,475,287             | 118,441.87             | 6,149,778             | 76,872.34              |
| Florida,               | 1,805,274             | 22,573.89              | 1,448,774             | 18,105.91              |
| Iowa,                  | 15,590,230            | 194,990.48             | 9,791,885             | 122,532.23             |
| Wisconsin,             | 29,410,864            | 367,913.24             | 20,778,858            | 259,916.00             |
| Minesota Territory,    | none                  |                        | 181,196               | 2,264.98               |
| <b>Total, 2 years,</b> | <b>188,755,304</b>    | <b>\$2,621,615.26</b>  | <b>133,053,231</b>    | <b>\$1,760,316.88</b>  |

End of Vol. IV. BANKERS' MAGAZINE,

comprising the monthly numbers from July, 1849, to June, 1850, both inclusive.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100









