

THE  
BANKERS' MAGAZINE,  
"

AND

Statistical Register.

---

EDITED BY J. SMITH HOMANS,  
CORRESPONDING SECRETARY OF THE CHAMBER OF COMMERCE OF THE STATE OF NEW YORK

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"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 reformation."

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VOLUME TWELFTH,  
OR,  
VOLUME SEVENTH, NEW SERIES.

FROM JULY, 1857, TO JUNE, 1858, INCLUSIVE.

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NEW YORK:  
PUBLISHED BY J. SMITH HOMANS, JR.,  
No. 162 PEARL STREET.  
1857-'58.

HG1501

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v.12



# GENERAL INDEX

TO THE

TWELFTH VOLUME (OR SEVENTH VOLUME—NEW SERIES)

OF THE

*Bankers' Magazine and Statistical Register,*

FROM

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THE  
**BANKERS' MAGAZINE,**  
AND  
**Statistical Register.**

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VOL. VII. NEW SERIES. JULY, 1857.

No. 1.

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**MONEY OF ACCOUNT.**

INQUIRING prices and fixing them occupy a large portion of the time and attention of all men in trade, and not a little of many others whose only connection with business is to purchase for the supply of their own wants. The conversation and discussion on the subject of prices, where no sale or transaction takes place, greatly exceeds, perhaps ten-fold, that which results in a change of property. The minds of a large proportion of the people in all thriving business communities become familiar with the prices of a certain range of articles which they have most occasion to purchase or sell. They keep pace with the fluctuations, and are well advised when they are asked, more or less, for any given commodities. These respective or comparative prices are readily borne in mind. House-keepers well know the comparative rates of coffee, tea, sugar, rice, pepper and other things which go to swell the household expenses. They know that a pound of beef is worth more than a pound of bread, and that a pound of butter is worth more than one of beef; and not only so, but they know it accurately and independently of any actual purchase; they know it without actually naming any price in money for each article. This idea of the comparative price of these articles is carried in their minds with perfect facility. And although for facility and perfect convenience these prices are expressed in money, yet any one familiar with prices could readily say a pound of rice is worth two pounds of flour, a pound of beef is worth four of flour, a pound of tea is worth eight of coffee, a bushel of wheat is worth two of potatoes, and very

many could run round a whole range of comparisons showing a definite and precise idea of the respective prices of the articles named.

In all business transactions prices are fixed and expressed in money of account. It forms the universal medium of estimate and comparison. Money of account may either correspond with the current coins or not. In England all valuations are made in the terms *pounds, shillings, pence and furthings*, and occasionally in *guineas*. The coins correspond; that is, in naming a pound, you express a sum or value which has an equivalent in the sovereign; the shilling of account has its equivalent in the coined shilling, and so of the penny. In the United States, the money of account is expressed in dollars and cents, and the coins correspond. In many countries, however, the money of account and coins do not correspond. In China prices are expressed in *tales, mace and candarines*, and accounts are so kept, and evidences of debt are written in the same way, so that these denominations are the money of account. Coins are not used in China. Gold and silver are largely used in payments and mercantile transactions, but always by weight, being valued like other commodities in the money of account—the value or price fluctuating according to the plenty or scarcity, the rate of exchange, the degree of fineness and other causes. There is a very great diversity in Europe in the moneys of account and coins; in many places there are various modes of keeping accounts, and various systems of coins, and no agreement among them; in some there is a partial agreement. In Gibraltar accounts are kept in dollars, which express a value equal to about two-thirds of our dollar, and without any corresponding coin. [See Kelly's *Cambist*, Grund's *Merchants' Assistant*, and other similar works—*Austria, Venice, Genoa.*] Before the independence of the United States our provincial currencies furnished a striking example of a money of account without coins. In none of the provinces were there coins to correspond with the pounds, shillings and pence, in which all accounts were kept and values expressed. The Spanish coins in circulation were valued or priced in this money as any other commodities were; and as great fluctuations took place in the value of the precious metals in our colonial period, owing chiefly to an unfavorable exchange, these variations were readily and easily measured and exhibited in the regular price currents of the day. It was as easy to follow the variations in the price of dollars or doubloons as in a barrel of flour, and so the experience of many years proved.\* So firmly are these moneys of account fixed in the public mind, that half a century has not obliterated them in many of the old States. In Massachusetts, New York and Virginia it is not uncommon to hear people expressing prices in pounds, shillings and pence; and although all accounts are kept in the legal money of account, of dollars and cents, prices or values are more easily fixed in the old denominations, because the value they represent or denote is more deeply fixed in the minds of men. In making a price, it is first, by inveterate habit, stated in the old way, and then converted, if necessary, into the new, as men sometimes

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\* There were special difficulties and disturbing causes affecting the colonial currencies, not touching this point, which we cannot notice here.

think in one language and express themselves in another. So if in Great Britain sovereigns and shillings were wholly withdrawn from circulation, and Spanish or French coins substituted, the people would continue to think and value in pounds, shillings and pence until some powerful disturbing cause broke down the habit. It is more than half a century since the present admirable metrical system of weights and measures was adopted in France, with all the advantage of a decimal subdivision, yet the mass of the people continue to think and estimate under the imperfect and complicated systems which had been long in possession of the public mind. The idea of a specific value and quantity once lodged in the mind, and familiarized by daily and constant use, will be as difficult to eradicate as one's native language. We may learn a new language, but we cannot easily forget that in which we have chiefly conversed from childhood, and in which we must continue to shape our ideas long after we may begin to express them in another. There are great numbers of business men familiar with the prices of a large number of the commodities of trade, engaged in daily discussing them, making sales and purchases, or quite competent to make them, yet when produced and exhibited, wholly unable to recognise the quantities of which they speak, or to specify the quantity of gold or silver which is the equivalent of the prices they so fluently quote. They can tell you the price of a ton of iron, a hundred weight of sugar or a barrel of flour, but they might be wholly unable to tell whether a lot of iron contained one or five tons, whether a lot of sugar contained one or five *cuts.*, or whether a barrel of flour contained one or five hundred pounds. Nor could they tell the weight or size of the quantities of gold or silver which would be equivalent to the prices named. The editor of a price current, who is constantly conversant with prices of almost the whole range of commerce, and quite able from his familiarity with prices to buy and sell, may be wholly ignorant of coins, of the mode of weighing the precious metals, or any other commodity. When coins are wholly and for a long period banished from circulation, men find no difficulty in naming prices and proceeding with the whole business of trade. In the United States, gold and silver are the only legal tender in payment of debts, and yet not one thousand dollars of debt in a thousand millions is paid in those metals. Men must, therefore, be much more familiar with prices and with money of account than they are with the precious metals. If these were subdivided in pieces weighing a pennyweight each, very few merchants could tell the value of one of these pieces, or show how many of them would express the price of any article whatever.

When a price is fixed, therefore, in the ordinary course of dealing, the naming such price is not the same thing as holding up to the party to whom it is named a quantity of gold or silver of equivalent value. When a barrel of flour is said to be worth five dollars, the party fixing that price does not mean the *quantity* of gold in a half eagle, or of silver in five dollars, for that quantity he does not know. He uses the same expression he would use if he were asked the value of the half eagle—"five dollars." So, if in England an article is said to be worth fifty-five shillings, neither party forms any idea of the quantity of gold.

equivalent to that amount, although payment cannot be made in silver beyond forty shillings. So, during our Revolutionary war, when for many years there was only a paper circulation, prices were expressed in the various currencies of the different colonies, and very few indeed could have been guided by the quantity of gold or silver equivalent to any price expressed in their pounds, shillings and pence.

It is evident, therefore, that money of account is the medium in which prices are quoted and expressed in all countries. It is capable of measuring, comparing and stating values to the utmost extent of the requirements of trade. Much confusion of ideas has arisen from blending the functions of coins with those of money of account, in legislation, in works on the subject of money and in conversation. It is unfortunate for clear views on this subject, that the money of account has not in all countries, as in China, been kept wholly distinct from the coins.

The errors prevalent on this subject are very distinctly exemplified by Mr. Locke, in his tract on money, published in the controversy on the re-coining in England, at the close of the 17th century. The great philosopher had no conception of the real functions of a money of account. He tells us that "Men in their bargains contract not for denominations or sounds, but for the intrinsic value, which is for the quantity of silver by public authority warranted to be in pieces of such denominations; and it is by having a greater quantity of silver that men thrive and grow richer, and not by having a greater number of denominations, which, when they come to have need of their money, will prove but empty sounds, if they do not carry with them the real quantity of silver expected."\* Again: "The yard or quart men measure by, may rest indifferently in the buyers or sellers or a third person's hands, it matters not whose it is. But it is not so in silver. It is the thing bargained for, as well as the measure of the bargain; and, in commerce, passes from the buyer to the seller, as being in such a quantity equivalent to the thing sold; and so it not only measures the value of the commodity to which it is applied, but is given in exchange for it. But this it does only by its quantity and nothing else. For it must be remembered that silver is the *instrument* as well as *measure* of commerce. And every one desiring to get as much as he can of it for any commodity he sells, it is by the *quantity* of silver he gets for it in exchange and by nothing else, that he measures the value of the commodity he sells." (Page 4, 5, *idem*.)

As the arguments and authority of Mr. Locke are greatly relied upon in the controversy which has been waged on this subject, it may be proper to state his views still more fully. After having insisted upon silver as the proper standard of value, and urged his objections to the double standard, he adds: "*One metal*, therefore, alone can be the money of account and contract, and the measure of commerce in any country. The fittest for this use is silver. It is enough that the world has agreed in it and made it their *common money*; and, as the Indians

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\* Page 9 of Locke's Tract. Further considerations on raising value of money, 2d Ed. 1695.

rightly call it, *measure*, all other metals, gold as well as lead, are but commodities.\*

If these misconceptions were not still frequently reiterated, it would scarcely seem necessary to refute them, as that was done at the time of their publication, and has been frequently since. In Mr. Locke's day, silver was the common medium of payment in small transactions, and he was not familiar with the modes of payment in the large operations of trade. He could not distinguish between the shilling of account and the shilling of silver. Even in the seventeenth century, before the Bank of England emitted a paper currency, a large portion of the great payments of commerce were effected in various other ways among merchants, than by the transfer of the precious metals. When Mr. Locke asserted that men did not contract *for* denominations, he simply overlooked the fact that they contracted *by* them. They used denominations continually as a scale, a measure or an instrument, in all their quotations of price, valuations and bargains, but only used silver and gold when they were actually present, and then as a commodity and an equivalent. Mr. Locke could not foresee that for nearly a quarter of a century gold and silver almost disappeared from the circulation of England, and that during that period men were so far from always contracting for silver or gold, that no man ever expected to receive any payment in these metals or either of them. He could not foresee that his descendant, Lord King, would make himself conspicuous as the only man in the nation who insisted on being paid in gold, giving his tenants special notice that their rents could only be discharged in that way. Yet all the business of the trade and revenue of Great Britain, from 1797 to 1822, a period of immense operations in war and commerce was carried on *by* the aid of the denominations *pounds, shillings* and *pence*, and bank notes. The theory of Mr. Locke must fall to the ground before such an example as this, whatever may have been the effects of Lord King to uphold it by his individual exertions. †

The controversy in which Mr. Locke launched his "Further Considerations concerning raising the value of Money," would have been of still greater importance if it had resulted in a true solution of the question. It was, however, conducted, though with great ability, under an entire misapprehension, by both parties, of the true issue. The points started excited inquiry and speculation on the subject of money to such an extent, that England, during the last century and a half, has produced more writings on currency, banking and money, than all the world beside. To these may be added a huge pile of folios emanating from Parliamentary Committees, embodying a mass of valuable facts, evidence and experience. The misconceptions of Mr. Locke and Mr. Lowndes have never yet been cleared up. It was impossible for them ever to coincide, because they regarded the subject from a different point of

\* Page 21, *idem*. His views stated shortly at page 22.

† Lord King published a pamphlet on the restriction of specie payments by the bank, in 1808, and gave the notice mentioned to his tenants. This occasioned a special act of Parliament, which showed that the ministry of the day understood the subject as little as his lordship.

view, and of course, with different objects and impressions. A full comprehension of the nature of money of account was needed to enable them to grapple with the real difficulties of the recoinage. That step had become necessary by the miserable state of depreciation into which the coins of the realm had sunk during the last half of the seventeenth century. Owing to the natural wear and the frauds by clipping, punching, sweating and other similar means, the silver coins had depreciated from *five to twenty per cent.*\* The point to be settled for the action of the government, was whether the new coins should be issued of the original weight, or be made to correspond to their value at the average depreciation. Mr. Locke, who for the want of a merchant's familiarity with the subject of money, could not bring his powers of abstraction to bear, did not conceive of a mere money of account, but involved himself in a labyrinth of fallacies, by treating silver coin as the only possible money. His fundamental positions were in connection with those already cited, that "Silver is the instrument and measure of commerce in all the civilized and trading parts of the world." "The intrinsic value of silver considered as money, is that estimate which common consent has placed on it." "That an equal quantity is always of equal value to an equal quantity of silver." † The last position is always true, says Ruding, except in the case of coinage, to which Locke applied it. ‡

These unsound and oft-refuted positions are sufficiently plausible to influence many minds. The least reflection will satisfy practical men that silver is not the instrument and measure of commerce; it is merely one of the agents sometimes employed in trade, but frequently dispensed with and never indispensable. The intrinsic value of silver is fixed, like the value of other articles, by the cost of obtaining it, by the demand for it, and by other causes, special and general, applicable to other commodities. An equal quantity of silver is not always at the same price with an equal quantity of silver, because that implies that no change ever takes place in the value of silver, when, at the present time, all merchants know that it does change in value frequently, and our price currents chronicle these changes in the price of gold and silver, as they do other changes in price. Entertaining these false notions, Mr. Locke looked upon a crown or five-shilling piece, or a shilling, or a Spanish dollar, as a certain defined quantity of silver, unalterable in value, and inseparable in idea from the silver itself. In his view, goods were only sold for the silver named as the price. He could not understand that dollars could be said to be worth *4s. 6d.*, *4s. 7d.*, *4s. 8d.*, &c., or that crowns could be quoted, in case of a demand for silver in France or Holland, or in case of a high exchange, at *5s. 1d.* or *5s. 2d.*, &c. He saw the confusion of terms, but could not understand why  $19\frac{3}{4}$  pennyweights of uncoined silver should be at a higher price than a crown purporting the same weight; nor why an ounce of silver, at the very time he wrote, was selling at *6s. 5d.* when it ought to be worth only *5s. 2d.*, by his doctrine. For, formerly, when the full weight crown was worth only five shillings for the  $19\frac{3}{4}$  dwts. of silver it contained, the ounce of silver was only

\* Lowndes, 60, 61. Taylor on "*Money System of England*," 81.

† Pages 1, 2, Locke's Tract. ‡ Ruding's *Annals of the Coinage*, vol. ii. page 42.

worth 5s. 2d. Silver had, therefore, apparently risen about 20 per cent. All this, to Mr. Locke's mind, was the merest confusion of terms, wholly unintelligible, the jugglery of agiotage, for with him a dollar was a dollar, a crown a crown, a shilling a shilling, an ounce of silver an ounce, and nothing more or less. He supposed that men's minds had become confused, and that no change had taken place except a depreciation in the defaced and clipt coins. His opponents saw very clearly the apparent change in value. They saw clearly that, as matters then stood, a crown of full weight was worth 6s. 3d., and not merely 5s., as formerly rated. "That silver in England being grown scarce, is consequently grown dearer. That it is risen in price from 5s. 2d. to 6s. 5d. per ounce."\* This seemed to them an actual enhancement of price. It was only apparent, however, for no such increase of price had taken place on the Continent. The real difficulty in this question, in which both parties were partly right, was that neither understood nor appreciated the nature and functions of a money of account. The coins had, according to the usage of Europe, been made to correspond with the money of account, a correspondence which has produced unnumbered mischiefs, and stood darkly in the way of clear views of the subject of money. As the coins in the course of half a century gradually lost value by abrasion or clipping, the money of account followed, and a change which was so gradual that the public took no note of it. Shillings, which had lost a fourth of their weight, were still called shillings; crowns, which had lost a tenth, were still called and treated by the mass of the people as worth five shillings. But when after 1690 the depreciation had reached an average of 15 per cent., the extent of the evil began to be felt. As soon as silver coins began to be exported, upon an unfavorable exchange, they were treated as bullion, and valued in the money of account of the countries to which they were to be exported according to their actual weight. It was found at once, that while the great mass of the sales and transactions of the country were carried on in the old denominations and with the imperfect coins, and these old denominations had gradually, in the minds of the mass of the people, kept pace with the coins, the merchants in the foreign trade, familiar with the price of bullion at home and abroad, very clearly saw the change which had taken place; that the coins were worth intrinsically less than formerly, and they gave 6s. 3d. for a crown of full weight. But Mr. Locke denied that they gave 6s. 3d., and insisted that only 5s. was given in depreciated coins called 6s. 3d., but having only 5s. of silver in them. Confusion had invaded the money of account, and men differed about what was meant by five shillings. Mr. Locke insisted that the new crowns should contain the same quantity of silver,  $19\frac{2}{5}$  dwt. as formerly, because that quantity was 5s., and Mr. Lowndes insisted that that quantity was now worth 6s. 3d., and that the new crowns should contain only about  $15\frac{4}{5}$  dwt., and that the shillings should contain proportionably, that is, one-fifth less than the old coinage, because he clearly saw that the whole range of prices had been fixed in a money of account, which had been formed upon the depreciated coins.

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\* *Essay for Amendment of the Silver Coins.* Lowndes, page 77.

Mr. Lowndes wished to avoid the mischief of suddenly wresting back the money of account from its present adjustment to its former position : " By this project all computations in pounds, shillings and pence used in accounts, and the reckonings by pounds, marks, half marks, practiced in the law of England, and in the records, contracts and other instruments relating thereunto, will be preserved as they ought to be."\* All the contracts for many years had been made in the money of account, as it corresponded with the depreciated coins. To require debts thus contracted to be discharged in coins of full weight or their equivalent, was an injustice the government could not perpetrate, and the coins were called in, imperfect as they were, to be restored in new coins of the old weight. That only met the difficulty to a small extent, because much the largest proportion of the debtors had no coins in their hands to be thus exchanged. They had to sell goods to raise money, and their goods would sell, of course, at a depreciation proportioned to the increased value of the coins. This hardship was strongly urged as an objection, but in vain, as it was resolved by the authorities that the weights of the old coinage must be preserved. They believed in Mr. Locke's idea of an equal quantity of silver being always of equal value. The money of account, as understood and used by the people, was violated, and all recent subsisting contracts were in confusion.

The true doctrine of money of account applied to the difficulties of that recoinage, upon which we have dwelt at more length, with the view of showing this doctrine more distinctly, would have settled at once the chief part of the dispute, and enabled them to grapple with the real facts, unobscured by a cloud of misconceptions. If the coins had been as Mr. Locke contends they should be, merely weighed pieces of metal of a certain standard quality, the money of account would have kept its original adjustment; and if the ounce of silver, valued at *5s. 2d.*, had lost one-fifth of its weight, it would have been valued at *4s. 1½d.*, and the gradual depreciation would have been so imperceptible in the course of a series of years, as to have fallen with severity upon none. The money of account would have remained intact, measuring and expressing the value of the pieces of silver and gold according to their weight, with the same precision and readiness as other articles. In case of a rise of the precious metals, consequent upon a high exchange, the rise would be at once noted in the money of account without the least confusion in any mind. The ounce of silver which had, at the ordinary exchange, been rated at *5s. 2d.*, could as easily be stated to be worth *5s. 3d.*, *5s. 4d.*, or *5s. 10d.* Under the proper and unobstructed operation of a money of account, the evil could not have taken place: that is, if the weight and quality in the first place had been simply certified by the stamp of the mint, and the price had been left to the course of commerce, there would have been no inducements to clipping or punching, as the amount thus abstracted would have been deducted by the first person to whom it would have been offered, and when the actual wear began to be appreciable, the loss would have been deducted in all large payments. In this way the loss by wear, for twenty, thirty or fifty years, could never

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\* Lowndes Essay, &c., page 85. Lowndes was Master of the Mint.



be suddenly thrown at once with all its severity upon any community; but would be borne in the lapse of years by several generations of business men, by such slow degrees as to be imperceptible as a burden. The object of a re-coinage, would, in such a case, only be to revise the standard of quality, detect adulterations, and by the re-issue of pieces newly weighed and stamped, to save the people the trouble of weighing and assaying. To this, neither Mr. Locke nor Mr. Lowndes, and those agreeing with them, could have made objection, if they had once perceived the efficiency and utility of an undisturbed money of account. It would have explained nearly every point of difference between them, saved the government 10 per cent. on the re-coinage, prevented a great amount of injustice to individuals, and preserved the money of account at its then adjustment. It would have pleased Mr. Locke to have the precious metals issued by weight and quality only, and it would have pleased Mr. Lowndes to have retained the significance of pounds, shillings and pence unchanged, as then employed to express the value of all the commodities of trade.

The want of a clear conception of the existence and functions of a money of account has beclouded nearly all the legislation and all the speculations on the subject of money during the last century and a half. We shall have occasion to note how much it was needed in the English controversies during the period of the bank restriction. It is strange, indeed, that what was so well understood at Venice, and familiar there for centuries to her merchants who traded throughout the world, should not have been more generally comprehended elsewhere. At Venice there was a money of account which had no coins to correspond, and nearly all the payments of that great city were made in bank credits as expressed in that money of account. This was so also in other countries.

It is true that kings and ministers were not without some knowledge on this subject. All the attempts to make advantage by debasing the coins or raising their value, proceeded from some knowledge of the agency of money of account. These attempts were made in the expectation that the habits of the people, in expressing values by the usual money of account, would lead them to continue to estimate coins of the same name, at the same value, after a part of their proper quantity or quality had been abstracted. This kind of swindling was employed to rob the people for centuries, with very considerable success, though not always equal to the expectations of the perpetrators. The fraud did not consist in *merely* making the coins lighter; that could readily be detected, and its consequences avoided; but it consisted in calling that a crown, shilling or franc, which no longer contained the same quantity of silver which coins of these names had formerly contained. When the prices of all commodities were expressed in these denominations, they could not all readily be changed, and contracts would continue to be made for some time before prices would be adjusted to the change. The money of account would continue to operate unchanged long enough to give rapacious rulers some advantage of their operation. But the effect of names, and the new coins being a legal tender, would finally break up the money of account, and compel a new adjustment or scale of prices. So long as the coins were named by the denominations by which prices

were expressed, so long every change in the quantity or quality of metal in these coins, connected with their being made a legal tender, broke up and destroyed, soon or late, the existing money of account. This tampering with, disturbing and occasionally wholly destroying the adjustment of prices, as expressed in the money of account, was an intense evil inflicted for ages upon the various countries of Europe. It could not, however, have been accomplished so successfully if the nature of the mischief had been understood. The mystery which shrouded the subject of money enabled each perpetrator of this fraud to offer plausible arguments which the people could not successfully refute, even if not convinced. Large capitalists generally shared the profits of these financial operations, whatever pains were taken to reserve the whole to the administration.

In Venice, where the money of account was undisturbed for upwards of five hundred years, and was the medium in which the value stated in bills of exchange and bank credits were expressed, the chief payments during all that time were made in *bank credits*, bearing a premium of 20 per cent. over the precious metals. Any attempt by the Venetian government to debase the coin would have been futile and ineffectual, unless the bank had been at the same time destroyed and the money of account broken up. Many changes were made in the coins of Venice, but their true value in every instance was at once marked by their value in the bank money.

The various debasements in England consisted in, from time to time, increasing the number of shillings coined from a pound of silver. In 1066, one tower pound of silver was coined into twenty shillings; by the year 1464 six debasements had increased the number to 37s. 6d. In 1527 the pound Troy of silver was coined into 45 shillings; \* two changes carried the number, by the year 1601, to 62 shillings. It is now at 66 shillings. Now the mere reducing the weight of a coin ought not to be considered a debasement, any more than issuing half crowns instead of crowns. It was the very fact that the public had the comparative value of the shilling clearly in view, that made it profitable to call a less weight of silver by the name of a shilling. If a piece of silver weighing 20 *dwt.*s. had been reduced to 19 *dwt.*s., it would have been estimated accordingly. But the shilling, as a term of comparison, was applied to a thousand commodities of trade.

It is clearly necessary, therefore, to have a mode of expressing the values, which is as applicable to every change in the value of the precious metals as to any other commodity. This is what they have in China, and what they had in Venice, and what they have in Hamburg, and in every commercial community when their coins do not correspond with the money of account. It is what they have even where this correspondence exists, but with such confusion of ideas as greatly impairs

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\* The Tower pound, the pound Troy and the pound Avoirdupois bear to each other the following proportions:

Avoirdupois,.....	1.
Troy,.....	.822857
Tower,.....	.777778

the advantage. Merchants, bankers and capitalists can readily apply the usual money of account to bullion, and the price currents give constantly the price of gold and silver in bars by the ounce, and of doubloons and dollars. But the mass of the people are prone, in Great Britain, to look upon the precious metals and pounds and shillings as the same thing. It is, however, none the less true, that the course of dealing converts any system of coinage into a money of account used in all the price lists and in all sales. Men familiar with prices soon learn to carry the prices of hundreds of articles in their memories, with all the fluctuations which are constantly taking place, and this they do not accomplish by keeping in their minds a distinct idea of the quantity of gold or silver which may be the equivalent of each price, for of these quantities they may have no correct conception at all. However it may be done, whether by mere force of memory or practice, or by the aid of association, it is true that men in business carry a vast amount of details about prices in their minds, who know very little of anything about gold and silver coins or bullion. It is hence always the tendency of commerce to create a strict money of account, especially among those who have most to do with trade, and most familiarity with prices. This would be at once seen and credited were no coins circulated; but it is no less true where it cannot readily be detected than where it is evident in the business of every day. The occasions in which prices are named, discussed and fixed, are vastly more numerous than those in which any actual or veritable measurement of the value of any article is made in gold or silver; so much more so, that those whose occupations lead them incessantly to the consideration of prices, find it much easier to carry money of account in their heads than money of coins in their hands.

Mr. Locke has said, men do not contract for denominations, and the writer of an article in the *Edinburgh Review* for October, 1808, says that "Abstract ideas are of no use in going to market." Mr. Locke has been frequently refuted and contradicted in reference to his positions about money, and the author of the article in the *Review* has been handled with masterly severity and power by the writer of the book reviewed.\* The author of the *Review* has used this flippant expression as an argument; and it is clear enough, from a survey of the entire article, that his conceptions and practical knowledge of the whole subject were far too confused to enable him to escape from fallacies even as glaring as that. He quotes with equal readiness to support his positions, that which is directly against, as that which sustains them. He neither comprehends the work reviewed, nor the authors whose works he quotes. This is not for want of ability, but for want of sufficient previous knowledge of commerce and the use of money. He would have found it very difficult to give a philosophical reply to the question, With what kind of money did Englishmen pay their debts from 1797 to 1822, during the period of suspension? His position, that "nothing can measure value but value itself," would hardly be a satisfactory response. He

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\* *Essay on Money and Exchange*, by Thomas Smith, 8vo. page 231: London, 1807. *The Bullion question impartially discussed: an Address to the Editors of Ed. Review*, by Thomas Smith: London, 1812.

could not fairly rid himself of the interrogatory, as he does of the African custom of reckoning, by an imaginary standard of *bars* (originating from bars of iron); "When the Africans estimate the value of a purchase in bars of iron, they have not in general the bars to give for it; they have only some other kind of goods, and their purchases and sales are mere barter, though they estimate the value of the commodities given and received by comparing them with bars of iron. When the Europeans, however, make their estimates by comparison with ascertained quantities of gold and silver, *they have the gold and silver ready to give for the commodity which is the object of the purchase.*" This was a monstrous assumption for an Englishman to make in 1808, even for the sake of argument. That it was done in pure simplicity is evident from the following sentence: "The convenience of this is very great." Notwithstanding this convenience, it is probable that not one pound sterling in one thousand of this convenience was used in payment for commodities during the quarter of a century of suspension. And from 1822 to the present day, but a very small proportion of such payments are made in the convenient shape of coins. What, then, did Englishmen use to make their purchases? A more intimate knowledge of the laws of trade might have taught the reviewer, that the transactions of English commerce might be resolved into barter as justly as that of Africa. He would have found it difficult to explain, on his principles, why counterfeit coins and notes are just as efficient and convenient, until discovered, as the genuine—the whole loss falling upon those in whose hands they are detected, although purchases may have been made with them to thousands of times their nominal value. The mind of the reviewer was thrown into a perfect chaos, by assuming that what Mr. Smith called a standard unit of the money of account was meant as a standard of value. He floundered in this misunderstanding without reaching a single clear conception of the subject strictly under review. Money of account is not a standard of value, it is an *expression of value* or price; by aid of arithmetic and men's mental faculties, it becomes, so long as undisturbed, the surest and most reliable expression of prices or values. There can be no standard of value in the sense in which the term is sometimes employed; the right use of the term, as applied to the precious metals, is the standard of coinage. The quantity of pure metal in the coins is fixed by law, and so remains until the law is repealed; but there can be no such standard of value—the prices of all commodities, including gold and silver, being ever in a state of fluctuation.

It has long been obvious to observing men that there was something more in the nature and functions of money than was exhibited in the mere coinage of the precious metals, and that many false measures and notions were prevalent in consequence. To some it appeared clear that any substance whatever might serve for money if men were only agreed to receive it as such. Hence, probably, the Carthaginian attempt at money of leather, and the Chinese paper money. Those who saw clearly that money performed a certain circle of operations, returning to perform them again and again, were struck with the constantly repeated routine in which money appeared to circulate. But this subject was occasionally adverted to long before it was ever seriously taken up.

Bishop Berkley, in his *Querist*, was one of those who first intimated the distinction between money and money of account. In his 23d query he asks: "Whether money is to be considered as having an intrinsic value or as being a commodity, a standard, a measure or a pledge, as is variously suggested by writers? And whether the true idea of money, as such, be not altogether of a ticket or counter?" Query 25: "Whether the terms crown, livre, pound sterling, &c., are not to be considered as exponents or denominations;" (see, also, the 24th Query;) "and whether gold, silver and paper are not tickets or counters for reckoning," &c. Query 26: "Whether the denominations being retained, although the bullion were gone, things might not nevertheless be rated, bought and sold, industry promoted and a circulation of commerce maintained?" Query 35: "Whether power to command the industry of others be not real wealth? and whether money be not in truth tickets or tokens for conveying and recording such power, and whether it be of great consequence what materials the tickets are made of?"

It is evident the Bishop saw dimly the value and functions of a money of account, but that he did not perceive the nature and use of a coinage, or the importance of the precious metals as a universal equivalent. Thus it is, that while some have looked at the money of account, they lose sight of the importance of coins, or the regular mode of authenticating the pieces of gold and silver, which are used sometimes for payment, whilst those who regard the latter too narrowly are not able to comprehend that money of account, in which all men name their prices and keep their accounts.

Montesquieu, in the 3d chapter of the 22d book of the *Spirit of Laws*, expressly treats of ideal money: "There are real and ideal moneys: civilized people, who all use ideal money, do so because they have converted their real into ideal money. Those who at first had a real money find that by fraud, or by act of the government, a part of the metal which should be contained in a coin is withheld, abstracted, and the piece thus reduced is still called by its former name." He saw clearly that men reckoned by a money of account, but imagined it was only because the coin had been altered. The truth is, however, that the temptation to alter the coin arose, as we have explained, from the fact that a gain could be made by using the terms of the money of account to keep up the deception of the debased coin. That which was called a shilling, was still called a shilling, although reduced in quantity and value, but the idea of the value of a shilling being firmly fixed in the minds of the many, would be applied, by reason of the name, to the debased coin. And the evil of these changes induces the author of the *Spirit of Laws* to discourage the use of ideal money. In the 8th chapter of the same book (22) he tells us, that "the blacks on the coast of Africa have a sign of value without money, purely ideal. A certain article is worth three macutes, another six, another ten macutes. That is the same as if they said simply 3, 6, 10. The price is fixed and expressed by comparison of commodity with commodity, for there is no money in particular, but every portion of goods is money or means of payment compared with others." Whilst Montesquieu thus clearly saw the distinction between coins and money of account, he held the absurd idea that the prices of commodities bore

a regular proportion to the quantity of gold and silver in a country. "Comme le total de l'une est au total de l'autre, la partie de l'une sera a la partie de l'autre. Supposons qu'il n'y ait qu'une seule denree ou marchandise dans le monde ou qu'il n'y ait qu'une seule qui s'achète, et qu'elle se devise comme l'argent; cette partie de cette marchandise repondra a une partie de la masse de l'argent, la moitié du total de l'une a la moitié du total de l'autre; la dixieme, la centieme, la millieme de l'une, a la dixieme, a la centieme, a la millieme de l'autre."\*

This monstrous error has been supported by many writers, and although often refuted, still occasionally fastens upon men whose minds may be very clear, but who lack knowledge of the business of life. For clearness of conception affords no exemption from error in matters of fact; but rather induces men to form theories without fact, than to undergo the drudgery of gathering knowledge where it may be hard to obtain.

We have, in Sir James Stuart's *Political Economy*, (B. 3, ch. 1, vol. i. 4th ed., p. 526,) a very distinct statement of the doctrine of a money of account: "Money which I call of account is no more than a scale of equal parts, invented for measuring the respective value of things vendible.

"Money of account is, therefore, quite a different thing from money coin, and might exist although there was no such thing in the world as any substance which could become an adequate and proportional equivalent for every commodity.

"Money of account performs the same office with regard to the value of things, that degrees, minutes, seconds, &c., do with regard to angles, or as scales do to geographical maps or to plans of any kind.

"In all these inventions there is some denominative taken for the unit.

"In angles it is the degree; in geography it is the mile; in plans, foot, yard; in money it is the pound, livre, florin, &c.

"The degree has no determinate length, so neither has that part of the scale upon plans or maps which mark the unit; the usefulness of all those being solely confined to the marking of proportions.

"Just so, the unit in money can have no invariable determinate proportion to any part of value, that is to say, it cannot be fixed in perpetuity to any particular quantity of gold or silver, or any other commodity.

"The value of commodities, depending upon circumstances relative to themselves, their value ought to be considered as changing with respect to one another only; consequently, any thing which troubles or perplexes the ascertaining these changes of proportion by the means of a general determinate and invariable scale must be hurtful to trade,—and this is the infallible consequence of every vice in the policy of money or coin.

"Money, as has been said, is an ideal scale of equal parts. If it be demanded what ought to be the standard value of one part? I answer by putting another question:—what is the standard length of a degree,

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\* *Esp des Lois*, Liv. 22, ch 7.

a minute or a second? None;—and there is no necessity of any other than what by convention mankind think fit to give.

“The first step being perfectly arbitrary, people may adjust one or more of those parts to a precise quantity of the precious metals; and so soon as this is done, and that money becomes realized, as it were, in gold and silver, then it acquires a new definition; it then becomes the price as well as the measure of value.

“It does not follow, from this adjusting of the metals to the scale of value, that they themselves should therefore become the scale.”

Sir James Stuart then refers to the bank money of Amsterdam and the African custom, already quoted from Montesquieu, as perfect exemplifications of a money of account. “A florin banco has a more determinate value than a pound of fine gold or silver; this bank money stands invariable like a rock in the sea.”

We give next the definition of money of account furnished in the *Cambist*, a work of admitted authority, by P. Kelly, LL.D. In his introduction we find the following: “Imaginary moneys have had their foundation, for the most part, in real coins or weights, which were the original units adopted as measures of value, and which have been continued under the same denominations, notwithstanding the changes and fluctuations that may have taken place in such coins and weights.

“There are also imaginary moneys, that have not so originated, but have been adopted for the purpose of simplifying accounts, as the centimes in France, and mills in America. It may be, however, observed, that all moneys of account are not imaginary, nor are they always the moneys of exchange.

“Moneys of account may be considered with respect to coins as weights and measures with respect to goods, or as a mathematical scale with respect to maps, lines or other geometrical figures. Hence, moneys of account are the measures of value, both of merchandise and of the metals themselves, whether in coin or bullion, and thus serve as an invariable scale amidst all the fluctuations of price.”\*

The author of the *Cambist*, who must have been better acquainted than even the most skilful merchants with the coins of Europe, the modes of reckoning most in use, the meaning of the term money, and the usages of merchants, expresses himself in the above very explicit and unhesitating language, about a money of account as distinguished from coined money. Whatever may be said of the illustration used by him and others to exhibit the functions of this ideal scale, they prove, beyond doubt, that those who thus expressed themselves believed there was another mode of expressing prices than the actual comparison with coins; that the naming a price in money was not the same thing as holding up to view the equivalent of the price in gold or silver. The difficulty of presenting this idea has induced the employment of illustrations, which may not be strictly parallel in all points, but they are used rather to *suggest* the true idea than to be considered as its counterpart. When those who have made it the business of their lives to un-

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\* *Universal Cambist*, Introduction, page 21.

derstand all the mysteries of bullion and coinage hold the language quoted from the *Cambist*, we should not doubt there is good ground for their opinions. We find frequent allusions to money of account in other writers upon money and coins, which show they hold the same views as the author of the *Cambist*.

This doctrine of a money of account is very ably and elaborately sustained by Thomas Smith, a merchant, of London, in a work published in that city, in 1807.\*

"This ideal standard, or standard unit, appears to be something of the same nature with the letter placed for the unknown quantity in algebra; it has no real value itself; but, by it, the relative value of all articles are fixed, and all exchange of property is settled."† This standard unit is supported with great ability and practical knowledge in this work, and in another, entitled the "Bullion Question Impartially Discussed," which appeared in 1812, in which he replies most successfully to the *Edinburgh Review*, and quotes from its pages a very full recognition of his doctrine. The quotation from the *Review* is in part thus: "Next we account, by means of money. Now what is the operation of accounting? We first state, in denominations of money, the value of any article or accumulation of articles; and this statement we can manage in various ways. We can add to it another similar statement, or we can subtract it; we can multiply it; we can divide it, and discover various relations which it bears to other statements. In all these operations the terms pounds, shillings and pence exactly resemble algebraic symbols, and the letters *x*, *y*, *z*, might be employed for them. Operations of account, therefore, are undoubtedly carried on by abstract terms or symbols, and it is impossible it should be otherwise."

Mr. Smith, after making this quotation, asks, if this "is not exactly the doctrine he advances." He might have taken more decided advantage of this passage than he has done, for the reviewer takes the bold ground that it is impossible that it should be otherwise. Now it is very certain, that in Great Britain, and especially at the period when that review appeared, nearly the whole payments of commerce were made by the "operation of accounting," with the aid of books of account, bills of exchange, promissory notes, bank notes, checks and the clearing-house. Far more than nine-tenths of the whole of the transactions above ten pounds were thus made. No coins or bullion were received or expected, in any stage of them. When merchants having mutual dealings with each other make charges in their respective books of account, they balance these accounts, however great the amount, discharge their indebtedness, and thus complete their purchases, carrying on trade to a great extent, without any aid from coins or bullion, by the mere "operation of account." So, when in large transactions, bills and

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\* Reviewed in the *Edinburgh Review*, in October, 1808, in an article of exceeding flippancy, which Mr. Smith, in a subsequent work on the same subject, treated with unsparing severity.

† *Theory of Money and Exchange*, by Thomas Smith, page 9. The defect in his explanation is the use of the word *standard*, and in not recognising the power or value of the unit.



notes are taken in payment, they are finally discharged in banking houses, by checks or other operations of account, in the books of the bank, brokers or dealers, on exchange. Entries in books of account are evidences of debt; bills of exchange, promissory notes and bank notes are likewise evidences of debt, and they are all discharged, to a large extent, by the mere operation of accounts.

After this ample recognition of the doctrine of a money of account, it is curious to see the manner in which the reviewer, in entire disregard of the facts we have just noted, attempts to escape from the truth which he stated but did not comprehend. The whole review is a remarkable instance of a struggle with the truth, and against it, and is worthy of being read as a specimen of the way in which men deceive themselves and others, whilst writing upon subjects of which they have not made themselves masters.

He winds up one of his arguments thus: "If you go to market with a bank note, which is an obligation to receive a known quantity of gold or silver, this is the same thing, in reality, as going to market with gold and silver." If this were true, the commutation of paper to gold would be complete, and the identity of bank notes and gold fully established. How strange this from a man writing in a country where inconvertible paper had been the almost sole currency for more than ten years, and continued to be so for more than ten years more! He buries himself in abstractions about value, and measure of value, and insists that the term pound is the "unambiguous name of a certain quantity of gold and silver. When a man has determined that the value of a certain article is any multiple of this value, he sets it down as worth so many pounds, and after that proceeds, no doubt, to perform all his operations of account with abstract terms merely. But does this render the abstract term, the measure or the standard, or the money? Surely not. If this were the case, the name would be the primary object, and the thing signified only the symbol of its own name, a most singular and incredible inversion, when terms are, on all occasions, the symbols of things!"

[To be continued in the August No.]

## FOREIGN COMMERCE OF THE UNITED STATES.

WE resume the publication of the valuable Commercial Tables, the early portions of which were contained in our Nos. from March to June last. The compilation of these tables involved nearly a whole year's labor; and although condensed within the compass of about one hundred and fifty pages, they cover the commercial history of the country for a period of thirty-six years.

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**FOREIGN COMMERCE OF THE UNITED STATES  
WITH SICILY,  
FROM OCTOBER 1, 1830, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30	EXPORTS.			IMPORTS TOTAL	Whereof there was in Bullion & Specie.		TONGUE CL'D.	
	DOMESTIC	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1831	\$2,269	.....	\$2,269	.....	.....	.....	878	.....
1832	3,068	.....	3,068	\$156,617	.....	.....	.....	422
1833	6,128	\$2,940	9,068	165,714	.....	.....	.....	376
1834	4,060	.....	4,060	254,966	.....	.....	.....	811
1835	17,373	10,894	28,267	274,548	.....	.....	.....	1,228
1836	146,183	49,714	195,897	648,080	.....	\$608	1,204	1,228
1837	18,620	5,877	24,497	411,959	.....	.....	1,457	3,143
1838	28,532	21,813	50,345	345,322	.....	.....	1,390	2,105
1839	192,462	84,607	277,069	592,951	.....	20,600	1,319	1,894
1840	303,217	83,923	387,140	649,525	.....	.....	2,293	2,293
<b>Total,</b>	<b>\$719,027</b>	<b>209,758</b>	<b>928,785</b>	<b>3,493,732</b>	<b>.....</b>	<b>21,708</b>	<b>8,520</b>	<b>14,898</b>
1841	474,470	11,592	486,062	533,057	.....	14,300	1,918	3,566
1842	237,861	195,797	433,658	539,419	.....	654	1,273	3,016
1843*	\$2,568	51,871	54,439	189,664	.....	4,706	565	680
1844	75,624	375,692	451,316	463,773	.....	.....	1,045	3,286
1845	70,625	334,667	405,292	522,493	.....	.....	445	8,628
1846	319,441	398,391	717,832	513,335	.....	.....	767	4,818
1847	56,899	7,219	64,117	550,938	.....	.....	1,423	649
1848	17,754	9,075	26,829	618,029	.....	4,526	924	399
1849	242,259	4,854	247,113	530,244	.....	.....	1,658	293
1850	50,577	13,024	63,601	522,629	.....	22,625	3,326	1,633
<b>Total,</b>	<b>\$1,360,168</b>	<b>1,206,181</b>	<b>2,566,349</b>	<b>5,324,581</b>	<b>.....</b>	<b>46,811</b>	<b>13,533</b>	<b>21,407</b>
1851	41,743	8,188	49,931	525,924	.....	.....	2,343	1,916
1852	55,649	10,890	66,539	606,541	.....	.....	6,609	3,437
1853	130,337	24,818	155,155	863,851	.....	20,000	.....	.....
1854	246,151	13,900	260,051	969,900	.....	.....	3,862	3,718
1855	207,790	443,686	651,476	1,718,949	.....	4,570	4,509	3,444
1856	308,576	75,185	383,761	1,488,526	.....	.....	1,643	1,621

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORT.**

**PALERMO**, anciently **PANORMUS**, a large city and seaport, the capital of the noble island of Sicily, on the north coast of which it is situated, the lighthouse being in lat. 38° 8' 15" N., long. 13° 21' 56" E. Population, 170,000. The bay of Palermo is about five miles in depth, the city being situated on its south-west shore. A fine mole, fully one quarter of a mile in length, having a lighthouse and battery at its extremity, projecting in a southerly direction from the arsenal into nine or ten fathoms of water, forming a convenient port, capable of containing a great number of vessels. This immense work cost about £1,000,000 sterling in its construction; but the lighthouse, though a splendid structure, is said to be very ill lighted. There is an inner port, which is reserved for the use of the arsenal. Ships that do not mean to go within the mole may anchor about half a mile from it, in from 16 to 23 fathoms, mole light bearing N.W.  $\frac{1}{4}$  W. A heavy sea sometimes rolls into the bay, but no danger need be apprehended by ships properly found in anchors and chain cables. In going into the bay, it is necessary to keep clear of the nets of the tunny fishery, for these are so strong and well moored, as to be capable of arresting a ship under sail.

**Money.**—Since 1818, the coins of Sicily have been the same as those of Naples, their names only differing. The ducat = 3s. 5.2d. sterling, is subdivided into 100 bajocchi and 10 piccioli; but accounts are still generally kept in oncie, tari, and grani: 20 grani = 1 taro; 30 tari = 1 oncia; the oncia = 3 ducats; and 1 carlino of Naples = 1 taro of Sicily. The Spanish dollar is current at 12 tari 8 grani.

**Weights.**—100 Sicilian pounds of 12 ounces = 70 lbs. avoirdupois = 85.11 lbs. Troy = 31.76 kilog. = 64.23 lbs. of Amsterdam = 65.58 lbs. of Hamburg.

**Measures.**—The salma grossa = 9.48 Winchester bushels; the salma generale = 7.62 Winchester bushels.

## SICILY.

TRINACRIA AND SICILIA, the largest and finest island in the Mediterranean, between latitude  $36^{\circ} 38'$  and  $38^{\circ} 18' N.$ , and longitude  $12^{\circ} 25'$  and  $15^{\circ} 40' E.$ , separated on the N.E. from south Italy by the Straits of Messina, 2 miles broad, and forming the *Dominii al-di-la di Faro*, or the territory "beyond the strait" of the kingdom of the "Two Sicilies." Shape, triangular; length, E. to W., 185 miles; greatest breadth N. to S. along its E. coast 120 miles. The papyrus, sugar-cane, date, palm, and other tropical products ripen at a height of 600 feet; evergreens flourish at 2,000 feet; oak and chestnut woods cover the mountain sides to the height of 4,000 feet; wheat thrives at 4,500 feet, and beech woods prevail to 6,000 feet in elevation. Under the Romans, Sicily was considered the granary of Italy, but owing to oppressive exactions and restrictions, there are few countries in which agriculture is so ill conducted; and it is stated that instead of corn, nearly one third of the population derive their subsistence mainly from the fruit of the Indian fig, a species of cactus, which grows wild in profusion. Other chief crops are beans, pulse, maize, rice, olive oil, oranges, lemons, almonds, and other fruits, potatoes, tobacco, flax, hemp, sumach, liquorice, and manna.

Vessels belonging to the Two Sicilies, are admitted into the ports of the United States on the same terms as American vessels, only when laden with the home produce or home manufactures.

## COMMERCE AND NAVIGATION WITH FOREIGN COUNTRIES.

COUNTRIES.	Imports.	Exports.	ENTERED.		CLEARED.	
			Vessels.	Tons.	Vessels.	Tons.
Austria, . . . . .	5,206,304	488,866	960	69,504	859	59,309
Denmark, . . . . .	.....	.....	6	1,308	1	163
Modena, . . . . .	.....	.....	3	161	3	267
Roman States, . . . . .	74,608	600,167	545	22,787	577	23,422
Spain, . . . . .	3,734,826	.....	12	2,160	6	868
United States, . . . . .	1,283,216	547,477	8	2,807	17	5,153
France, . . . . .	10,283,455	14,752,017	383	101,886	395	103,769
Great Britain, . . . . .	19,144,604	12,607,584	279	53,943	200	43,430
Greece, . . . . .	1,069,304	79,695	21	1,703	12	1,239
Holland, . . . . .	4,276,207	256,171	27	6,242	14	2,727
Ionian Islands, . . . . .	.....	.....	91	4,781	61	3,213
Sweden & Norway, . . . . .	540,000	.....	14	2,950	6	1,525
Russia, . . . . .	26,282,407	275,738	9	2,727	12	3,214
Tuscany, . . . . .	3,023,807	3,899,936	123	12,091	65	5,300
Turkey, . . . . .	2,768,260	136,702	7	1,441	20	5,577
Sardinia, . . . . .	2,460,871	3,006,882	210	31,188	254	36,651
Prussia, . . . . .	.....	.....	3	1,146	2	778
Tunis, . . . . .	.....	.....	11	1,263	10	1,036
All others, . . . . .	122,609	66,504	..	.....	..	.....
<b>Total, francs,</b>	<b>80,270,478</b>	<b>36,717,739</b>	<b>2,712</b>	<b>320,088</b>	<b>2,514</b>	<b>297,631</b>

## SHIPPING IN 1854.

	Vessels.	Tons.
Continent, . . . . .	10,863	202,318
Two Sicilies, . . . . .	2,031	47,438
<b>Total, . . . . .</b>	<b>12,894</b>	<b>249,756</b>

FOREIGN COMMERCE OF THE UNITED STATES WITH  
TRIESTE, AND OTHER AUSTRIAN PORTS  
ON THE ADRIATIC,

FROM OCTOBER 1, 1820, TO JULY 1, 1856.

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL.	Whereof there was in Bullion & Specie.		TONGUE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMEL.	FOR.
1821	\$31,781	\$308,590	\$340,361	\$299,792	....	\$93,139	1,695	....
1822	83,752	486,968	475,790	274,875	....	9,200	2,851	....
1823	25,697	919,618	945,315	189,187	....	18,288	8,518	....
1824	6,596	518,057	524,653	268,567	....	157,717	2,185	....
1825	8,334	643,568	652,402	105,389	....	2,088	3,246	....
1826	18,387	273,938	287,390	193,152	....	4,000	1,879	....
1827	42,671	234,132	276,793	163,546	....	10,304	2,090	....
1828	119,238	205,355	324,488	287,373	....	....	8,068	....
1829	409,258	250,200	639,488	191,896	....	460	6,384	129
1830	300,559	298,261	594,120	182,093	....	919	4,662	252
Total,	\$997,093	4,113,562	5,110,660	1,956,075	....	296,058	31,578	411
1831	276,561	362,908	539,369	161,063	....	1,900	4,215	....
1832	199,911	986,775	1,186,686	363,027	....	....	6,497	1,521
1833	146,517	408,447	554,964	314,611	....	....	8,304	1,701
1834	518,609	954,723	1,473,337	580,614	....	22,000	7,580	8,897
1835	818,375	384,083	1,302,418	492,567	....	4,477	6,592	2,618
1836	1,138,431	629,674	1,968,105	1,020,099	\$2,300	2,800	8,944	4,381
1837	1,233,870	378,221	1,611,591	629,465	44,150	....	2,179	12,919
1838	648,223	125,740	763,963	373,78	....	7,919	4,974	2,708
1839	429,578	162,671	592,249	477,589	....	1,500	8,069	2,874
1840	1,590,356	196,364	1,786,620	373,365	....	....	11,823	6,081
Total,	\$6,994,931	4,639,366	11,634,297	4,783,727	46,450	40,596	59,182	33,745
1841	1,258,776	52,980	1,311,756	418,606	....	....	10,350	1,201
1842	743,179	184,526	827,705	413,210	....	....	10,520	861
1843*	460,240	118,938	579,178	72,957	....	....	8,679	1,732
1844	1,257,285	168,735	1,426,020	292,089	....	3,038	10,597	3,918
1845	1,488,108	363,775	1,851,878	321,550	....	....	15,470	9,195
1846	1,104,463	366,143	1,470,611	379,719	....	....	12,852	3,341
1847	1,175,375	78,243	1,253,618	187,341	....	7,538	7,361	5,279
1848	1,701,495	107,727	1,809,222	325,813	....	1,287	16,229	4,693
1849	942,489	464,376	1,406,865	409,178	....	3,900	11,176	5,753
1850	1,179,398	312,111	1,492,004	467,601	....	....	5,968	6,989
Total,	\$11,261,303	2,169,659	13,430,962	3,283,064	....	15,868	109,702	42,415
1851	2,265,578	230,594	2,496,467	730,788	....	....	10,179	13,871
1852	2,408,580	329,339	2,733,419	308,749	....	....	14,924	13,400
1853	3,062,484	171,304	3,234,238	523,567	....	....	11,735	9,244
1854	1,697,319	206,390	1,903,609	741,919	....	147,736	18,015	5,401
1855	1,377,527	192,374	1,399,301	476,283	....	....	9,517	7,029
1856	2,233,783	206,065	2,444,948	476,541	....	....	16,916	5,562

\* 9 months to June 30, and the fiscal year from this time begins July 1.

STEAM COMMUNICATION.

*Commerce of the Mediterranean.*—The United States Consul at Trieste communicates to the Department of State the following details as to increased steamnavigation with the southern ports of the Mediterranean:

*Steam Communication.*—The project of establishing steam communication with the Mediterranean has long been a favorite one with a respectable class of merchants in the Atlantic States; and, if we are not mistaken, the experiment of a line to Genoa was tried some years ago, but without success. There is every prospect of the accomplishment of this important object, under the immediate patronage of the Austrian government. It is, in fact, proposed to construct three first-class steamships of 3,200 tons, builder's measurement, and 1,000 horse power, to run between Trieste and New York, making fifteen trips each way per annum, and touching at Corfu, Malta, Algiers, Cadiz, and Lisbon.

## AUSTRIA.

Trieste, a city and seaport of the Austrian dominions, the capital of a district of Illyria, situated near the N. E. extremity of the Gulf of Venice, latitude of lighthouse 45° 38' 6" N., longitude 13° 46' 5" E. Population, in 1850-1, of the city only, 50,000, and including the district comprised within the limits of the free port, 82,596. It is divided into the old and new towns. The former is built upon elevated ground; the latter, which is lower down, is laid out with great regularity, and is partly intersected by a canal, into which vessels not drawing more than 9 or 10 feet water enter to load and unload.

*Harbor.*—The harbor of Trieste, though rather limited in size, is easy of access and convenient. It is protected from the southerly gales by the Molo Teresiano, so called from the Empress Maria Theresa, at the extremity of which the new lighthouse, mentioned above, has been constructed. The port, with a mole, forms a crescent, 1½ miles in length, being a continued quay, faced with hewn stone, with stairs and jetties for the convenience of embarkation. On the north side of the port is a dock or harbor, appropriated exclusively for vessels performing quarantine. It is walled round, and is furnished with hotels, warehouses, and every sort of accommodation required for the use of passengers and goods. Ships under 300 tons burden lie close to the quays; those of greater size mooring a little further out.

The principal defects of the port are, its limited size, and its being exposed to the N. W. winds, which sometimes blow with much violence, and throw in a heavy sea.

## COMMERCE OF TRIESTE AND VENICE FOR THE YEAR 1854.

COUNTRIES.	TRIESTE.				VENICE.			
	ENTERED.		CLEARED.		ENTERED.		CLEARED.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
American, . . .	55	26,007	56	28,981	8	2,749	7	2,445
Hanse Towns, . . .	29	5,753	30	6,733	13	2,319	19	1,967
Belgian, . . .	4	673	5	729	1	155	1	155
Brazilian, . . .	2	830	3	990	..	..	..	..
Danish, . . .	16	2,079	16	2,910	4	622	2	354
French, . . .	16	2,268	14	2,080	15	1,757	15	1,757
Greek and Ionian, . . .	443	60,818	452	62,302	127	17,641	150	20,090
English, . . .	86	22,438	87	24,230	86	20,156	96	22,637
Neapolitan, . . .	447	41,544	440	36,603	191	18,009	205	22,411
Holland, . . .	62	9,663	61	9,535	13	1,974	13	1,958
Turkey, . . .	191	21,538	234	27,724	41	5,083	59	7,055
Pontifical States, . . .	397	23,319	681	37,245	13	2,074	12	1,820
Portuguese, . . .	5	1,116	5	1,234	1	100	1	100
Prussian, . . .	10	2,194	8	2,010	..	..	..	..
Russian, . . .	2	260	..	..	..	..	..	..
Sardinian, . . .	19	3,577	20	3,986	13	2,104	13	2,104
Spanish, . . .	23	4,955	24	5,721	4	1,227	4	1,227
Swed. and Nor., . . .	37	7,487	37	9,227	26	5,033	26	4,502
Tuscan, . . .	8	1,559	8	1,363	10	1,945	9	1,783
Total, . . .	1,852	238,078	2,181	263,603	566	82,948	632	92,385
Austrian, . . .	11,410	624,625	11,112	604,433	4,871	388,628	4,655	383,903
General total, . . .	13,262	862,703	13,293	868,036	5,437	471,576	5,287	476,288

**FOREIGN COMMERCE OF THE UNITED STATES WITH  
TURKEY, THE LEVANT, ETC.,  
FROM OCTOBER 1, 1820, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL	Whereof there was in Bullion & Specie.		TONNAGE CL'D.	
	DOMESTIC	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1821	\$30,888	\$406,997	\$437,885	\$395,680	....	\$91,373	1,398	....
1822	6,194	405,197	411,391	364,677	\$157,006	13,870	1,418	....
1823	4,877	559,738	564,615	708,761	65,000	79,281	1,674	....
1824	25,171	894,257	919,428	471,238	....	48,580	2,158	....
1825	84,873	864,591	949,464	840,799	....	22,600	1,617	....
1826	46,897	271,438	318,335	431,982	....	4,901	1,323	....
1827	131,794	470,325	602,119	738,133	50,000	11,587	3,109	....
1828	73,874	194,567	268,441	496,583	....	11,406	608	....
1829	97,600	47,334	144,934	293,237	....	438	637	....
1830	75,901	337,539	413,440	417,392	....	45,018	2,337	....
Total,	\$461,334	3,372,078	3,833,412	5,190,377	275,006	329,138	17,266	....
1831	33,503	278,304	311,807	531,539	29,500	6,368	2,335	....
1832	64,722	691,886	756,608	923,639	2,100	4,319	4,805	....
1833	167,306	518,471	685,777	736,044	26,451	3,674	4,514	208
1834	62,458	321,231	383,679	569,511	26,340	331	2,348	....
1835	63,303	216,322	280,094	337,538	2,752	7,360	3,010	....
1836	99,065	584,949	684,014	975,371	23,000	....	3,531	....
1837	36,659	74,633	111,292	693,161	....	2,700	484	1,759
1838	142,443	115,461	257,904	296,533	300	4,222	1,298	....
1839	83,320	266,064	349,384	629,190	....	2,530	2,233	....
1840	119,745	156,873	276,618	568,476	1,928	....	2,187	....
Total,	\$377,350	3,134,694	3,512,044	6,346,066	112,371	31,554	27,237	1,963
1841	200,984	179,612	380,596	614,372	900	....	2,319	....
1842	125,521	76,515	202,036	370,243	....	....	1,315	....
1843*	108,465	63,014	171,479	182,354	....	2,300	1,533	....
1844	186,139	97,245	283,384	336,306	....	23	2,773	....
1845	115,553	49,546	165,099	781,517	....	....	1,897	....
1846	136,193	73,910	210,103	760,993	....	....	3,306	....
1847	61,570	65,672	127,242	577,710	....	2,000	1,113	....
1848	114,330	110,321	224,651	406,033	25,275	....	1,966	330
1849	193,376	85,130	278,506	374,064	....	....	1,912	300
1850	204,397	53,344	257,741	301,033	....	....	2,639	....
Total,	\$1,437,473	3,000,399	4,437,872	5,255,130	36,175	4,322	21,730	530
1851	162,304	65,529	227,833	901,236	....	....	4,268	....
1852	265,925	50,371	316,296	556,100	....	....	3,909	323
1853	207,353	79,931	287,284	737,516	....	....	4,365	....
1854	319,496	105,709	425,205	803,114	....	....	3,948	569
1855	794,250	163,730	957,980	790,339	....	....	3,452	902
1856	1,404,763	106,657	1,511,420	741,371	....	....	13,400	1,345

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORTS.**

**CONSTANTINOPLE**, in Turkey, situated on a triangular point of land, on the European side of the sea of Marmora, at the point where it unites with the Bosphorus, the channel leading to the Black sea, lat. 41° 0' 12" N., long. 28° 59' 2" E. The harbor is excellent, consisting of an arm of the sea, stretching along the north-east side of the city. It has sufficient depth of water for the largest vessels, and can accommodate 1,000 sail. The quays are good, and ships are moored close alongside. The Bosphorus, or channel of Constantinople, runs in a N.E. by N. direction, about fifteen miles, varying in breadth from one half to one and a quarter miles. It has a rapid current and a great depth of water.

**SALONICA**, a large seaport of European Turkey, at the north-east extremity of the gulf of the same name, in lat. 40° 38' 47" N., long. 22° 57' 13" E. There is no port at Salonica, but an excellent roadstead opposite the town. Vessels of 800 to 1,000 tons find no difficulty.

**SMYRNA**, a large seaport of Asiatic Turkey, on the western side of Asia Minor.

## TURKEY AND GREECE.

The south-eastern peninsula of Europe is occupied by Turkey and Greece, both of which may be described as mountainous countries, including within their ridges numerous fertile valleys, and in some places extensive lowland plains. The climate and productions of the country are generally the same as those of Italy. The two governments that possess it are equally inefficient for good, though the one be that of a great and powerful empire, apparently in the last stage of decay, and the other a newly-established kingdom. The dominant people of Turkey are the Osmanlee or Ottoman Turks, a branch of the great Toorkee family of Central Asia. There are, however, various other races, some of them more numerous than the Turks, as the Roumi or Greeks, Arnauts or Albanians, Bulgarians, and other Slavonians, Vallachians, Jews, Gypsies, and Franks. Greece is now possessed almost exclusively by a people who boast of their descent from the ancient Hellenes, and speak a language not very much altered from the classic form; but they are not the less evidently much mixed with Slavonic and other barbarian blood. Their independence was established in 1827, but as yet it has been unproductive of any good.

Under the existing treaty between the United States and Turkey, our commerce is placed on the footing of the most favored nations; thus securing to our merchant-vessels the privilege of trading to all the ports of Turkey in Europe, Asia, and Africa, on the same conditions as those granted to the most favored nations. Thus our vessels may now trade to the ports of Egypt and Asia Minor, to the Turkish islands of the Archipelago, and to the Ottoman ports of Europe, and on the Asiatic shore of the Black sea. This is at once an immense field for the enterprise of our merchants and seamen. Many facilities are thus offered for the extension of our commerce with the nations of the East; and consular officers may render important services to their countrymen by collecting all the information in their power in regard to the productions and commerce of these countries, and transmitting it to the State Department, by which it will be published from time to time for the general advantage of American citizens.

GALATZ, a town of Moldavia, Turkey, on the left bank of the Danube, in latitude  $45^{\circ} 25' N.$ , longitude  $28^{\circ} E.$  Though at some distance inland Galatz may be said to be the port of the Danube. Of the three principal mouths of the river, the Soulineh (or middle) mouth, in latitude  $45^{\circ} 10' 30'' N.$ , and longitude  $29^{\circ} 41' 20'' E.$ , is the only one accessible by vessels of large burden. The depth of water at its entrance, varies from 10 to 14 feet; from the bar up to Galatz, there is nowhere less than 18 feet. Lighters are stationed without the bar to partially unload large vessels. Vessels of 800 tons burden can lie at the quays.

## COMMERCE OF MOLDAVIA IN 1855.

	Imports.	Exports.
Port of Galatz, . . . . .	1,377,638,00	126,451,025,22
By Austria, . . . . .	42,277,577,20	37,014,262,90
Total, (Piasters) . . . . .	43,655,315,20	163,465,288,12

**FOREIGN COMMERCE OF THE UNITED STATES  
WITH HAYTI,  
FROM OCTOBER 1, 1820, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL.	Whereof there was in Bullion & Specie.		TONGUE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1821	\$1,740,983	\$530,218	\$2,270,601	\$2,246,257	\$60,164	\$504,409	46,171	547
1822	1,746,107	873,704	2,119,811	2,341,517	1,525	229,439	43,167	946
1823	1,670,140	708,642	2,378,782	2,352,739	104,697	55,502	37,450	830
1824	1,901,926	468,229	2,365,155	2,247,235	51,462	169,027	46,267	459
1825	1,648,055	406,560	2,054,615	2,065,829	21,100	61,225	39,866	465
1826	1,252,910	166,584	1,414,494	1,511,836	....	126,945	32, 09	1,468
1827	1,162,478	169,486	1,331,909	1,781,309	....	47,132	25,720	3,774
1828	1,123,405	909,306	1,832,711	2,163,585	20,553	69,708	24,727	5,363
1829	814,937	160,171	975,158	1,799,309	3,483	46,033	13,164	2,938
1830	714,791	108,887	823,178	1,597,140	....	81,713	19,393	1,748
<b>Total,</b>	<b>\$18,775,177</b>	<b>3,291,287</b>	<b>17,066,414</b>	<b>20,107,050</b>	<b>267,989</b>	<b>1,341,143</b>	<b>333,166</b>	<b>19,113</b>
1831	1,126,698	191,677	1,318,375	1,580,578	11,082	35,714	27,307	1,006
1832	1,243,510	425,493	1,669,003	2,053,386	800	16,150	29,990	1,279
1833	1,147,309	290,154	1,427,963	1,740,068	6,395	22,078	23,425	656
1834	1,244,424	192,523	1,436,952	2,113,717	6,965	13,649	32,632	517
1835	1,588,473	277,337	1,815,812	2,247,566	....	11,270	33,374	847
1836	1,054,974	165,065	1,240,039	1,823,019	53,544	67,299	24,263	848
1837	871,933	140,043	1,011,931	1,440,356	33,247	9,940	17,642	1,332
1838	814,431	95,884	910,255	1,275,762	83,373	6,408	15,066	2,914
1839	921,265	181,294	1,122,559	1,377,969	216,453	3,102	21,031	2,047
1840	945,365	81,949	1,027,214	1,252,624	163,510	16,488	20,663	2,313
<b>Total,</b>	<b>\$10,978,679</b>	<b>2,001,274</b>	<b>12,930,153</b>	<b>17,010,745</b>	<b>580,324</b>	<b>202,068</b>	<b>255,943</b>	<b>14,264</b>
1841	1,003,634	61,923	1,155,557	1,309,684	187,167	10,900	26,904	763
1842	844,452	55,514	899,966	1,266,997	63,143	36,264	21,115	863
1843*	610,796	42,574	653,370	893,447	87,593	87,188	16,606	717
1844	1,062,307	45,549	1,128,356	1,441,244	68,016	90,463	26,710	649
1845	1,327,391	77,349	1,405,740	1,836,367	55,544	237,617	27,919	534
1846	1,114,013	43,129	1,157,142	1,542,962	90,001	280,272	23,425	1,642
1847	1,187,017	111,756	1,298,773	1,391,530	39,062	217,725	27,959	2,500
1848	937,086	156,239	1,093,15	1,367,174	13,757	42,965	28,940	2,649
1849	532,577	70,015	602,592	901,724	37,776	42,174	16,556	4,552
1850	1,21,007	139,181	1,350,188	1,544,771	164,637	13,123	29,931	3,127
<b>Total,</b>	<b>\$9,941,730</b>	<b>803,719</b>	<b>10,745,499</b>	<b>13,550,950</b>	<b>757,086</b>	<b>1,033,636</b>	<b>240,515</b>	<b>22,496</b>
1851	1,679,372	167,918	1,347,290	1,889,968	181,494	111,133	83,152	7,536
1852	1,479,396	239,577	1,718,903	1,370,673	90,093	37,125	32,365	7,320
1853	1,733,418	260,520	1,993,983	1,985,624	184,609	84,734	31,369	6,124
1854	1,830,187	329,583	2,209,725	2,357,272	45,694	33,845	33,345	4,797
1855	1,929,334	315,718	2,245,052	2,315,525	60,373	10,956	37,193	9,051
1856	1,862,923	263,631	2,126,454	1,924,259	104,095	16,949	34,360	4,750

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORT.**

PORT-AU-PRINCE, the capital of Hayti, or St. Domingo, in lat. 18° 33' 42" N., long., 72° 27' 11" W. Population variously estimated, probably from 18,000 to 20,000. It is situated on the west coast of the island, at the bottom of a large and deep gulf. It was founded in 1743, since when, with few intervals, it has been the capital of French St. Domingo, as it is now of the entire island. It is partially fortified; the harbor being protected by a battery on a small island, at a little distance from the shore. The country round is low and marshy; and the heat in the summer months being excessive, the climate is then exceedingly unhealthy. The buildings are principally of wood, and seldom exceed two stories in height. The entrance to the harbor is between White island and the southern shore. The depth of water varies from about 18 feet at ebb-tide to about 21 feet at full tide. It is customary, but not compulsory, to employ a pilot in entering the harbor. They are always on the look-out. Ships moor head and stern, at from 100 to 500 yards from shore, loading and unloading by means of boats.



## HAYTI.

HAYTI, though applicable to the whole island, is, under the present arrangement, applied to that portion in the possession of the empire, extending from Lasabon, on the Massacre river in the north, to the Rio Pedernales, in the south. Its area is estimated at 11,400 square miles. Capital, Cape Haytien.

The government, first a kingdom under Christophe, and afterward a republic under Boyer, etc., was transformed into an empire on the 26th of August, 1849, when the present Emperor; Faustin Soulouque, was dignified by a servile legislature with the title of Faustin I., with hereditary succession. Otherwise the form of government adopted by the Republic, was not materially changed. The present population is approximately stated at 700,000, composed chiefly of blacks, mulattoes, and other mixed races.

The principal staples of Hayti cultivated for export, are coffee and cotton. Formerly, under the French, it was one of the most productive colonies of the West Indies; but at the present it affords one of the most abject pictures of human degradation. The exports of the principal products of the colony in 1789, the last year of French dominion, were—clayed sugars, 47,516,531 pounds; muscovado sugar, 93,573,300 pounds; coffee, 76,835,219 pounds; and cotton, 7,004,274 pounds. In 1841, the total export of sugar amounted to 1,363 pounds; of coffee, 34,114,717, and of cotton, 1,591,451 pounds. Thus it will be seen that the cultivation of sugar has been abandoned, that that of coffee has decreased one half, and that of cotton four fifths. These statistics are not as recent as desirable, but they are the latest of which we have any knowledge.

The commercial statistics of the Empire and Republic, as supplied by the Register of the United States Treasury are not separated, and hence the commerce of the island with the United States, must be considered in the aggregate. The extent and value of the commerce of the United States with the island of San Domingo, in the year ending 30th of June, 1856, was as follows:

Imports into the United States, . . . . .	\$1,924,259
Exports from the United States,	
Domestic produce and manufacture, . . . . .	\$1,862,823
Foreign produce and manufacture, . . . . .	263,621—
Total value of commerce, . . . . .	\$4,050,713

A GENERAL TABLE OF EXPORTS FROM HAYTI, DURING THE YEARS 1789, 1801, AND FROM 1818 TO 1826, BOTH INCLUSIVE.

Years.	Mus. Sugar.	Coffee.	Cotton.	Cacao.	Dye-woods.	Tobacco.	Mahogany.	Cigars.
	<i>Lbs.</i>	<i>Lbs.</i>	<i>Lbs.</i>	<i>Lbs.</i>	<i>Lbs.</i>	<i>Lbs.</i>	<i>Feet.</i>	
1789, .	93,573,300	76,835,219	7,004,274	.....	.....	.....	.....	.....
1801, .	18,518,572	43,420,270	2,480,840	648,518	6,768,634	.....	.....	.....
1813, .	5,443,567	26,065,200	474,118	434,968	6,319,300	19,140	129,962	.....
1819, .	8,790,148	29,240,919	216,108	370,489	3,094,409	39,698	141,577	.....
1820, .	2,514,572	83,137,759	346,339	556,424	1,919,748	97,800	129,509	.....
1821, .	600,934	29,923,951	820,563	264,792	3,723,186	76,400	53,005	.....
1822, .	200,454	24,235,872	592,863	464,154	8,295,080	583,967	2,622,277	279,000
1823, .	14,920	33,872,587	892,256	385,640	6,607,308	387,014	2,369,047	898,800
1824, .	5,106	44,269,084	1,023,045	461,694	3,353,151	713,679	2,131,747	175,000
1825, .	2,020	36,084,300	815,697	339,937	2,943,190	508,425	2,986,469	.....
1826, .	82,364	32,189,784	620,972	457,592	5,307,745	340,538	2,136,934	179,500

Gum Guaiacum, in 1823, 7,388 pounds—1823, 13,056 pounds—1824, 63,692 pounds.

**FOREIGN COMMERCE OF THE UNITED STATES WITH  
SPANISH AMERICAN COLONIES\* (INCLUDING MEXICO),  
FROM OCTOBER 1, 1820, TO SEPTEMBER 30, 1824.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL.	Whereof there was in Bullion & Specie.		TON'GE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1821	\$508,176	\$529,559	\$1,037,735	\$1,114,117	\$54,893	\$129,462	13,208	282
1822	1,592,767	1,828,286	3,421,053	2,522,988	57,698	661,117	31,747	364
1823	1,372,526	3,229,847	4,601,873	4,842,503	....	1,950,416	83,112	....
1824	2,827,521	5,040,966	7,868,487	6,786,769	....	3,674,800	61,651	1,554
Total.	\$6,300,990	10,628,158	16,929,148	15,266,377	112,591	6,415,795	139,718	2,200

**FOREIGN COMMERCE OF THE UNITED STATES  
WITH TEXAS,**

FROM OCTOBER 1, 1836, TO JULY 1, 1846.

1837	797,319	210,616	1,007,928	163,384	1,700	....	12,989	1,092
1838	1,028,318	219,062	1,247,580	165,718	825	....	28,195	897
1839	1,379,065	808,017	1,687,082	318,116	....	17,409	43,508	1,008
1840	937,072	281,199	1,218,271	808,847	....	55,062	41,177	590
1841	516,255	292,041	808,296	895,026	....	63,688	32,893	13
1842	278,978	127,951	406,929	480,892	....	25,510	24,316	1,869
1843†	106,840	87,718	142,958	445,899	....	17,174	15,185	927
1844	196,447	81,101	277,548	678,551	....	10,114	26,065	1,779
1845	210,738	158,056	368,792	755,894	....	46,427	19,980	2,221
1846	250,940	228,868	478,608	1-8,058	....	10,699	23,204	3,245
Total.	\$5,700,163	1,984,119	7,684,282	8,889,315	2,525	248,083	271,852	12,581

\* The commerce of Texas from 1846, when it became one of the United States, may be found under the head of Texas; and the commerce of Mexico since its Independence under the head of Mexico.

† 9 months to June 30, and the fiscal year from this time begins July 1.

**SPANISH COLONIES.**

Owing chiefly to the total incapacity of old Spain to furnish her transatlantic provinces with a sufficient supply of the articles she had forced them to import from Europe, and the consequent extension of the contraband trade carried on with them by the other European nations, she had been compelled gradually to relax the severity of her commercial monopoly. A new impulse was thus given to the spirit of industry. The colonists began to be more sensible of the natural advantages of their situation, and less inclined to submit to the blind and bigoted policy of the Spanish court. In 1781, a rebellion broke out in Peru, in consequence of an attempt made by the government to establish a new monopoly in that province, which threatened to end in the total dissolution of the connection between Spain and South America, and was not quelled without great difficulty and much bloodshed. But the spirit of liberty, when once excited, could not be suppressed. It continued to gain ground progressively, until the commencement of the last contest between France and Spain interrupted the communication with the mother-country, and gave the colonists an opportunity of proclaiming that independence which, after a lengthened and bloody struggle, they happily succeeded in achieving.

There is not at this time, nor has there ever been, a commercial treaty between the government of the United States and that of Spain. But two treaties of any kind have been negotiated between the two governments—one purporting to be "A treaty of friendship, limits, and navigation," signed October 27, 1795; the other, "A treaty of amity, settlement, and limits," February 22, 1821.

## SPANISH COLONIES.

The Spaniards who first resorted to America after its discovery had no intention of settling in the country, or of colonizing it. The idea that gold and silver alone constituted wealth was then universally prevalent; and the bold and enterprising companions and followers of Columbus, instead of engaging in industrious undertakings, which they neither understood nor relished, sought only to enrich themselves by plundering the feeble and defenseless natives of the gold and silver in their possession, and of the abundance of which the most exaggerated accounts were immediately spread throughout Europe. When new adventurers arrived on an unknown coast, their single inquiry was, whether it abounded in gold. If it did, they remained, for some time at least, in the country; if not, they immediately set sail for some other quarter. *Auri rabida sitis a cultura Hispanos divertit*, is the expressive statement of a cotemporary writer (Petrus Martyrus, in the *Novus Orbis* of Grynæus, p. 511). The slow progress of the Spanish colonies after their first discovery must principally be ascribed to this cause. The gold and silver accumulated by the natives were very soon exhausted; and the skill and energy of the successive swarms of adventurers, who continued to pour into the country, were principally directed to the unproductive and generally ruinous trade of mining. The few large fortunes that were made in this way, like the large prizes in a lottery, inflamed the cupidity of the multitude, and gave an appearance of credibility to the fabulous accounts of the excessive productiveness of the mines. After the gambling spirit which had exclusively actuated the early adventurers had begun to subside, the colonists gradually betook themselves to agricultural and commercial pursuits; and the vast variety of valuable productions with which Mexico and the other Spanish colonies abounded, the extreme richness of the soil, and their advantageous situations, would, had they been only tolerably well governed, have occasioned their rapid increase in wealth and civilization. But a blind and intolerant despotism paralyzed their energies, and fettered and retarded their progress. All the abuses and defects of the government of Old Spain were transferred to, and multiplied in, the colonies. The whole property of those vast regions was considered as vested in the crown of Spain; and every law or regulation, whether of a local or general nature, affecting their government, emanated from the council of the Indies, in which it was supposed the king was always present. We can not stop to describe the sort of regulations to which the colonists were subjected with any degree of minuteness; but we may notice a few of them, to furnish the means of judging of their general spirit and probable effect. It was, for example, made a capital offense to carry on any intercourse with foreigners; and the inhabitants of the different colonies were even forbidden any intercourse with each other, unless under the strictest and most vexatious regulations. There were several articles, such as flax, hemp, and wine, which they were not permitted to cultivate; at the same time that the crown reserved to itself the monopoly of salt, tobacco, gunpowder, and some other less important articles. Under such circumstances, we can not be surprised that these colonies should have languished for above two centuries in a state of sluggish inactivity.

**FOREIGN COMMERCE OF THE UNITED STATES  
WITH MEXICO,  
FROM OCTOBER 1, 1824, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL.	Whereof there was in Bullion & Specie.		TONGUE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1825	\$951,040	\$5,519,104	\$6,470,144	\$4,044,647	\$199,946	\$2,698,108	20,457	2,618
1826	1,024,275	5,256,775	6,281,050	3,916,193	1,500	2,560,409	23,526	2,468
1827	886,907	3,298,850	4,173,257	5,231,867	800	4,005,255	23,494	3,128
1828	592,016	2,364,468	2,886,484	4,814,258	4,850	3,853,880	26,870	3,181
1829	493,626	1,885,525	2,381,151	5,026,761	4,640	4,844,946	21,682	4,719
1830	965,764	3,851,694	4,837,458	5,235,241	....	4,708,716	27,295	3,551
<b>Total,</b>	<b>\$4,665,625</b>	<b>22,118,916</b>	<b>26,979,544</b>	<b>28,268,972</b>	<b>211,786</b>	<b>22,371,814</b>	<b>148,354</b>	<b>18,644</b>
1831	1,091,489	5,096,729	6,178,218	5,166,745	24,210	4,464,184	22,306	10,019
1832	845,777	2,621,764	3,467,541	4,298,954	1,600	3,626,704	24,111	9,364
1833	1,649,314	3,756,777	5,406,091	5,452,818	1,410	4,592,892	30,548	4,359
1834	1,192,646	4,072,407	5,265,053	6,066,068	....	7,204,517	25,504	6,082
1835	3,016,612	6,012,609	9,029,221	9,490,446	8,395	8,343,181	44,453	11,169
1836	1,500,689	4,540,996	6,041,685	5,615,819	....	4,537,418	27,278	4,588
1837	989,618	2,940,710	3,890,328	5,654,002	....	4,650,978	17,502	4,018
1838	1,040,906	1,123,191	2,164,097	3,500,709	22,732	3,669,426	11,388	2,725
1839	816,660	1,970,703	2,787,363	3,127,158	4,200	2,278,548	17,816	5,620
1840	969,938	1,545,408	2,515,341	4,175,001	....	3,458,692	13,348	3,025
<b>Total,</b>	<b>\$12,068,594</b>	<b>33,673,238</b>	<b>46,786,839</b>	<b>54,542,715</b>	<b>62,547</b>	<b>45,841,690</b>	<b>294,196</b>	<b>60,914</b>
1841	886,518	1,150,107	2,036,620	3,284,957	6,204	1,938,089	14,018	4,985
1842	969,371	564,862	1,534,233	1,995,696	6,680	1,842,817	15,912	1,226
1843*	907,745	564,192	1,471,937	2,782,406	11,825	2,176,668	22,727	2,360
1844	1,292,752	502,081	1,794,833	2,287,002	6,000	1,780,267	22,686	1,804
1845	784,154	368,177	1,152,331	1,702,986	....	966,407	16,352	4,500
1846	901,832	620,847	1,521,180	1,586,621	1,440	698,553	14,224	3,964
1847	536,641	155,787	692,428	746,818	....	328,008	10,716	2,155
1848	2,095,455	1,962,951	4,058,406	1,581,247	....	850,146	62,088	4,526
1849	1,047,999	1,042,869	2,090,868	2,216,719	6,290	1,528,225	29,820	10,140
1850	1,495,791	514,086	2,012,827	2,185,366	....	1,650,166	24,519	30,104
<b>Total,</b>	<b>\$10,920,784</b>	<b>7,454,909</b>	<b>18,375,693</b>	<b>20,669,768</b>	<b>40,489</b>	<b>13,159,385</b>	<b>288,606</b>	<b>68,714</b>
1851	1,014,690	567,093	1,581,783	1,804,779	....	1,088,998	31,019	20,145
1852	1,406,372	875,557	2,284,929	1,649,306	....	1,098,942	22,719	17,974
1853	2,529,770	1,029,054	3,558,824	2,167,985	....	1,411,885	30,810	15,804
1854	2,091,870	1,043,616	3,135,486	3,468,190	....	2,525,834	29,758	15,173
1855	3,233,368	669,486	2,922,804	2,882,880	1,200	1,978,080	41,458	10,433
1856	2,464,942	1,287,297	3,702,239	3,568,681	450	2,714,923	47,129	7,106

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORTS.**

**ACAPULCO**, lat. 16° 50' 30" N., long. 90° 46' W., the best seaport on the western coast of Mexico, and is capable of containing a large navy with perfect safety.

**TAMPICO**, a considerable commercial port on the eastern coast of Mexico, in lat. 22° 15' 30" N., long. 97° 52' W. The shifting of the bar at the mouth of the river, and the shallowness of the water on it, which is sometimes under 8 feet and rarely above 15 feet, are serious obstacles to the growth of the port. Vessels that can not enter the port load and unload by means of lighters, mooring outside of the bar, so that in event of a gale from the north, they can readily get to sea.

**VERA CRUZ**, the principal seaport on the eastern coast of Mexico, lat. 19° 11' 52" N., long. 96° 8' 45" W. The harbor lies between the town and the island of San Juan d'Ulloa, about 2,400 feet wide; it is insecure, the anchorage being very bad, and no vessel is safe, unless made fast to iron rings fixed into the wall of the castle, on the island, and even then accidents sometimes occur.

**GUAYMAS**, a seaport town of Sonora, Mexico, on the gulf of California, at the mouth of a considerable river, lat. 27° 55' N., long. 110° 16' W. It is neither large nor well built, but its harbor is the best on the western coast of Mexico, and it has an active and increasing trade.

## MEXICO

MEXICO extends from 15° 37' to 32° 22' N. latitude, and 86° 42' to 117° 13' W. longitude. Area, 855,965 square miles. Length (average) about 1,100 miles, and breadth (average) about 600 miles.

Mexico is bounded on the N. by California, New Mexico, and Texas, the Rio Gila, and the Rio Grande demarking the greater part of the boundary; on the E. by the Gulf of Mexico and Caribbean Sea; on the S. by British Honduras and Guatemala, and on the S.W. and W. by the Pacific Ocean. The entire length of its sea-coast is 6,248 miles. Capital, Mexico.

The following account of the trade and commerce of the Republic for the year 1851-52 is compiled from the official returns:

Ports.	Total Tonnage.	Passengers Arrived.	Passengers Departed.
Vera Cruz, . . .	28,203	1,429	1,346
Tampico, . . .	7,704	178	126
Metamoras, . . .	.....	.....	.....
Campeachy, . . .	6,992	4,975	1
Sisal, . . .	4,239	43	95
Tabasco, . . .	3,739	81	21
Huatulco, . . .	.....	.....	.....
Acapulco, . . .	131,330	31,242	28,540
Manzanilla, . . .	1,402	11	.....
San Blas, . . .	30,321	4,863	4,920
Mazatlan, . . .	30,762	6,095	5,000
Altata, . . .	1,158	81	9
Guayamas, . . .	4,835	718	35
Total, . . .	266,692	43,816	40,153

Of the vessels arriving, 68 belonged to Mexico, 435 to the United States, 108 to England, 69 to France, 60 to Spain, 13 to Hamburg, 24 to Peru, 5 to Belgium, 8 to Bremen, and one each to Portugal, Nicaragua, Sweden, Hanover and Venezuela. Among the arrivals were 219 steamers, viz., 145 at Acapulco, 7 at Vera Cruz, 4 at Tampico, 27 at San Blas, 35 at Mazatlan, and 1 at Guayamas. Of these 145 were United States vessels. Of the classes of vessels, besides steamers, there were 55 frigates (vessels of war), 114 barks, 165 brigs, 63 hermaphrodite brigs, 155 schooners, and 68 pilot-boats.

An official letter to the Department of State, Washington city, dated October 10, 1855, at Vera Cruz, remarks as follows upon the Mexican tariff:

"Nothing can be more corrupt, false, unjust, unequal, and generally pernicious, than the entire Mexican commercial system. There are now no less than four distinct tariffs in operation and counter-operation here; not to mention concessions and special privileges granted to certain places and favored individuals—all to the great prejudice of the regular American merchant transacting business under the protection guaranteed by solemn treaties. Merchants are even now continually imposed on, and openly robbed, under one or the other of them; the custom-house electing the tariff under which any given importation shall be entered to suit its own convenience; for come what may in the shape of reform the unlucky foreigner has to pay for it."

**FOREIGN COMMERCE OF THE UNITED STATES  
WITH URUGUAY**

(Formerly Cisplatine Republic),

FROM OCTOBER 1, 1830, TO JULY 1, 1856.

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL.	Whereof there was in Bullion & Specie.		TONGE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMEL.	FOR.
1831	.....	.....	.....	.....	.....	.....	856	.....
1832	\$3,325	.....	\$3,325	.....	.....	.....	879	.....
1833	.....	.....	.....	.....	.....	.....	1,129	.....
1834	.....	.....	.....	.....	.....	.....	4,774	.....
1835	.....	.....	.....	.....	.....	.....	6,391	849
1836	.....	.....	.....	.....	.....	.....	5,734	.....
1837	7,964	.....	7,964	\$10,510	.....	.....	3,063	435
1838	35,762	\$24,567	60,329	13,631	\$650	.....	8,112	170
1839	50,993	33,302	84,295	625,433	7,575	.....	6,586	263
1840	32,102	67,923	149,780	494,403	81,667	\$7,397	8,197	230
<b>Total,</b>	<b>\$190,051</b>	<b>130,497</b>	<b>320,548</b>	<b>1,143,975</b>	<b>40,192</b>	<b>7,397</b>	<b>42,170</b>	<b>1,446</b>
1841	140,031	16,193	156,224	345,294	.....	600	10,107	.....
1842	201,999	67,963	269,967	551,918	10,452	4,697	14,215	619
1843*	219,576	75,549	295,125	121,759	7,303	.....	6,553	398
1844	394,286	67,910	462,176	144,763	23,674	22,083	12,519	1,159
1845	140,956	16,150	157,106	20,573	23,964	.....	3,252	614
1846	210,406	15,493	225,904	26,472	5,516	3,000	5,599	303
1847	150,536	56,303	206,839	112,510	33,300	1,906	3,536	736
1848	339,359	43,369	382,728	523,064	2,392	400	11,949	4,413
1849	134,633	13,089	147,727	79,924	3,600	.....	2,345	2,635
1850	60,024	1,518	61,542	.....	.....	.....	867	1,167
<b>Total,</b>	<b>\$2,022,321</b>	<b>374,047</b>	<b>2,396,368</b>	<b>1,954,511</b>	<b>117,981</b>	<b>82,591</b>	<b>71,247</b>	<b>12,963</b>
1851	32,711	13,073	45,789	19,114	12,500	.....	1,320	647
1852	131,156	11,917	143,073	49,707	.....	.....	2,906	3,537
1853	296,088	12,253	308,346	302,930	.....	.....	3,700	1,256
1854	450,355	62,102	512,457	457,179	.....	.....	17,399	1,751
1855	394,657	37,515	432,172	242,709	3,900	.....	16,556	3,135
1856	517,349	33,430	550,779	361,036	4,333	.....	12,734	535

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**REPUBLIC OF URUGUAY.**

URUGUAY, otherwise known as the Banda Oriental, or the Cisplatine Republic, lies on the northern coast of the estuary of the Rio de la Plata, and is bounded W. by the river Uruguay, and S.E. by the Atlantic ocean. Lat. 30° 27' and 34° 53' S., long. 52° 31' and 57° 47' W. Area, 120,000 square miles. Length, N. and S., about 280 miles, breadth, E. and W., about 250 miles. On the N.E. and N. its limits are co-terminous with those of Brazil. Capital, Montevideo. The population in 1850 was variously estimated at 40,000 or 50,000, of which about one fourth are found in Montevideo. The other inhabited places are Maldonado, Colonia, Santa Lucia, Camelones, San José, San Carlos, Soriano, and Cerro Largo, which are all towns; and the villages are Toledo, Pando, Rocha, Penarol, Piedras, San Salvador, Minas, Florida, Porongas, Colla, Bucas, Nevoras, Espenella, Mercedes, Paisanda, and Heroidera. In 1810 this country, then a province of the viceroyalty of Buenos Ayres, contained from 60,000 to 70,000 inhabitants. The decrease in population is ascribed to the revolution against Spain, to civil wars, and to the occupation of the country by the Portuguese or Brazilians, which nations being universally detested by the natives caused great numbers to leave the country. The country is highly favored by nature. It is everywhere well watered by fine rivers. Its soils, fertile even to the hill-tops, are peculiarly adapted to agriculture and grazing, and animal products have ever been the staple material of the commerce of Montevideo. Nearly the whole country abounds in pastures of excellent quality, and the scenery presents a constant succession of hills, eminences, meadows, wilds, rugged defiles, and mountains.

## MONTEVIDEO,

A seaport, and the capital of the Republic of Uruguay, on the north bank of the Rio de la Plata, latitude  $34^{\circ} 54' 11''$  S., longitude  $56^{\circ} 13' 18''$  W. The population, which is variously estimated, may probably be about 12,000. The town is built in the form of an amphitheater, on a regular plan, and is well fortified. It has suffered much from the various revolutions to which it has been subject during the last thirty years.

Montevideo is situated  $2^{\circ} 3' 33''$  W. of Cape St. Mary, the northern limit of the embouchure of the La Plata. Vessels from the north bound to Montevideo generally make this cape, entering the river between it and the small island of Lobos, in from 14 to 17 fathoms. The course is thence nearly west to the Isle of Flores, on which is a lighthouse 112 feet above the level of the sea, with a revolving light. From Flores to Montevideo is 16 miles in a direct line, and the course W. by S. by compass. A lighthouse, 475 feet above the level of the sea, has been erected on the summit of the Montevideo, whence the town has its name. The latter is built on a projecting tongue of land, the port being on its south side. This, which is the best on the La Plata, is a large circular basin open to the S.W.; generally the water is shallow, not exceeding from 14 to 19 feet, but the bottom being soft mud, vessels are seldom damaged by grounding. It should, however, be observed that the depth of water in the harbor, as well as throughout the whole of the Rio de la Plata, depends very much on the direction and strength of the winds. The S.W. wind, called *pamperos*, blows right into the Bay of Montevideo with much force, not unfrequently causing a rise of a fathom or more in the depth of water. But it rarely occasions much damage to vessels properly moored with anchors to the S.W., S.E., and one to the N.—(*Blunt's American Pilot*, pp. 542–555; *Coulter sur les Phares*, etc.)

Montevideo has a considerable commerce. The great articles of export consist of animal products, or of hides, beef, tallow, hair, bones, grease, wool, etc. The imports principally consist of British cottons, woolens, and hardware, flour, wine and spirits, linens, sugar, tobacco, boots and shoes, salt, etc.

Vessels belonging to Uruguay are admitted into the ports of the United States on same terms as respects tonnage and navigation duties, as American vessels, with the produce or manufactures of her own, or any other country. And by a law of Uruguay, passed June 17, 1854, similar privileges are granted to vessels belonging to the United States.

National vessels, and vessels belonging to the provinces of Buenos Ayres, employed within the river Plata, called coasting, pay a license for each voyage.

*Hospital Dues.*—National and foreign vessels, sailing for a foreign port beyond sea, or in the river Plata, pay two dollars for the vessel, four reals for the captain, two reals for each seaman, one dollar for each passenger.

*Money, Weights, and Measures.*—Paper money there is none. Current money, the Brazilian patacon and Spanish dollar; they pass for 960 centesimo. 100 cents make a real. 800 cents, or 8 reals, make a dollar. 960 cents, or 9 reals 60 cents, make  $1\frac{1}{2}$  current dollar, or 1 hard dollar or patacon. Weights and measures same as those of Spain.

## FOREIGN COMMERCE OF THE UNITED STATES WITH COLOMBIA,

FROM OCTOBER 1, 1824, TO OCTOBER 1, 1838.

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS	Whereof there was in Bullion & Specie.		TONGUE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL	TOTAL	EXPORT.	IMPORT.	AMER.	FOR.
1825	\$1,118,290	\$1,194,975	\$2,299,255	\$1,837,050	\$18,400	\$199,459	25,223	1,859
1826	946,014	1,004,658	1,952,672	2,079,794	10,500	462,617	19,776	2,089
1827	611,312	838,222	944,534	1,350,248	84,571	565,881	18,042	609
1828	560,846	823,675	684,524	1,484,856	29,200	420,594	10,985	88
1829	525,738	241,565	767,348	1,253,310	880	222,337	8,490	183
1830	316,732	180,258	496,990	1,120,095	....	414,996	6,935	62
<b>Total.</b>	<b>\$4,078,967</b>	<b>8,206,856</b>	<b>7,285,928</b>	<b>9,327,288</b>	<b>\$143,561</b>	<b>\$2,385,814</b>	<b>83,551</b>	<b>4,787</b>
1831	875,319	289,830	658,149	1,207,154	....	284,908	7,189	....
1832	404,857	710,167	1,117,024	1,439,182	58,792	239,836	9,443	269
1833	439,964	517,569	957,543	1,524,622	78,454	209,166	9,467	1,014
1834	420,758	874,809	795,567	1,727,168	96,977	246,108	8,773	566
1835	458,068	605,943	1,064,016	1,662,764	175,716	136,258	10,180	659
1836	398,687	435,568	829,255	1,696,650	161,989	156,248	8,858	1,252
1837	540,150	539,969	1,080,109	1,567,845	100,631	144,063	7,815	1,898
1838	406,564	318,175	724,739	1,615,249	114,117	226,515	6,823	1,917
<b>Total.</b>	<b>\$3,441,867</b>	<b>8,785,015</b>	<b>7,226,402</b>	<b>12,440,154</b>	<b>716,726</b>	<b>1,742,622</b>	<b>68,047</b>	<b>7,370</b>

For the commerce of the United States with Colombia subsequently to the year 1838, see  
VENEZUELA and NEW GRANADA.

### PRINCIPAL PORT.

GUAYAQUIL, a city and port of Colombia, on the western coast of South America, lat. 2° 11' 21" S., long. 79° 43' W. Population, 20,000. The town is situated on the banks of the river of the same name, about six or seven leagues from the Isla Verde, or nine leagues from the Isla Puna, in the gulf of Guyaquil, opposite to the mouth of the river. Ships bound for Guyaquil generally call at the Isla Puna, where expert pilots may be had, who carry them up to the town by night or by day, according to the state of the tides. The town is old, but as the houses are of wood, and it has frequently suffered from fires, much of it is comparatively modern, and has a good appearance. There is a dry-dock on the south bank of the river, where several ships of a superior construction have been built. The district in which Guyaquil is situated has for a considerable period formed a part of Ecuador or Æquator. Its principal article of export is cocoa, of which large quantities are shipped; and next to it are straw hats, timber, tobacco, hides, bark, etc. The principal articles of import are manufactured cottons and hardware, silks, wine, flour, etc.

### ACCOUNT OF THE QUANTITIES AND VALUES OF THE PRINCIPAL ARTICLES OF PRODUCE EXPORTED FROM GUAYAQUIL, IN 1849, 1850, AND 1851.

ARTICLES.	1849.		1850.		1851.	
	Quantities.	Values.	Quantities.	Values.	Quantities.	Values.
Cocoa. . . lba.	14,020,446	£139,408	11,171,318	£111,718	9,567,068	£100,000
Straw hats . . doz.	21,101	73,856	26,396	95,900	35,354	107,700
Tanned hides, . stoles	22,367	5,871	26,400	8,400	17,118	5,100
Tobacco, . quintals	3,128	9,289	1,523	8,300	2,508	12,400
Timber, . . logs	8,243	1,418	7,571	1,624	16,244	16,300
Mangles, . . poles	1,419	62	3,458	8,510	10,027	700
Flax, . . . lba.	17,156	563	7,558	200	860	50
Orchilla . . quintals	706	1,286	1,240	2,400	1,138	2,000
Tamarinds, . "	180	229	175	200	387	600
Bark, . . . "	714	1,499	1,045	6,500	2,638	14,000
<b>Total Value,</b> . . .		<b>£284,020</b>		<b>£278,625</b>		<b>£287,800</b>



## COLOMBIA.

COLOMBIA, an extensive region of South America, formerly under the Spanish government. The independent republic of Colombia was established by Bolivar in December, 1819, comprising the then republics of Venezuela and New Granada.

Colombia, so named in honor of Columbus, comprised, under the Spanish government, the ancient vice-royalty of New Granada and Quito, and the *capitania general* of Venezuela. The Republic was bounded E. by the Atlantic Ocean, and extended from Cape Nassau at the mouth of the Essequibo (N. latitude  $7^{\circ} 39'$ , W. longitude  $53^{\circ} 47'$ ) to Cape Gracias-à-Dios, in the province of Honduras (N. latitude  $15^{\circ} 1'$ , W. longitude  $82^{\circ} 46'$ ), including the islands of Margarita, St. Andrews, and others. On the Pacific, the western boundary commenced at Golfo Dulce (N. latitude  $8^{\circ} 20'$ , W. longitude  $83^{\circ}$ ), and extended along the Pacific, comprehending the adjacent islands, as far as the river Tumbeas (S. latitude  $3^{\circ} 34'$ , W. longitude  $86^{\circ} 30'$ ). On the south it was separated by the Tumbeas and a lofty mountain ridge from Peru, Brazil, and the British possessions on the Essequibo. The boundary line between Colombia and Guatemala on the north, although highly important to both countries on account of the proposed water communication between the Atlantic and the Pacific at lake Nicaragua, was not accurately defined. The extent of territory comprised within these limits has been estimated at 92,000 square leagues, of which 58,000 belonged to New Granada and Quito, and 33,700 to Venezuela.

The *llanos* of Colombia are extensive plains, about 200 or 300 feet above the level of the sea; which are watered by the Caqueta, Meta, Guaviare, Casanare, Apure, and other tributaries of the Orinoco. Their area is estimated at 17,000 square leagues, and their climate is hotter and less healthy than that of the mountains. Toward the south they are covered with immense forests; their vegetation throughout is extremely luxuriant; and they teem with an endless variety of animals, birds, reptiles, and insects. The river Meta, in connection with the Orinoco, affords water communication from the Atlantic to within a few leagues of Bogota, a distance of 1,500 miles. By means of the Cassiquiare, a branch of the Orinoco, this river is connected with the Rio Negro, a tributary of the Marañon, and thus a water communication is established between two of the largest rivers of the world. In addition to these, the Magdalena, which is navigable to within a short distance of Bogota; the Guayaquil, important as furnishing an outlet to the commerce of Quito; and the extensive lake of Maracaybo, with its large tributaries, afford great facilities for internal communication.

Colombia, embracing in climate all the gradations of temperature from extreme heat to extreme cold, would long before this have become one of the most prosperous countries of the world, had not its political condition under Spanish rule greatly retarded the development of its natural resources. The cultivation of the vine and olive, the breeding of the silk-worm, and the working of the iron mines were prohibited by the Spaniards in South America under severe penalties, lest they should interfere with the industry of Spain. The natural productions of Colombia are cocoa, coffee, cotton, sugar, cinchona bark, dyewoods, etc.

**FOREIGN COMMERCE OF THE UNITED STATES WITH THE  
CENTRAL REPUBLIC OF SOUTH AMERICA,**

FROM OCTOBER 1, 1824, TO JULY 1, 1856.

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS	Whereof there was in Bullion & Specie.		TONNAGE CLD.	
	DOMESTIC.	FOREIGN.	TOTAL.		TOTAL.	EXPORT.	IMPORT.	AMER.
1825	\$40,377	\$59,145	\$99,522	\$56,789	\$3,200	.....	8,123	....
1826	79,294	40,480	119,774	204,370	.....	\$43,018	2,598	....
1827	147,574	77,198	224,772	351,842	.....	106,609	5,015	....
1828	106,778	52,499	159,272	204,770	.....	56,487	3,390	56
1829	123,631	116,223	239,854	311,981	.....	189,572	3,320	....
1830	188,456	111,662	250,118	302,533	.....	181,672	3,044	....
<b>Total.</b>	<b>\$636,105</b>	<b>457,307</b>	<b>1,093,812</b>	<b>1,381,985</b>	<b>8,200</b>	<b>477,663</b>	<b>20,490</b>	<b>56</b>
1831	141,179	165,318	306,497	198,504	.....	88,310	3,315	....
1832	139,206	196,101	335,307	288,316	51,990	94,525	4,359	116
1833	267,760	807,256	575,016	267,740	31,500	54,529	2,933	....
1834	111,616	72,583	184,149	170,968	.....	26,801	1,975	....
1835	111,624	72,169	183,798	215,450	4,700	82,318	1,851	....
1836	86,349	103,169	189,518	195,304	20,900	31,911	1,144	....
1837	82,314	75,949	157,663	163,409	.....	14,025	1,033	....
1838	111,910	131,189	243,049	155,614	21,050	50,304	1,343	....
1839	111,752	104,490	216,242	192,345	54,303	35,671	471	....
1840	180,661	87,283	217,946	189,021	10,600	26,582	721	....
<b>Total.</b>	<b>\$1,294,371</b>	<b>1,314,909</b>	<b>2,609,180</b>	<b>2,037,164</b>	<b>195,048</b>	<b>485,571</b>	<b>19,735</b>	<b>116</b>
1841	73,616	71,297	149,918	186,911	2,601	19,241	1,173	145
1842	46,649	22,317	69,466	124,994	9,015	10,895	638	165
1843*	34,469	18,497	52,966	132,167	800	11,518	1,802	....
1844	103,377	46,999	150,276	223,408	10,000	14,187	2,251	120
1845	41,548	26,101	67,649	65,269	2,967	3,411	1,049	187
1846	75,136	45,117	120,253	116,733	4,375	12,123	937	214
1847	73,822	23,246	96,568	80,581	.....	5,139	1,345	....
1848	84,940	15,488	50,373	13,272	2,000	.....	308	700
1849	112,430	23,739	136,219	56,017	.....	5,907	5,203	78
1850	67,225	12,967	70,192	261,450	16,190	16,691	2,290	1,732
<b>Total.</b>	<b>\$637,762</b>	<b>306,115</b>	<b>963,980</b>	<b>1,265,811</b>	<b>47,948</b>	<b>99,412</b>	<b>17,021</b>	<b>3,331</b>
1851	223,302	39,089	262,391	149,356	14,194	17,670	27,565	4,400
1852	336,136	37,332	473,513	303,356	7,400	207,495	54,586	5,933
1853	225,856	120,474	346,330	590,987	.....	493,593	80,737	3,179
1854	350,589	53,945	308,884	2,360,422	.....	2,233,100	85,314	3,492
1855	1,310,534	61,556	1,262,170	238,409	1,000,000	121,452	90,343	1,111
1856	347,265	49,356	393,621	216,353	20,000	60,579	34,321	903

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORT.**

SAN JUAN DE NICARAGUA, a seaport town at the mouth of the river of the same name, state of Costa Rica, on the western shore of the Caribbean sea, lat. 10° 55' N., long. 38° 43' W. The port is excellent, and is considered the best on this part of the coast. Till lately the town was quite inconsiderable, and consisted of little else than a cluster of huts; but latterly it has no doubt been improved. This place has risen into importance from its being at the western extremity of a proposed line of water communication between the Caribbean sea and the Pacific ocean. This line is to consist partly of the river San Juan, flowing from the lake of Nicaragua east to the sea at San Juan, partly of the lake, and partly of a canal to be constructed from the latter to the Pacific ocean. This project has been often mooted; but the discovery of the extraordinary mineral riches of California, and the consequent emigration to and intercourse with that country, have given it an incomparably greater interest than it formerly possessed. The country appears to present greater facilities for effecting this great work than any other part of Central America, except the Isthmus of Darien or Panama. The river San Juan, about 90 miles in length, is said to have been occasionally navigable throughout its entire course, for sea-going vessels.

## CENTRAL AMERICA.

States.	Pop.	Capitals.
Guatemala, . . .	600,000	Guatemala, 50,000 inhabitants
Honduras, . . .	230,000	Comayagua.
St. Salvador, . . .	280,000	San Salvador, 5,000 "
Nicaragua, . . .	264,000	Leon, 80,000 "
Costa Rica, . . .	100,000	St. Jose, 18,000 "

. The above is probably not accurate, but as nearly so as is known. Guatemala has the largest territory, and San Salvador has the smallest. Costa Rica has the Gulf of Nicoya on the Pacific, latitude nine and a half north. San Salvador and Honduras have the bay of Fonseca, also on the Pacific, latitude 13 degrees. In this bay is Tiger island, on which is a mountain over 4,000 feet high.

The city of Guatemala is 4,950 feet above the ocean. It is thirty leagues from the Pacific. The State has only one seaport, or rather roadstead, on the Pacific—the small town of San Jose, eight miles west of Istapa, which is closed. A high surf makes it dangerous to land. In this State is a volcano 14,000 feet high.—*W. Neilson, of Panama.*

San Salvador was destroyed by an earthquake, April, 1854. Santa Tecla is the new capital, 12 miles distant from the city.—*Neilson.*

Punta Arenas, in the Gulf of Nicoya, is the only port open to foreign commerce in Costa Rica. Coffee is the principal production. A good many Germans are settled in the country.—*Neilson.*

Cartago, the former capital, with about 25,000 inhabitants, was entirely destroyed by an earthquake in September, 1841. The volcano of Catago is about 11,000 feet high. It was ascended by Mr. Stephens in January, 1840.

La Union, or Conchagua bay, St. Salvador, C. A., is a fine sheet of water, forms a part of the Bay Fonseca, possessing an anchorage of from 3 to 12 fathoms, free from shoals, and well protected from all winds, being a near approach to a circle, and about 10 miles in diameter. It is surrounded on three sides by high land, and the entrance is protected by a number of islands, with many deep and safe channels, only one of which is at present used by ships entering and leaving, although many of the others are, no doubt, equally good, and would be quite as available, if surveyed. The port of the Union is by far the best in the State of San Salvador. On the opposite side of the Gulf of Fonseca, is the port of San Lorenzo, in Honduras, the above State being here bounded, for a short distance, by the waters of the Pacific ocean. The port is safe and convenient, and of easy access; but as nearly all the commerce of this State is carried on by the Atlantic coast, it is but little resorted to by vessels.

*Ports on the Pacific side.*—Commencing at the most northerly part of the S.W. coast, the first of the ports upon the Pacific is Jacos, which is the only place in the province of the Altos ever visited by vessels. It is an open roadstead, where a landing is always effected with some difficulty, on account of the continual heavy surf breaking upon the shore. *Istapa*, the port of Guatemala, and *Acajuntila*, the port of San Salvador, are the next in rank. Port of *Realejo* in Nicaragua, is said to be one of the best ports on the Pacific.

**FOREIGN COMMERCE OF THE UNITED STATES  
WITH NEW GRANADA,  
FROM OCTOBER 1, 1838, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30	EXPORTS.			IMPORTS TOTAL	Whereof there was in Bullion & Specie.		TONGE CL'D.	
	DOMESTIC	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1839	\$35,319	\$39,565	\$64,884	\$90,514	.....	\$42,308	1,262	1,967
1840	57,922	77,829	135,751	217,382	\$704	128,163	1,000	882
Total,	\$ 93,141	106,914	200,055	307,896	704	170,470	2,262	2,249
1841	50,562	59,873	110,435	144,117	14,168	43,432	583	722
1842	57,368	46,861	104,229	176,216	...	41,584	1,615	161
1843*	72,009	82,944	154,953	115,782	2,480	89,714	1,245	.....
1844	75,021	49,225	124,246	189,616	.....	62,605	1,691	.....
1845	43,717	30,260	73,977	171,921	.....	47,889	1,562	.....
1846	51,849	24,066	75,914	67,043	.....	82,100	1,069	298
1847	53,655	19,405	73,060	156,654	.....	75,179	565	784
1848	79,163	45,488	124,651	213,396	19,000	77,500	733	1,567
1849	244,460	58,824	303,284	158,960	52,077	62,562	25,094	1,854
1850	970,619	285,600	1,256,219	591,992	273,000	430,039	121,753	6,237
Total,	\$1,704,020	708,525	2,412,545	1,935,543	360,710	911,104	155,860	11,068
1851	2,507,701	528,121	3,035,822	695,606	65,895	465,758	205,890	12,535
1852	1,293,286	217,556	1,510,842	750,527	50,461	456,744	183,375	5,153
1853	753,391	103,079	856,470	553,528	8,462	295,956	205,602	8,940
1854	865,204	93,029	958,233	1,478,590	2,017	835,022	170,460	1,164
1855	892,245	169,900	1,062,145	1,799,672	273,864	473,943	121,568	1,653
1856	1,444,848	166,549	1,611,397	2,325,019	257,474	232,490	129,518	1,312

\* 9 months to June 30, and the fiscal year from this time begins July 1.

#### PRINCIPAL PORTS.

**CHAGRES**, a seaport town of New Granada, Central America, on the northern coast of the Isthmus of Panama, at the mouth of the Chagres river, in the Caribbean sea. Lat. of fort San Lorenzo  $9^{\circ} 18' 6''$  N., long.  $79^{\circ} 59' 2''$  W. It is a mere collection of huts, with a harbor only for vessels drawing ten or twelve feet of water; but it has frequent traffic with Panama, and is sometimes resorted to by shipping from the United States, Carthage, and the British West Indies.

**PANAMA**, a city and seaport of New Granada, on the Pacific, 33 miles south-east of Chagres, lat.  $8^{\circ} 56' N.$ , long.  $79^{\circ} 31' 2'' W.$  Population estimated at 7,000. It stands on a rocky peninsula, projecting into the bay of Panama, and has an imposing aspect from the sea. Its streets are well ventilated, and it is said to be cleaner than most Spanish American cities. It is encircled by irregular and not very strong fortifications, constructed at different periods. The houses are partly of wood, straw, and other fragile materials. The tides daily rise and fall from 20 to 27 feet, so that it is peculiarly well fitted for the repair and building of ships. The Panama railroad has one of its termini here, and another at Aspinwall, on Manzanilla island, Navy bay. Trains take about four hours in passing from sea to sea.

**CARTAGENA**, or **CARTHAGENA**, a strongly-fortified city and seaport of New Granada, South America, of which republic it is the chief naval arsenal, capital of the province, on a sandy peninsula in the Caribbean sea. Lat. of the dome  $10^{\circ} 25' 36'' N.$ , long.  $75^{\circ} 34' W.$  Population, 10,000, nine tenths of whom are a mixed black race. Its excellent port is defended by two forts, and is the only harbor on the north coast of New Granada adapted for repairing vessels. Cartagena is the principal dépot for the produce of the provinces watered by the Cauca and Magdalena rivers, and is connected with the Magdalena by a canal. It exports sugar, cotton, coffee, tobacco, hides, specie, bullion, etc. Under the Spaniards, this city was the seat of a captain-general, and of one of the three tribunals of the Inquisition in America. It was the first town that proclaimed independence, and in 1815 endured a most vigorous siege, and was subdued only by famine. Population of the province, 103,783.

## NEW GRANADA.

NEW GRANADA, 12° 30' N., and 3° 35' S. latitude, and 65° 51' and 83° 5' W. longitude. Area, 521,948 square miles. Length, about 1,000 miles, and breadth, about 520 miles. New Granada occupies the north-west portion of South America; and is bounded north by the Caribbean sea and Costa Rica, east by Venezuela and Brazil, south by Ecuador, and west by the Pacific ocean. Capital, Santa Fé de Bogota.

Christopher Columbus discovered terra firma in 1498, and, during his fourth voyage, on the 2d of November, 1502, found Chagres and the bay of Limones, called also Navy bay. Different governments have been established throughout the Granadan territory, while Spanish colonies; a vice-royalty was at length formed in 1732, of what are now the Republics of New Granada and Ecuador. In 1810, New Granada separated herself from the Spanish monarchy, and maintained a constant war until 1824, when the Spanish army was conquered by the Republican, of which two thirds consisted of Colombians. Bolivar, the most distinguished leader of the Spanish-American revolution, was the first proposer of the union of Venezuela and New Granada, in 1818; and when the Congress of Angostura met, early in 1819, the fundamental law was enacted which established Colombia, on the 17th of December of that year, Venezuela separated herself in November, 1829, and Ecuador in May, 1830; and the central part of Colombia instituted itself the republic of New Granada on the 21st of November, 1831. In 1832, the Constitution of the State was sanctioned, under the form of a Democratic Republican government, by dividing the supreme power into the Executive, Legislative, and Judicial, under a central regimen, but giving to the provinces a municipal corporation, that each section might legislate in its local affairs. The Republic was divided into provinces, these into cantons, and the cantons into parochial districts. The State recognized no national religion; but has declared that it will pay for the Catholic worship, and protect Granadans in its exercise. The law of Colombia, which attributed to itself the law of patronage exercised by Spain, has continued in vigor to the present time. The Republic was first divided into eighteen provinces; and they have since been increased to thirty-five. The Constitution of 1832 was reformed in 1843, without any variation in the form of government.

## COMMERCE OF NEW GRANADA, 1852.

Principal Ports.	ENTERED.		CLEARED.	
	Ships.	Tons.	Ships.	Tons.
Carthagena, . . .	114	14,371	109	13,734
St. Martha, . . .	59	4,157	48	4,127
Panama, . . .	312	143,899	297	133,836
Total, . . .	485	162,427	454	151,697

Value.	Entered.	Cleared.
Carthagena,	381,946 livr. sterling.	99,207 livr. sterling.
St. Martha,	84,734 "	15,993 "
Panama, . . .	802,369,000 frca.	2,476,009 frca.

**FOREIGN COMMERCE OF THE UNITED STATES WITH  
VENEZUELA,  
FROM OCTOBER 1, 1838, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL	Whereof there was in Bullion & Specie.		TONGE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1839	\$413,245	\$272,736	\$685,981	\$1,982,702	\$104,482	\$85,041	9,241	1,550
1840	554,267	229,605	783,873	1,353,166	73,957	27,521	9,396	920
<b>Total,</b>	<b>\$967,512</b>	<b>502,341</b>	<b>1,469,853</b>	<b>3,337,868</b>	<b>183,192</b>	<b>62,562</b>	<b>18,627</b>	<b>2,470</b>
1841	592,419	290,083	702,502	2,012,004	145,717	8,168	9,590	1,294
1842	499,380	164,893	664,273	1,544,843	71,222	27,676	9,743	8,211
1843*	433,077	100,425	533,502	1,191,230	21,083	95,816	8,090	884
1844	412,491	83,741	591,232	1,428,479	45,868	5,083	8,595	1,939
1845	593,545	139,585	723,130	1,268,275	162,521	19,448	10,732	1,117
1846	534,069	197,478	731,547	1,509,000	154,048	2,989	11,123	1,244
1847	571,474	43,799	615,273	1,322,496	7,945	42,409	10,300	630
1848	400,290	62,793	463,083	1,323,611	83,511	78,597	7,691	1,605
1849	431,421	106,213	537,634	1,418,096	182,392	65,670	8,420	1,157
1850	673,462	340,008	1,013,470	1,920,247	490,439	49,730	8,509	2,697
<b>Total,</b>	<b>\$5,158,568</b>	<b>1,523,902</b>	<b>6,682,470</b>	<b>14,829,830</b>	<b>1,259,196</b>	<b>385,781</b>	<b>93,855</b>	<b>15,568</b>
1851	854,779	189,746	1,044,525	2,830,295	492,075	86,584	11,761	2,891
1852	726,024	67,309	793,333	1,191,864	94,973	22,921	11,244	3,109
1853	749,859	94,668	844,527	2,613,780	257,544	11,859	12,001	1,789
1854	1,131,604	69,979	1,201,583	3,072,649	400,823	56,861	12,263	4,074
1855	1,152,504	70,945	1,223,449	3,618,869	370,464	9,685	13,057	4,360
1856	1,648,621	69,153	1,717,774	4,302,692	566,970	22,892	25,615	1,687

\* 9 months to June 30, and the fiscal year from this time begins July 1.

#### PRINCIPAL PORT.

LA GUAYRA, the principal seaport of the republic of Venezuela, in the province of Caracas on the Caribbean sea, lat. 10° 36' 19" N., long. 67° 6' 45" W. Population estimated at 8,000. In 1810, the population is believed to have amounted to 13,000—the reduction being a consequence of the loss of life caused by the tremendous earthquake of 1812, and the massacres and proscriptions incident to the revolutionary war. The population of the city of Caracas, of which La Guayra may be considered as the port, fell off from the same causes, from 43,000 in 1810, to 23,000 in 1830; but they are now both increasing. There is neither quay nor mole at La Guayra. Ships moor E.N.E. and W.S.W., with their heads to the north, at from one quarter to three quarters of a mile from the land, in from 9 to 18 fathoms. The holding-ground is good; and notwithstanding the openness of the road, vessels properly found in anchors and cables run very little risk of being driven from their moorings. The principal articles of export are coffee, cocoa, indigo, hides, sarsaparilla, etc. La Guayra shares the trade of Venezuela with the ports of Cumana, Puerto Cabello, Maracaibo, etc., having about a half of its entire amount.

*Port Regulations.*—On casting anchor, a visit is paid by the collector of customs, or his agent, accompanied by other officers, who take from the master his register, manifest, and muster-roll, and an officer is left on board until the cargo is discharged. The master must swear to his manifest within 24 hours after his arrival, when the permit to discharge is granted, and within three days all invoices must be presented. The discharge completed, the same officers repair on board to examine the vessel, and all being found in order, the officer is withdrawn. The clearing of a vessel outward (that has entered with cargo) in ballast is then completed by paying the port charges; proof whereof being produced, the permission to sail is signed by the governor and harbor master. If the vessel take cargo on board, then the same formality as to visiting, is pursued, as on the entry of a vessel.

*Credit.*—Goods imported are almost invariably sold upon credit; those exported are, on the other hand, always sold for ready money. The terms of credit vary from two to six months, or more. Bankruptcy is very rare.

## VENEZUELA,

A republic of South America; its territory lies chiefly between latitude 2° and 12° N., and longitude 60° and 73° W., having E. British Guiana, S. Brazil, W. New Granada, and N. the Caribbean Sea.

The E. Cordillera of the Andes extends through its N. part from W. to E., terminating in the peninsula of Paria. S. of this is a wide plain country, traversed by the Orinoco, the whole course of which river is in this region. Other principal rivers are the Meta, Apure, Arauca, Carony, tributary to the Orinoco; the Cassiquiare, connecting it with the Amazon, and the Tocuyo, Zulia, and Cuyuni in the N. and E. The lakes Maracaibo and Valencia, and islands Margarita and Tortuga, belong to this republic. All the finest tropical products, grow luxuriantly; the principal sources of wealth are cacao, coffee, tobacco, indigo, cotton, sarsaparilla, dyewoods, timber, and especially cattle, and the articles of trade which they yield. Total value of exports \$6,000,000 annually, mostly sent to the West India islands, the United States, Great Britain, and Spain. Imports comprise woven fabrics, chiefly cottons and linens, flour and provisions, hardwares, soap, wines, and specie.

## COMMERCE IN 1851-2.

COUNTRIES.	VESSELS.		TONNAGE.	
	Entered.	Cleared.	Entered.	Cleared.
Austria, . . . . .	..	2	..	474
Belgium, . . . . .	3	..	576	..
Brazil, . . . . .	1	..	203	..
Sardinia, . . . . .	9	10	2,015	1,895
Hanse Towns, . . . . .	43	49	14,257	11,680
Denmark, . . . . .	88	37	9,621	3,350
Spain, . . . . .	42	87	6,059	11,224
France, . . . . .	46	58	10,112	10,376
United States, . . . . .	124	153	23,777	31,374
Great Britain, . . . . .	515	1,073	23,033	31,829
Hayti and St. Domingo, . . . . .	..	2	..	326
Mexico, . . . . .	..	4	..	472
New Granada, . . . . .	..	1	..	22
Netherlands, . . . . .	195	175	10,307	10,788
Other places, . . . . .	3	44	44	..
Total, . . . . .	1,069	1,651	100,004	113,810

## COMMERCE IN 1853-4.

	Imports.	Free.	Exports.
United States, . . . . .	1,180,445	313,679	2,420,936
Hanse Towns, . . . . .	783,005	295,917	1,197,035
Great Britain, . . . . .	1,649,813	712,870	273,212
France, . . . . .	632,712	221,954	1,077,592
Denmark, . . . . .	873,580	201,630	498,416
Spain, . . . . .	253,673	95,278	1,078,272
Netherlands, . . . . .	261,559	76,253	449,524
Mexico, . . . . .	2,682	9	106,006
Sardinia, . . . . .	27,710	11,340	36,811
Other countries, . . . . .	37,209	8,013	....
Total, { in piasters, . . . . .	5,692,388	1,936,943	7,139,804
{ in francs, . . . . .	22,769,452	7,747,772	28,559,216

**FOREIGN COMMERCE OF THE UNITED STATES WITH  
COAST OF BRAZIL AND DEPENDENCIES,  
FROM OCTOBER 1, 1820, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL	Whereof there was in Bullion & Specie.		TONGE CLD.	
	DOMESTIC.	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1821	\$883,348	\$496,412	\$1,381,760	\$605,126	\$156,999	\$19,500	22,264	314
1822	1,217,411	346,518	1,463,929	1,436,567	.....	71,909	23,301	549
1823	1,063,209	279,181	1,341,390	1,214,510	8,615	46,215	22,616	.....
1824	1,699,754	602,150	2,301,904	2,074,119	89,219	218,792	33,845	507
1825	1,641,296	752,439	2,393,734	2,136,707	98,348	197,188	38,998	707
1826	1,597,944	693,005	2,290,949	2,156,673	113,090	104,771	84,972	1,084
1827	1,486,439	877,878	2,364,316	2,060,971	1,575	292,962	87,709	881
1828	1,508,779	432,936	1,983,715	3,097,752	185,188	181,577	40,114	.....
1829	1,510,280	419,647	1,929,927	2,535,467	78,612	76,886	40,973	.....
1830	1,600,999	242,229	1,843,228	2,491,460	1,470	84,695	44,450	601
<b>Total,</b>	<b>\$14,204,838</b>	<b>4,501,939</b>	<b>18,708,772</b>	<b>19,379,657</b>	<b>678,106</b>	<b>1,234,309</b>	<b>343,587</b>	<b>4,098</b>
1831	1,652,198	422,902	2,076,095	2,375,829	216,875	22,149	26,892	208
1832	1,292,077	822,717	2,054,794	3,890,845	381,508	20,671	80,489	356
1833	2,474,555	797,546	3,272,101	5,089,688	156,840	11,458	49,785	1,017
1834	1,586,097	478,254	2,059,851	4,729,969	60,084	81,783	87,092	1,977
1835	1,810,791	797,865	2,608,656	5,574,466	343,931	66,605	89,269	2,584
1836	1,732,741	1,562,193	3,094,934	7,210,190	900,834	6,940	48,588	3,062
1837	1,901,317	441,992	1,743,309	4,991,938	38,581	40,617	19,576	4,107
1838	2,094,957	562,237	2,657,194	8,191,238	208,706	123,221	90,623	1,601
1839	2,183,997	503,498	2,687,495	5,292,955	184,427	4,898	89,431	3,138
1840	2,145,868	360,711	2,506,574	4,927,226	102,174	14,922	84,139	1,764
<b>Total,</b>	<b>\$18,164,488</b>	<b>6,545,907</b>	<b>24,710,395</b>	<b>47,274,464</b>	<b>2,637,895</b>	<b>343,816</b>	<b>360,779</b>	<b>19,824</b>
1841	2,941,991	575,229	3,517,220	6,802,658	255,808	21,852	47,684	3,101
1842	2,225,571	875,831	2,601,502	5,948,814	81,794	50,845	38,778	2,643
1843*	1,563,534	322,704	1,792,238	3,947,658	22,409	50,849	32,066	1,295
1844	2,409,418	408,834	2,318,252	6,589,806	142,695	28,609	46,250	1,816
1845	2,413,567	424,838	2,387,950	6,084,599	181,159	7,477	40,716	2,077
1846	2,754,012	839,838	3,143,395	7,441,808	236,091	2,582	48,096	4,639
1847	2,566,893	876,840	2,943,773	7,096,180	149,249	26,595	39,281	3,867
1848	3,092,736	279,698	3,372,434	7,992,643	163,072	17,508	57,206	6,096
1849	2,386,390	264,597	3,102,977	6,494,868	117,604	9,861	56,385	6,593
1850	2,722,765	478,847	3,197,114	9,324,429	279,690	2,166	56,118	3,569
<b>Total,</b>	<b>\$25,584,964</b>	<b>3,791,999</b>	<b>29,326,963</b>	<b>69,516,938</b>	<b>1,623,066</b>	<b>216,239</b>	<b>464,405</b>	<b>34,714</b>
1851	3,126,956	622,960	3,752,916	11,525,904	490,269	6,511	63,699	7,643
1852	2,782,179	238,868	3,021,042	12,230,239	117,466	94,817	59,454	5,718
1853	3,734,190	360,254	3,994,444	14,317,961	399,029	9,000	69,785	5,158
1854	4,046,857	192,334	4,239,241	14,110,837	643,114	24,400	60,348	2,329
1855	3,978,219	293,054	4,261,278	15,218,925	141,535	1,461	75,666	2,674
1856	4,856,126	226,779	5,094,904	19,262,667	383,598	.....	74,980	2,890

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORT.**

RIO DE JANEIRO, the capital of Brazil, on the Atlantic, in lat. 22° 54' 15" S., long. 43° 15' 50" W. Population 200,000. The harbor of Rio is one of the finest in the world, both as respects capaciousness and security for all sorts of vessels. In coming from the north-east it is usual to make Cape Frio, in lat. 23° 1' 18" S., long. 42° 3' 19" W., being about four leagues nearly east of Rico. The entrance to the harbor is marked by a remarkable hill in the form of a sugar-loaf, 900 feet high, close to its west side; while on the east or opposite side of the bay, at the distance of about 1½ miles, is the fort of Santa Cruz. Vessels bound for Rio, coming from the north, should, after rounding Cape Frio, steer due west, keeping about three leagues from the coast, until they come within five or six miles of the Ilha Raça, or Flat island, lying almost due south from the mouth of the harbor, at the distance of about three leagues. A lighthouse, the lantern of which is said to be elevated nearly 300 feet above the level of the sea, was erected on this island in 1829. The light is a revolving one, alternately red and white, finishing its revolution in three minutes.



## BRAZIL.

**BRAZIL**, an extensive empire of South America, occupying a large proportion of the eastern and central part of that country, extending between latitude 4° 28' N., and 32° 45' S., and longitude 34° 55' and 65° 20' W. Length, from N. to S., about 2,630 miles; greatest breadth, 2,540 miles. Its internal boundaries come in contact with all the different States and territories of South America, with the exception of Chili and Patagonia, while the Atlantic ocean washes its shores from its north east to its southern limits.

Brazil was discovered by Alvarez de Cabral, a Portuguese, who was driven upon its coasts by a tempest in 1500. He called it the land of the Holy Cross; but it was subsequently called Brazil, on account of its red wood, and was carefully explored by Amerigo Vespucci about 1504. The gold mines were first opened in 1684; and the diamond mines were discovered in 1730. The French having seized on Portugal in 1807, the royal family and nobles embarked for Brazil. A revolution took place here in 1821. Brazil was erected into an empire, when Don Pedro assumed the title of emperor, November 18, 1825. He abdicated the throne of Portugal, May 2, 1826; and that of Brazil, in favor of his infant son, now (1855) emperor, April 7, 1831, and returned to Portugal, where a civil war ensued.—HAYDN.

The surface of Brazil is about equally divided into uplands and lowlands, or valleys. Two parallel mountain ranges traverse the country from N. to S., forming elevated ridges of table-land, the greatest height of the central range being from 6,000 to 7,000 feet.

Countries.	Imports.	Proportions.		Exports.	Proportions.	
		1853-54.	1854-55.		1853-54.	1854-55.
Gt. Brit. and poss.,	\$22,775,420	53.72	53.59	\$19,687,362	32.43	32.32
France and poss.,	4,989,187	11.71	11.67	4,086,131	7.95	9.02
United States,	3,995,868	9.06	8.25	11,903,644	28.35	26.28
Portugal and poss.,	3,234,396	6.83	7.63	2,324,889	4.35	5.12
Hanseatic towns,	2,442,233	6.25	5.76	3,387,579	8.27	7.37
Rio de la Plata, .	2,108,545	5.03	4.97	2,087,433	4.25	4.61
Belgium, . . .	885,752	2.16	4.97	1,391,847	1.78	3.07
Spain and poss., .	665,468	0.84	1.45	488,969	0.84	0.96
Chili, . . . . .	564,133	0.49	1.33	789,558	1.02	1.63
Sardinia, . . . .	377,584	0.78	0.89	608,978	0.88	1.34
Sweden and Norway,	189,774	0.26	0.45	1,264,649	2.18	2.77
Austria, . . . . .	130,277	0.84	0.31	812,011	3.53	1.79
Holland and poss.,	58,750	0.07	0.14	109,611	0.13	0.24
Other countries, .	322,327	0.94	0.76	687,557	1.23	1.47
Denmark, . . . . .	.....	.....	.....	779,938	2.64	1.72
Turkey, . . . . .	.....	.....	.....	134,709	0.15	0.29
Re-exportation, .	300,460	.....	.....	.....	.....	.....
<b>Total, .</b>	<b>\$43,040,174</b>			<b>\$50,534,865</b>		

## NAVIGATION IN 1854 AND 1855.

	ARRIVALS.		CLEANED.	
	Vessels.	Tons.	Vessels.	Tons.
Brazilian, . . . . .	3,737	277,853	3,887	296,015
Foreign, . . . . .	1,112	440,849	1,067	440,943
<b>Total, .</b>	<b>4,849</b>	<b>718,702</b>	<b>4,954</b>	<b>736,958</b>

**FOREIGN COMMERCE OF THE UNITED STATES WITH  
THE ARGENTINE REPUBLIC,  
FROM OCTOBER 1, 1824, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL	Whereof there was in Bullion & Specie.		TON'GE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL		EXPORT.	IMPORT.	AMER.	FOR.
1825	\$404,201	\$169,819	\$574,520	\$749,771	\$3,020	\$374,406	8,856	....
1826	222,833	156,508	379,340	522,769	....	81,144	5,119	....
1827	100,730	50,424	151,204	89,065	....	25,575	717	248
1828	94,872	59,856	154,228	317,466	....	60,562	2,882	....
1829	444,716	181,936	626,652	912,114	....	3,076	7,422	....
1830	425,220	204,667	629,887	1,431,883	....	189,210	9,565	116
<b>Total,</b>	<b>\$1,692,121</b>	<b>822,110</b>	<b>2,514,231</b>	<b>4,014,068</b>	<b>3,020</b>	<b>683,974</b>	<b>33,991</b>	<b>864</b>
1831	415,469	244,290	659,779	928,108	63,648	3,200	8,169	....
1832	464,632	458,406	923,040	1,560,171	73,377	4,167	6,937	....
1833	494,391	205,987	699,728	1,377,117	18,603	5,785	7,696	....
1834	671,166	300,671	971,837	1,430,118	5,490	24,063	6,379	285
1835	384,195	324,723	708,918	873,618	99,676	34,927	4,623	....
1836	269,618	115,115	384,933	1,058,508	10,470	4,920	2,817	203
1837	127,710	123,298	256,008	939,492	19,083	....	4,372	951
1838	180,832	56,233	237,115	1,010,908	12,470	3,000	3,005	169
1839	233,593	142,470	376,063	525,114	39,834	801	929	....
1840	280,144	89,132	369,276	293,562	38,667	....	....	....
<b>Total,</b>	<b>\$3,531,970</b>	<b>2,064,727</b>	<b>5,596,697</b>	<b>10,046,706</b>	<b>380,388</b>	<b>80,263</b>	<b>44,982</b>	<b>1,613</b>
1841	509,007	152,939	661,946	1,612,513	57,866	....	6,564	....
1842	265,256	145,906	411,261	1,885,823	75,610	....	2,120	....
1843*	163,088	94,026	262,109	793,488	57,744	....	2,144	....
1844	245,339	256,950	504,289	1,421,192	157,948	....	4,838	....
1845	342,575	160,431	503,006	1,750,698	130,215	....	10,667	943
1846	147,907	83,118	231,025	799,213	40,822	....	4,134	....
1847	123,954	52,135	176,089	241,209	39,215	....	2,237	....
1848	206,703	25,225	233,928	1,026,097	8,000	2,368	586	1,450
1849	595,519	172,076	767,594	1,709,327	69,333	....	9,937	5,492
1850	713,381	346,311	1,064,642	2,653,977	237,215	1,950	16,107	9,260
<b>Total,</b>	<b>\$3,324,173</b>	<b>1,446,116</b>	<b>4,770,289</b>	<b>18,843,737</b>	<b>874,463</b>	<b>4,236</b>	<b>53,739</b>	<b>17,045</b>
1851	659,852	414,916	1,074,768	3,265,332	825,681	....	11,661	5,185
1852	513,007	281,110	799,117	2,091,097	256,887	425	13,711	4,381
1853	613,855	262,611	881,466	2,156,641	197,309	23,708	10,749	4,639
1854	653,720	103,005	761,725	2,144,971	47,719	....	8,526	1,890
1855	810,756	153,671	969,427	2,545,067	51,768	....	18,534	2,315
1856	1,013,112	246,751	1,259,863	2,322,161	110,330	....	24,904	573

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORT.**

**BUENOS AYRES**, the capital of the Argentine Confederation and of the province of Buenos Ayres, is situated on the right bank of the estuary of the Plata, in lat. 34° 39' S., long. 58° 18' W. The river is at this point so wide, that it is quite impossible with the naked eye to distinguish the opposite bank; and at the same time so shallow, that ships drawing 15 or 16 feet of water must anchor seven or eight miles from the city. Small craft generally anchor in what are called the inner roads, abreast of the city. As the depth of water is never sufficient to admit of their coming to shore, passengers and goods are landed by means of large-wheeled carts, which are either drawn or pushed by the requisite number of horses. The town of Buenos Ayres is situated in a vast plain extending westward to the Andes. The level uniformity of its outline is only broken by the spires of the various churches. The Plata is one of the largest rivers in the world, traversing a vast extent of country of which it is the great outlet. Unluckily, however, its estuary, though broad, is in most parts shallow, being also encumbered with sand banks, and infested with sudden gusts of wind called pamperos. Its navigation is consequently attended with a good deal of difficulty, and ships bound for Buenos Ayres generally take pilots on board.

## ARGENTINE CONFEDERATION.

Latitude S. 22° 20' and 40° 50', and longitude W. 56° 20' and 71° 30'. Length, N. and S., about 1,260 miles, and breadth, E. and W., about 720 miles. Area, 926,000 square miles.

The Argentine Confederation comprises the provinces known under the Spanish *regimé* as the vice-royalty of Buenos Ayres, with the exception of Paraguay and Uruguay, east of the Plata, which have become independent States. It is bounded on the N. by Bolivia, on the E. by Paraguay and Uruguay, on the S. E. by the Atlantic Ocean, on the S. by Patagonia, and on the W. by Chile, from which it is divided by the crest of the Andes. Capital: Buenos Ayres.

The Confederation (bound together, however, by no very stringent ties) consists of thirteen States and an extensive unappropriated country:

States.	Area.	Population.	Capitals.
1. Buenos Ayres, . . . . .	} Estimated at 926,000 sq. miles.	230,000	Buenos Ayres (100,000).
2. Corrientes, . . . . .		45,000	Corrientes (20,000).
3. Entre Rios, . . . . .		36,000	Parana (15,000).
4. Santa Fé, . . . . .		22,000	Santa Fé (4,000).
5. Cordoba, . . . . .		87,000	Cordoba (14,000).
6. San Luis de la Punta, . . . . .		28,000	San Luis de la Punta (1,500).
7. Mendoza, . . . . .		47,000	Mendez (12,000).
8. San Juan de la Frontera, . . . . .		23,000	San Juan (8,000).
9. Rioja, . . . . .		23,000	Rioja (3,800).
10. Catamarca, . . . . .		40,000	Catamarca (4,000).
11. Santiago del Estero, . . . . .		54,000	Santiago (4,000).
12. Tucuman, . . . . .		51,000	Tucuman (8,000).
13. Salta, . . . . .		63,000	Salta (9,000).
Grand Chaco . . . . .		(Indian Territory.)	
Total, . . . . .	926,000	754,000	

The area and population of the country as given in the above table must be taken as a mere approximation.

The internal commerce of the Confederation is very considerable, as almost every State produces something peculiar, which is in demand in the neighboring States. It is also facilitated by the local character of the surface and the climate, which is generally dry. The roads are also tolerably good. The river navigation is extensive, and by these channels the commercial material of the northern States is brought to Buenos Ayres, the chief port whence they are exported. The commerce with Brazil and the neighboring republics is important. The exports consist principally of hides, skins, horse-hair, wood, tallow, ostrich feathers, salted meats, horns, bones, etc., to the value of between \$8,000,000 and \$10,000,000 annually. The country is dependent on foreign nations for almost every article of manufactures. These are supplied chiefly from England and the United States, and consist of calicoes, cottons and woollens, hardware, and general merchandise.

The La Plata, the great river of the country, embodies most of the interior waters of the country, and is the recipient of the Parana, Paraguay, and numerous large rivers draining three fourths of the Confederation. This river, since the overthrow of Rosas, has been opened to the commerce of the world.

**FOREIGN COMMERCE OF THE UNITED STATES  
WITH CHILI,**

FROM OCTOBER 1, 1824, to JULY 1, 1856.

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL	Whereof there was in Bullion & Specie.		TONGE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1825	\$454,254	\$467,184	\$921,438	\$229,509	\$88,760	\$46,906	7,907	.....
1826	512,650	334,848	1,447,498	629,949	69,100	251,774	6,799	.....
1827	1,040,748	661,858	1,702,601	184,698	20,781	95,602	12,664	.....
1828	1,519,978	1,108,494	2,629,402	761,968	.....	880,908	19,338	.....
1829	690,956	590,778	1,421,184	416,118	.....	158,850	9,079	.....
1830	915,718	620,896	1,536,114	182,585	.....	1,569	12,287	.....
<b>Total.</b>	<b>\$5,888,704</b>	<b>4,824,488</b>	<b>9,653,197</b>	<b>2,424,717</b>	<b>168,641</b>	<b>879,904</b>	<b>67,378</b>	<b>...</b>
1831	840,498	518,662	1,363,155	418,756	31,362	91,694	11,145	.....
1832	579,370	641,749	1,221,119	504,622	100,762	87,488	8,105	.....
1833	730,140	733,800	1,463,940	884,180	.....	97,557	8,500	.....
1834	714,407	761,948	1,476,355	787,409	361	855,531	8,550	641
1835	586,188	355,696	941,884	917,095	.....	415,150	6,089	.....
1836	552,866	355,061	987,917	811,497	.....	208,980	5,887	81
1837	1,092,859	395,440	1,487,799	1,180,156	1,580	550,017	6,944	.....
1838	1,047,572	322,699	1,370,264	942,095	.....	262,083	6,235	.....
1839	1,807,143	437,410	1,794,553	1,186,641	.....	134,603	8,638	241
1840	1,372,254	856,575	1,728,829	1,616,359	.....	480,586	7,414	.....
<b>Total.</b>	<b>\$3,861,792</b>	<b>4,929,028</b>	<b>13,790,815</b>	<b>8,694,268</b>	<b>124,065</b>	<b>2,668,584</b>	<b>77,502</b>	<b>968</b>
1841	846,410	258,578	1,102,988	1,290,930	.....	846,496	5,992	991
1842	1,270,941	863,735	1,639,676	891,039	800	89,520	7,092	604
1843*	869,833	179,580	1,049,469	857,556	.....	98,690	5,878	.....
1844	656,645	248,576	1,106,221	750,870	.....	185,817	7,247	.....
1845	1,247,360	300,831	1,548,191	1,122,690	.....	66,085	8,278	.....
1846	1,539,136	229,484	1,768,570	1,375,960	.....	111,929	8,649	1,462
1847	1,461,347	210,263	1,671,610	1,716,903	.....	70,112	7,155	1,077
1848	1,708,625	230,896	1,924,511	1,810,451	.....	20,698	10,465	366
1849	1,732,457	294,648	2,017,100	1,817,722	.....	170,462	23,396	1,361
1850	1,297,183	125,588	1,422,731	1,796,877	.....	119,067	41,279	25,888
<b>Total.</b>	<b>\$12,814,987</b>	<b>3,485,114</b>	<b>15,250,051</b>	<b>12,711,549</b>	<b>800</b>	<b>1,228,751</b>	<b>127,466</b>	<b>31,814</b>
1851	1,608,877	284,438	1,893,905	2,784,746	8,000	774	48,140	41,667
1852	2,043,636	295,297	2,338,133	2,062,160	17,250	82,728	21,386	23,402
1853	2,157,820	169,117	2,326,497	2,214,252	30,000	12,313	23,488	33,665
1854	1,943,890	250,929	2,193,259	3,362,167	6,570	22,805	22,871	32,408
1855	2,294,231	426,096	2,426,267	3,513,896	13,166	11,708	21,667	10,109
1856	2,591,254	276,389	2,867,748	2,467,819	10,000	.....	32,477	4,778

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORT.**

VALPARAISO, the principal seaport of Chili, lat. (fort St. Antonio) 33° 1' 19" S., long. 71° 41' 5" W. Population perhaps 28,000 or 30,000. The water in the bay is deep, and it affords secure anchorage, except during northerly gales, to the violence of which it is exposed; but as the holding-ground is good, and the pull of the anchor against a steep hill, accidents seldom occur to vessels properly found in anchors and cables. There is no mole or jetty; but the water close to the shore is so deep, that it is customary for the smaller class of ships to carry out an anchor to the northward, and to moor the ship with the stern ashore by another cable made fast to the shore. Large ships lie a little further off, and load and unload by means of lighters. The best shelter is in that part called the Fisherman's bay, lying between the castle and fort St. Antonio, where, close to a clear shingle beach, there is nine fathoms of water. In the very worst weather, a landing may be effected in this part of the bay. The harbors of Valdivia and Concepcion are much superior to that of Valparaiso, the former being, indeed, not only the best in Chili, but second to few in any part of the world. But Valparaiso being near the capital, Santiago, and being the central dépôt for the resources of the province, is most frequented.

## CHILI.

The republic of Chili occupies that long strip of land which lies on the south-western side of South America, extending from 24° to 55° 59' S. latitude; and from 69° to 72° W. longitude. It is bounded west by the Pacific Ocean, and east by the Andes, by which it is separated from the Argentine Confederation. On the north, Chili is separated from Bolivia by the extensive desert of Atacama; and it extends southward to the extreme limits of that Archipelago which embraces all the islands between Chiloé and the Straits of Magellan. Reckoning its length from the desert of Atacama to Cape Horn, it comprehends 36 degrees of latitude. Its average breadth is only 150, and where greatest not more than 210 geographical miles. The superficial area of Chili is computed at 218,925 English square miles, which is about 3,195 miles more extensive than that of France and Belgium together. Except where the Andes are intersected by ravines, which frequently change into vales or plains fit for cultivation, these mountains with their parallel ranges and spurs, occupy a great part of its area. South of the Cuesta de Chacabuco there are extensive plains, broken only by a few ridges of hills; but the highlands are almost continuous from north to south along the coast of the Pacific.

Chili is rich in almost every class of metals; but the silver mines of late years have yielded enormous quantities of ore. The metals at present discovered are gold, silver, copper, lead, antimony, cobalt, zinc, nickel, bismuth, iron, molybdenum, and quicksilver; but the only ores which are worked are gold, silver, copper, and occasionally quicksilver. The latter will now be abandoned in consequence of the low price of mercury, caused by the quantity produced in California. The metals are found in all the series of rocks between granite and trachyte, in veins which generally run from north and north-west to south and south-east; in some places, however, their course is irregular, or they extend east and west. The auriferous veins run nearly parallel to the grain or imperfect cleavage of the surrounding granite rocks. Gold is found most abundantly in the beds of detritus, derived from the degradation of the upper portion of the rocks.

A railroad runs from Caldera to Copiapo, a distance of 54 miles, which is to be continued on to Chañarcillo, about 50 miles from the city; and a tram-road is projected to the rich mineral district of Tres Puntas (8,400 feet above the sea), which, when completed, will enable the miners to send down the poor silver ores which they now throw away. The commerce of Chili has vastly increased since the time when the country lay torpid under the yoke of Spain. As soon as it had recovered from the unsettled condition caused by the revolution, business of all kinds acquired new energy, and the trade, freed from its oppressive restrictions, extended to the larger ports of the United States and Europe. A few years were sufficient to show a large increase in its export and import trade, and Valparaiso soon became a flourishing port.

The precious metals are the most valuable exports from Chili. While obtaining annually from her mines metal to the amount of £1,500,000, she exported in the year 1851 gold to the value of £59,950, silver to the value of £709,467, and copper to the value of £414,503.

**FOREIGN COMMERCE OF THE UNITED STATES  
WITH PERU,  
FROM OCTOBER 1, 1824, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS	Whereof there was in Bullion & Specie.		TOWNS CLD.	
	DOMESTIC.	FOREIGN.	TOTAL.	TOTAL.	EXPORT.	IMPORT.	AMER.	FOR.
1825	\$359,854	\$374,944	\$734,798	\$ 846,858	....	\$328,157	2,919	....
1826	273,724	231,175	509,599	795,194	....	408,622	3,171	....
1827	202,944	70,077	273,021	1,035,462	\$5,000	668,798	2,454	....
1828	159,359	100,555	259,944	948,199	....	629,350	2,314	....
1829	91,542	119,615	211,157	1,004,458	....	602,079	749	....
1830	32,400	39,408	71,808	972,884	....	591,521	732	....
<b>Total.</b>	<b>\$1,124,858</b>	<b>935,774</b>	<b>2,060,627</b>	<b>5,098,090</b>	<b>5,000</b>	<b>3,220,517</b>	<b>12,839</b>	<b>....</b>
1831	8,560	7,616	16,176	917,788	....	891,711	528	....
1832	7,196	10,594	17,960	720,098	....	165,122	72	....
1833	....	....	....	654,630	....	198,672	79	....
1834	42,767	10,006	58,963	618,412	....	282,291	685	....
1835	....	....	....	1,113,278	....	869,877	....	....
1836	....	918	918	155,531	....	88,903	....	....
1837	99,757	11,601	111,358	909,418	....	440,109	1,221	....
1838	163,963	29,581	208,899	698,487	....	164,375	1,674	....
1839	....	....	....	242,818	....	87,696	1,019	....
1840	....	....	....	438,495	....	146,521	667	....
<b>Total.</b>	<b>\$322,078</b>	<b>66,596</b>	<b>408,674</b>	<b>6,409,900</b>	<b>....</b>	<b>2,439,717</b>	<b>5,984</b>	<b>....</b>
1841	....	....	....	524,876	....	129,161	....	....
1842	....	....	....	204,768	....	14,890	....	....
1843*	....	....	....	185,568	....	84,441	446	....
1844	14,063	2,754	16,807	184,424	....	21,839	404	....
1845	33,424	....	33,424	336,112	....	18,221	783	....
1846	....	....	....	252,599	....	9,500	291	....
1847	192,973	34,559	227,537	396,228	....	82,520	1,208	563
1848	124,618	16,781	141,949	317,759	....	57,991	2,782	1,419
1849	93,195	18,041	111,236	446,953	....	17,406	5,611	2,291
1850	253,989	16,789	275,723	170,753	....	8,250	10,382	7,340
<b>Total.</b>	<b>\$717,207</b>	<b>68,574</b>	<b>806,061</b>	<b>2,969,580</b>	<b>....</b>	<b>383,711</b>	<b>21,759</b>	<b>11,618</b>
1851	249,760	22,838	272,098	94,738	844	....	18,920	18,519
1852	393,794	22,043	415,842	694,892	....	975	5,179	11,831
1853	657,816	40,281	697,577	178,441	3,000	16,679	63,246	87,410
1854	651,707	33,443	685,155	1,005,406	5,000	....	121,925	86,685
1855	756,823	114,223	870,546	597,618	....	....	85,151	25,877
1856	1,159,232	84,991	1,244,223	317,759	7,600	....	51,561	20,107

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORTS.**

**CALLAO**, a fortified town of Peru, department, and six miles west of Lima, of which it is the port, on the Pacific, in lat. 12° S., long. 77° 13' 7" W. Population perhaps 20,000. It is generally well built; its castle, formerly very strong, has lately been dismantled, and is now used for a custom-house. Its roadstead, sheltered by the island of San Lorenzo, is the best on the Peruvian coast. It has a convenient quay, and communicates with Lima by a good carriage road. Customs revenue, about \$1,000,000. Exports consist chiefly of bullion, specie, copper, cotton, bark, and hides. In 1841, 498 vessels, aggregate burden 101,084 tons, entered, and 494 vessels, burden 99,944 tons, cleared out of the port. In 1746 the old town of Callao was destroyed by an earthquake.

**LIMA**, the capital city of Peru, in a fine valley, about six miles from its port Callao, on the Pacific, and connected with it by a railroad, lat. 12° 2' 55" S., long. 77° 5' 30" W. Population 70,000. It was long the grand commercial entrepôt for all the western coast of South America, and it still has a large trade, its exports consisting of silver, copper ore, bark, soap, vicuña wool, chinchilla skins, nitre, sugar, etc.; and imports of manufactured goods, from England, wines, silks, and brandy, from Spain and France, and other produce chiefly from the American continent.

## PERU.

Latitude S.  $3^{\circ} 35'$  to  $21^{\circ} 48'$ , and longitude W.  $70^{\circ} 40'$  to  $84^{\circ} 30'$ . Length, N. and S., 1,200 miles, and breadth, from 40 to 600 miles. Area, 520,000 square miles.

Peru is bounded N. by Ecuador, E. by Brazil, S. E. and S. by Bolivia, and W. by the Pacific Ocean. Its coast reaches from the mouth of the Rio Tumbes to that of the Loa, 1,240 miles. Capital: Lima.

All the mountains of Peru form part of the great chain (cordillera) of the Andes. From Porco, in Bolivia, it is separated into two chains: that of Ancumar, which runs from the E. between the provinces of Carabaya and Azangaro in the department of Puno, and that which runs to the W. through Tacua, Moquegua, and Arequipa. Both reunite afterward near the city of Cuzco, and again separate, the one running to the E. of the provinces of Huanta and Tarma, and the other to the W. of those of Castrovireyna, Huancavelica, and Huarochiri, reuniting themselves again in Pasco. From Pasco three chains detach themselves—the eastern between the Rio Guallega and the Pachitea, the central one between the Guallega and the Upper Marañon, and the western one between the latter and the coast of Trujillo and Paita. These several chains reunite in the province of Loja, in Ecuador. The direction of these chains of mountains determines the great valleys of the interior of Peru.

The mineral resources of Peru, like those of Mexico, are inexhaustible. The very name of the country is associated in the mind with ideas of gold and silver. Beside the precious metals, however, the country produces copper, tin, iron, coal, saltpetre, etc., in abundance—the latter under the name of nitrate of soda has become an important export. The agricultural staples of the country are sugar, rice, tobacco, etc., which grow in the warmer situations; the vine, wheat, etc., in the milder; potatoes are cultivated in all parts. Maize is cultivated, and is the common diet of the people. Medicinal plants, drugs, and dye-stuffs form a large part of the exports, and some of the hard woods abound in the forest. The Cinchona, or Peruvian bark is indigenous to the country: it grows at the elevation of 10,000 or 12,000 feet, and abounds most in the northern provinces. Among the wild animals of Peru are the puma, the uturunca (a species of tiger), the acumari (a black bear), and great varieties of deer, wild bears, armadillos, etc. The llama, alpaca, guanaca, vicuña, etc., are the most valuable animals.

## COMMERCE IN 1853.

COUNTRY.	Imports.	Exports.
Great Britain, . . . . .	23,081,455	44,093,775
China, . . . . .	1,447,480	.....
Chili, . . . . .	3,270,035	2,487,185
Spain, . . . . .	811,835	1,144,970
Ecuador, . . . . .	984,140	.....
United States, . . . . .	2,930,120	24,491,890
France, . . . . .	9,418,905	7,208,030
Hamburg, . . . . .	2,431,635	1,074,070
Antilles, . . . . .	.....	1,321,200
Other countries, . . . . .	1,063,865	2,580,395
<b>Total, francs,</b> . . . . .	<b>45,439,470</b>	<b>84,401,515</b>

**FOREIGN COMMERCE OF THE UNITED STATES  
WITH CHINA,  
FROM OCTOBER 1, 1820, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS	Whereof there was in Bullion & Specie.		TONGE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.		TOTAL.	EXPORT.	IMPORT.	AMER.
1821	\$388,535	\$3,902,025	\$4,290,560	\$3,111,951	\$3,391,497	.....	6,040	.....
1822	429,290	5,506,193	5,935,483	5,242,536	5,075,012	\$500	8,185	.....
1823	383,875	4,847,686	4,684,061	6,511,425	8,584,182	22,086	9,478	.....
1824	390,466	4,970,705	5,201,171	5,618,532	4,463,352	.....	9,563	.....
1825	160,059	5,410,456	5,570,515	7,533,115	4,623,075	.....	5,667	.....
1826	242,451	2,324,193	2,566,644	7,422,156	1,651,575	.....	4,956	.....
1827	290,862	3,573,548	3,964,405	8,617,138	2,524,818	.....	8,950	.....
1828	230,335	1,252,417	1,482,802	5,339,108	454,500	24,390	3,664	.....
1829	260,759	1,094,103	1,354,862	4,630,347	601,593	.....	6,351	.....
1830	156,290	535,908	742,193	3,873,141	79,934	9,194	3,501	.....
<b>Total,</b>	<b>\$2,777,412</b>	<b>32,967,169</b>	<b>35,744,581</b>	<b>52,954,994</b>	<b>26,350,098</b>	<b>56,120</b>	<b>69,355</b>	<b>.....</b>
1831	244,790	1,046,045	1,290,835	3,039,205	367,024	.....	5,061	.....
1832	396,162	924,360	1,261,522	5,344,907	452,119	25,932	7,232	.....
1833	587,774	895,986	1,433,750	7,541,570	390,456	6,400	9,308	.....
1834	255,756	754,727	1,010,483	7,592,827	373,830	.....	8,123	.....
1835	385,863	1,582,712	1,968,590	5,937,137	1,391,666	.....	7,104	.....
1836	341,563	352,701	1,194,264	7,324,816	413,661	50	5,662	.....
1837	313,378	311,618	680,591	8,965,337	155,000	.....	8,798	.....
1838	655,531	861,091	1,516,602	4,764,536	723,661	4,000	7,914	.....
1839	480,464	1,103,187	1,583,601	3,673,509	992,563	.....	6,419	.....
1840	469,136	504,780	1,009,966	6,640,929	477,003	.....	3,860	.....
<b>Total,</b>	<b>\$3,926,117</b>	<b>8,323,086</b>	<b>12,749,203</b>	<b>61,223,223</b>	<b>5,646,933</b>	<b>36,382</b>	<b>69,376</b>	<b>.....</b>
1841	715,322	485,494	1,200,916	3,095,338	426,592	485	4,876	.....
1842	737,509	706,838	1,444,397	4,934,645	606,714	.....	7,259	364
1843*	1,755,393	663,565	2,418,958	4,335,566	571,660	.....	13,533	.....
1844	1,110,023	646,918	1,756,941	4,931,255	566,935	.....	13,035	.....
1845	2,079,341	196,654	2,275,995	7,235,914	158,860	27,107	17,477	.....
1846	1,173,138	153,553	1,381,741	6,593,331	112,574	.....	13,697	.....
1847	1,703,635	124,229	1,832,584	5,533,343	33,303	.....	12,334	.....
1848	2,063,825	126,368	2,191,013	8,093,496	72,013	.....	17,150	.....
1849	1,460,945	122,279	1,538,224	5,513,785	9,967	.....	11,740	.....
1850	1,485,961	119,256	1,605,217	6,593,462	25,000	.....	17,330	3,106
<b>Total,</b>	<b>\$14,364,962</b>	<b>3,845,224</b>	<b>17,640,186</b>	<b>57,000,735</b>	<b>2,533,643</b>	<b>27,592</b>	<b>130,930</b>	<b>3,470</b>
1851	2,155,945	329,342	2,485,287	7,065,144	147,475	.....	46,317	10,193
1852	2,480,066	183,111	2,663,177	10,593,950	19,723	281	67,264	21,577
1853	3,312,574	524,418	3,736,992	10,573,710	489,314	.....	66,041	24,303
1854	1,393,923	104,163	1,398,083	10,506,329	155,533	108,174	69,633	13,547
1855	1,593,057	186,372	1,719,429	11,043,726	674,933	.....	101,660	15,764
1856	2,048,244	509,933	2,553,237	10,454,436	633,592	1,000	83,433	10,467

\* 9 months to June 30, and the fiscal year from this time begins July 1.

**PRINCIPAL PORTS.**

**AMOY**, a commercial city and seaport of China, province of Fo-kien, on an island of the same name, in a bay of the Chinese sea, opposite Formosa, and 320 miles E.N.E. of Canton, lat. 24° 10' N., long. 118° 13' E. Population 250,000. Harbor excellent; ships can lie close to the quays, or in a deep and sheltered creek. There is a considerable trade, especially with Formosa; manufactures of porcelain, grass cloths, umbrellas, paper, etc., which, with sugar-candy and Congou tea, compose its principal exports. Imports comprise rice, sugar, camphor, and European produce.

**CANTON**, in China, province of Quantong, lat. 23° 7' 10" N. long. 113° 14' E. It is situated on the eastern bank of the Pekiang river, about 80 miles from the southern sea of China. Ships ascend the river only as far as Whampoa, 15 miles below Canton, loading by means of native boats. The vessels take pilots at Macao roads; but the entrance to the river is safe, and sometimes a pilot is not waited for. Until within a few years, Canton was the principal mart for foreign commerce, and was in fact the only port open to foreigners.



## CHINA.

The coterminous empires of Russia and China occupy between them about one fifth part of the habitable globe, in pretty nearly equal portions; but the population of the latter is about four times greater than that of the former, even after including its recent annexation of Poland. We can easily trace the boundaries and mark the extreme limits of these two great empires, by parallels of latitude and meridional lines of longitude; but when we come to reduce them to square miles, or speak of their contents in acres, the mind is bewildered by the magnitude of the numbers required to express them, and forms but an indistinct idea of their superficial extent.

No country in the world is better adapted, from situation, climate, and products, for extensive commerce, than China; yet no civilized country has profited less by these advantages. The happy distribution of its numerous rivers, aided by artificial canals, affords an almost uninterrupted water-communication from the northern to the southern, and from the western to the eastern extremities of this grand empire; and thus a facility is given for the interchange of the products of one province with those of another, unknown in any other country.

All foreign commerce is systematically discouraged. The extent, fertility, and variety of their soil and climate, happily situated between the extremes of heat and cold, partaking of the advantages of both, without experiencing the inconveniences of either, supply the Chinese with the productions of almost all the world besides, whether to minister to the necessities, the comforts, or the luxuries of their numerous population; and leave this great empire, as a nation, almost independent of foreign supplies through the medium of commerce. Satisfied, or affecting to be satisfied, with the prodigal bounty of nature, jealous of strangers, and governed by a gradation of arbitrary despots, the Chinese long considered it as a favor bestowed on foreigners to open any of their ports for the interchange of commodities. The revenue derived from this limited intercourse was of little or no importance at the chief seat of government.

The Chinese levy no specific duties on the articles imported, nor *ad valorem* duties on the cargoes; the only impost is on the ship itself, and is estimated by a rule as absurd as it is partial and unequal. They measure the length from the center of the foremast to the center of the mizzen-mast, and the breadth is taken close abaft the mainmast. The length is then multiplied by the breadth, and the product, divided by ten, gives the measurement of the ship. All ships, according to this measurement, are classed under first, second, or third rates; all other vessels, however small, are classed as third rates. By this rule a ship of a hundred tons would pay from \$4,000 to \$5,000, and a ship of a thousand and not above double that sum.

## TEA EXPORTED FROM CHINA TO THE UNITED STATES.

Year ending June,	Pounds.	Year ending June,	Pounds.
1849, . . . . .	18,072,000	1853, . . . . .	40,974,000
1850, . . . . .	31,757,000	1854, . . . . .	27,867,000
1851, . . . . .	28,700,000	1855, . . . . .	31,515,000
1852, . . . . .	34,334,000	1856, . . . . .	40,246,000

FOREIGN COMMERCE OF THE UNITED STATES WITH THE COUNTRIES STATED BELOW.  
THERE BEING BUT OCCASIONAL COMMERCE, OR A FEW CONSECUTIVE YEARS, THE  
AGGREGATE ONLY IS GIVEN.

## BOURBON AND MAURITIUS.

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS.		Whereof there was in Bullion & Specie.		TON'GE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.	TOTAL.	EXPORT.	IMPORT.	AMER.	FOR.	
	\$453,697	\$157,013	\$610,710	\$253,006	....	....	6,743	846	
ST. HELENA.									
	\$7,854	....	7,854	....	....	....	....	....	
MOCHA AND ADEN.									
	\$23,250	....	23,250	....	....	....	....	....	
MOROCCO AND BARBARY POWERS.									
	\$48,923	273,441	322,369	767,712	....	....	1,643	....	
GREECE.									
	\$9,733	4,880	14,663	90,607	....	....	176	321	
FRENCH AMERICAN PORTS.									
	\$512	959	1,471	4,051	....	....	127	117	
NEWFOUNDLAND AND BRITISH FISHERIES.									
....	\$23,063	7,353	35,426	21,562	....	....	3,251	535	
BRITISH AFRICAN PORTS.									
....	\$464,475	15,327	480,302	12,336	....	....	1,152	362	
OTHER BRITISH COLONIES.									
....	\$121,643	7,656	129,304	306,330	....	113,329	5,125	70	
TUSCANY.									
....	\$45,664	23,468	69,132	....	....	....	....	....	
1856	425,595	5,583	431,173	1,596,801	....	....	3,963	381	
FRENCH FISHERIES.									
....	\$51,495	....	51,495	119	....	....	29,050	1,921	
SANDWICH ISLANDS.									
....	\$929,671	195,951	1,125,622	442,899	129,233	....	19,311	2,200	
1856	793,053	126,347	919,405	249,704	194,505	54,052	17,550	1,817	
WHALE FISHERIES.									
1856	\$320,045	22,290	342,335	58,067	....	5,954	51,744	670	

## MAURITIUS, OR ISLE OF FRANCE,

An island in the Indian Ocean, colony of Great Britain. Length, 36 miles; breadth, 20 miles. Chief town, Port Louis. Latitude of Cooper's Island 20° 9' 7" S., longitude 57° 31' 7" E. Area, 700 square miles.

*Exports and Imports, etc.*—Mauritius is pretty fertile, a considerable part of the surface being, however, occupied by mountains. Its shape is circular, being about 150 miles in circumference. The climate is healthy, but subject to hurricanes. The principal product of the island is sugar, which is now cultivated to the almost total neglect of every thing else; but it also produces excellent coffee, indigo, and cotton. The blackwood or ebony of the Mauritius is very abundant, and of a superior quality. Very little corn or grain of any kind is raised in the island; most articles of provision being imported. Previously to 1825, the sugar and other articles brought to Great Britain from the Mauritius were charged with the same duties as the like articles from India; but in the above-mentioned year this distinction was done away, and it was enacted (6 Geo. 4. c. 111 § 44), that all goods of the growth, produce, or manufacture of the Mauritius, should, upon importation into any port of the United Kingdom, be subject to the same duties and regulations as the like goods being of the growth, produce, or manufacture of the British colonies in the West Indies; and that the trade with the Mauritius should be placed as nearly as possible on the same footing as that of the West India islands.

This was a great boon to the Mauritius, and the exports of sugar from it have since rapidly increased. According to Milburn (*Oriental Commerce*, ii., 568), they amounted, in 1812, to about 5,000,000 pounds. In 1818, they amounted to about 8,000,000 pounds; and in 1824, to 23,334,553 pounds. Since 1826, nine tenths of the sugar raised in the Mauritius has been shipped for the United Kingdom. Its wonderful increase is seen in the following table:

## ACCOUNT OF SUGAR EXPORTED FROM MAURITIUS SINCE 1839-1840. IN FRENCH POUNDS.

Years.	Pounds.	Years.	Pounds.
1839—1840, . . . .	64,886,184	1846—1847, . . . .	133,410,203
1840—1841, . . . .	77,174,253	1847—1848, . . . .	122,827,288
1841—1842, . . . .	85,197,837	1848—1849, . . . .	106,350,598
1842—1843, . . . .	50,660,499	1849—1850, . . . .	120,523,495
1843—1844, . . . .	59,545,885	1850—1851, . . . .	117,086,406
1844—1845, . . . .	78,165,106	1851—1852, . . . .	137,375,179
1845—1846, . . . .	102,168,168		

The shipments of sugar from the island in 1849-50, 1850-51, and 1851-52, were distributed as follows:

	1849-50.	1850-51.	1851-52.
United Kingdom, . . . .	107,355,498	106,539,831	114,859,749
Cape of Good Hope, . . . .	6,233,774	4,254,873	13,098,867
Australian Colonies, . . . .	6,432,266	5,497,469	9,271,133
Other places, . . . .	501,957	794,233	145,430
<b>Total, . . . .</b>	<b>120,523,495</b>	<b>117,086,406</b>	<b>137,375,179</b>

**FOREIGN COMMERCE OF THE UNITED STATES WITH OTHER PARTS—ASIA, EUROPE, AFRICA, THE WEST INDIES GENERALLY, AND UNCERTAIN PORTS, FROM OCTOBER 1, 1820, TO JULY 1, 1856.**

YEARS ENDING SEPT. 30.	EXPORTS.			IMPORTS TOTAL.	Whereof there was in Bullion & Spectes.		TON'GE CL'D.	
	DOMESTIC.	FOREIGN.	TOTAL.		EXPORT.	IMPORT.	AMER.	FOR.
1821	\$949,248	\$1,594,267	\$2,543,510	\$295,151	\$1,154,906	\$67,596	49,819	....
1822	812,696	1,311,385	2,124,011	875,799	949,525	56,557	45,874	....
1823	692,881	615,560	1,308,441	599,848	885,245	69,918	24,796	818
1824	772,896	705,400	1,477,736	502,199	945,152	84,369	89,874	....
1825	891,548	851,871	1,743,414	815,519	623,681	108,048	51,889	430
1826	1,010,537	614,567	1,625,154	441,987	871,594	81,408	45,881	....
1827	837,409	783,985	1,621,344	892,918	613,161	90,651	45,749	1,191
1828	890,661	525,006	1,415,667	650,218	173,021	61,229	48,216	745
1829	660,398	818,047	978,345	807,736	164,450	72,918	82,378	....
1830	470,149	340,821	810,970	820,109	158,750	112,088	45,012	550
<b>Total,</b>	<b>\$8,087,738</b>	<b>7,660,359</b>	<b>15,698,599</b>	<b>4,190,665</b>	<b>4,984,374</b>	<b>804,668</b>	<b>488,880</b>	<b>3,234</b>
1831	941,327	404,620	1,345,947	867,478	174,500	78,800	68,775	548
1832	1,148,394	653,221	1,801,635	602,615	406,926	25,999	82,768	....
1833	870,512	703,479	1,573,991	754,105	356,640	43,714	82,093	3,695
1834	1,176,045	621,127	1,797,172	604,658	374,085	56,529	68,837	4,166
1835	1,017,542	896,318	1,953,860	760,016	653,907	96,266	82,339	6,755
1836	1,096,923	720,905	1,817,728	960,741	447,680	109,256	87,399	4,563
1837	990,873	426,389	1,417,212	1,010,862	242,386	63,457	84,513	6,742
1838	924,932	304,374	1,229,256	906,936	96,950	90,797	88,454	5,137
1839	1,297,163	547,559	1,844,727	812,666	442,269	67,381	65,785	5,070
1840	1,396,681	277,685	1,674,316	688,569	....	51,997	79,828	2,989
<b>Total,</b>	<b>\$10,859,867</b>	<b>5,896,027</b>	<b>16,255,894</b>	<b>7,368,191</b>	<b>3,196,698</b>	<b>654,646</b>	<b>791,273</b>	<b>39,905</b>
1841	1,605,425	670,090	2,275,515	663,191	500,577	75,114	94,116	899
1842	1,257,439	363,983	1,621,422	1,571,033	314,029	134,396	91,373	827
1843*	624,078	308,535	1,192,628	845,379	239,536	97,620	55,305	809
1844	1,449,778	410,771	1,860,549	541,525	252,019	100,083	90,891	1,429
1845	1,323,891	287,840	1,680,731	816,612	158,661	85,734	91,778	3,937
1846	1,265,550	381,646	1,647,196	1,283,269	168,150	58,041	93,298	1,510
1847	1,244,861	207,703	1,452,564	944,450	116,920	122,116	73,852	2,719
1848	1,562,905	155,502	1,730,807	953,418	87,266	94,076	68,515	2,416
1849	1,567,997	124,499	1,692,496	850,768	20,325	206,405	72,925	2,033
1850	1,330,094	123,445	1,453,469	1,092,510	51,600	133,760	83,264	16,027
<b>Total,</b>	<b>\$13,690,393</b>	<b>2,941,984</b>	<b>16,682,377</b>	<b>9,497,160</b>	<b>1,879,235</b>	<b>1,107,315</b>	<b>855,307</b>	<b>80,706</b>
1851	2,690,225	203,536	2,293,311	1,248,906	67,905	77,873	127,739	41,885
1852	1,652,699	56,396	1,709,095	1,812,952	9,533	63,495	115,454	12,435
1853	9,484,346	147,868	2,634,214	1,272,492	89,639	59,943	86,575	14,556
1854	2,812,048	321,049	3,184,096	1,869,810	129,919	60,783	106,379	12,067
1855	844,683	16,410	863,098	41,641	181,238	....	59,618	2,444
1856	263,215	81,659	299,974	863,239	4,000	8,929	4,376	5,239

\* 9 months to June 30, and the fiscal year from this time begins July 1.

### ASIA.

*Early Commerce.*—Asia, notwithstanding the wars by which it has been desolated, was from an early period the seat of commerce and of wealth. The eastern countries of Hindostan and China preceded Europe in civilization and industry, and independent of that diversity of natural productions which is the foundation of trade, they had cultivated many arts and manufactures which were unknown in the western world. Asia, accordingly, abounded in many precious commodities which could not be produced by the rude industry of Europe. Thus China had its silk and porcelain; Hindostan its muslin, cotton, precious stones, and aromatics of all sorts, costus, bdellium, spikenard, ivory, tortoise-shell, pepper, etc. These were in general demand throughout Europe, where they could not be produced; and they were procured in exchange chiefly for bullion, which then, as in later times, was the great article of export to India.

## ASIA.

This division of the globe is distinguished by its vast extent ; by the striking character of its interior geography ; above all, by the stupendous revolutions of which it has been the scene ; and, lastly, by the high antiquity of its civilization, of which we can still faintly trace the precious remains. Stretching from the southern hemisphere into the northern regions of perpetual winter, it comprises within its bounds the opposite extremes of heat and cold ; all the varieties, consequently, of the animal and vegetable tribes ; and that still more interesting variety which the irresistible law of climate impresses on the human species.

*Foreign Commerce.*—In addition to her internal trade, Asia maintains an extensive intercourse by sea with Europe, America, Egypt, and the Mediterranean. A great trade is also carried on from Hindostan and China to the Asiatic Archipelago, and the trade of the Asiatic islands with each other is of great importance. It appears that those islands were at a very early period the seat of commerce ; and the learned researches of Europeans have brought to light, in some of them, the monuments of ancient civilization. Sumatra was the seat of the Malay empire, Java of a Hindoo state, and the Celebes were inhabited by the Bugis, a race of expert navigators and merchants. The productions of these islands, and of the Moluccas and Borneo, namely spices, aromatics, and gold, entered into the commerce of the ancient world, and were imported into Rome through Egypt. In later times, about the ninth century, the Asiatic Archipelago was visited by the Arabs and the Chinese, while the adventurous Malays frequented the coasts of Asia, and even of Africa, and particularly the African island of Madagascar. When these islands were visited by Europeans, about the fifteenth century, Malacca, Acheen, and Bantam were the great marts of the Eastern Archipelago, where the rich produce of Sumatra, Borneo, and the Moluccas, conveyed in the small trading craft of the country, was exchanged for that of India and China. The Portuguese fixed on Goa, on the Malabar coast, as the capital of their eastern settlements ; and they afterward selected Malacca as a central station for protecting and extending their intercourse with the neighboring nations. The Dutch chose Bantam, and afterward Batavia, situated midway between Hindostan and China, as the center of their commercial settlements. The situation was most advantageous, and the port was soon frequented by vessels from China and Japan, Tunkin, Malacca, Cochin-China, and the island of Celebes. But the great and flourishing trade of Java was crushed under the colonial monopoly of the Dutch, and under what Sir Stamford Raffles terms "the short-sighted tyranny of a mercantile administration." The conquest of Java by the British in 1812 put an end to this thralldom, and the great trade of the Asiatic Archipelago began to center in Batavia, which was fast rising into a great commercial emporium ; all the articles which were the exclusive produce of the Eastern islands being collected at its principal ports for re-exportation to India, China, and Europe. Since Java was restored to the Dutch, the free port of Singapore, established by the British, is the center of a great trade, and is frequented by the Chinese in their junks, and by all the other navigators of those seas with the produce of their respective islands.

*A Condensed Statement of the Banks in the State of Georgia, compiled from their Reports, made in obedience to the call of His Excellency, Governor H. V. Johnson, dated April 1, 1857.*

LIABILITIES.	Resulting Bal- ances with Agents.	Other Liabilities.	Dividends Unpaid.	Profits and Reserve Funds.	Due to Banks.	Deposits.	Circulation.	Capital Stock.	Total.
Bank of Commerce, Savannah.	.....	.....	.....	\$92,293 25	\$124,300 56	\$90,690 91	\$292,470 00	\$384,720 00	\$904,764 79
Bank of State of Georgia, "	.....	.....	\$4,570 50	\$19,892 19	.....	613,605 85	1,905,899 00	1,500,000 00	4,518,066 54
Central Rail-Road Bank, "	.....	\$169,918 89	18,733 06	496,526 31	153,326 73	123,253 63	307,890 00	3,934,300 00	5,381,337 69
Marine Bank, "	\$35,260 90	471 85	2,318 00	408,120 02	927,145 44	406,005 63	769,538 00	1,000,000 00	9,647,854 89
Planters' Bank, "	5,519 76	.....	7,084 91	269,376 19	65,790 46	381,439 57	732,137 00	585,400 00	1,967,171 86
Merchants and Planters' Bank, "	.....	.....	8,356 69	33,943 69	199,250 00	893,101 83	881,012 00	478,097 48	1,469,559 99
Bank of Savannah, "	13,646 61	969 35	1,885 00	93,219 81	100,355 94	197,840 71	743,570 00	500,000 00	1,451,780 93
Mechanics' Savings Bank, "	61 06	.....	50 00	51,094 90	75,521 04	192,509 84	406,071 00	250,000 00	975,310 84
Mechanics' Bank, Augusta, ..	.....	.....	595 00	135,939 37	263,407 02	79,852 87	593,657 00	500,000 00	1,850,863 24
Union Bank, "	5,929 43	.....	1,065 00	35,023 49	183,363 18	48,443 31	849,541 50	300,000 00	831,481 48
Augusta Ins. and Banking Co., "	.....	.....	.....	.....	.....	86,991 45	166,561 50	875,000 00	573,123 95
City Bank, "	.....	.....	718 94	26,553 01	82,433 41	69,694 55	509,762 00	865,375 00	1,044,481 91
Augusta Bank, "	.....	.....	5,306 00	56,565 83	36,962 93	133,455 77	418,867 00	600,000 00	1,255,193 37
Georgia Rail-Road Bank, "	.....	1,796,637 86	33,494 83	108,896 84	35,534 13	314,101 41	1,115,598 00	4,156,000 00	7,503,170 70
Bank of Middle Georgia, Macon, ..	.....	.....	.....	11,917 95	611 83	84,558 78	82,568 00	135,000 00	304,950 06
Manufacturers' Bank, "	.....	.....	.....	6,011 86	8,829 46	50,898 07	920,696 00	139,600 00	423,777 45
Interior Bank, Griffin, ..	.....	.....	.....	15,723 77	153 65	3,734 08	58,245 00	500,000 00	574,913 10
Exchange Bank, "	.....	.....	.....	1,468 28	.....	229 77	21,440 00	50,000 00	73,273 00
Bank of Athens, Athens, ..	115 04	.....	.....	1,904 69	.....	42,777 83	354,729 00	100,000 00	469,593 55
Bank of Fulton, Atlanta, ..	.....	.....	.....	12,246 05	7,000 55	77,941 01	105,735 90	86,250 00	289,693 61
La Grange Bank, La Grange, ..	.....	.....	6,000 00	8,508 05	.....	7,446 89	91,016 00	150,000 00	257,970 44
Bank of Columbus, Columbus, ..	.....	.....	.....	31,091 57	94,291 08	146,762 81	862,370 00	319,575 00	908,839 96
Bank of the Empire State, Rome, ..	.....	.....	.....	134 84	.....	4,359 60	19,321 00	153,600 00	177,914 94
Commercial Bank, Brunswick, ..	.....	.....	.....	993 44	.....	25,689 98	16,098 00	50,000 00	92,079 43
Southern Bank, Bainbridge, ..	.....	8,608 85	.....	8,123 09	.....	9,388 14	32,109 00	50,000 00	108,221 51
Bank of Greensboro', Greensboro', ..	.....	.....	.....	.....	.....	.....	.....	.....	.....
Statement not received.									
Total of all Banks in the State, .....	\$38,128 85	\$2,569,215 20	\$77,262 47	\$2,184,174 04	\$1,599,929 90	\$5,401,499 00	\$9,376,638 00	\$16,523,047 43	\$36,448,473 89

RESPONDENTS.	Other Assets.	Due by Agencies.	Amounts Lying Over.	Exchange Maturity.	Discounted Notes.	Due by Banks.	Bank Notes & Checks on Local Banks.	Spooks.	Total.
Bank of Commerce, Savannah, ..	\$38,596 51	\$17,664 90	\$24,558 75	\$443,381 63	\$204,973 97	\$100,160 96	\$18,586 00	\$62,418 01	\$904,764 73
Bank of State of Georgia, " "	172,524 00	186,176 93	21,102 95	2,100,077 98	1,683,979 87	18,738 18	161,940 00	293,481 63	4,543,066 54
Central Rail-Road Bank, " "	4,699,893 15	99,698 14	4,167 58	589,093 91	.....	185,875 28	.....	108,90 61	6,691,867 68
Marine Bank, " "	184,998 63	478,071 63	251,259 73	998,206 00	284,503 67	445,907 70	84,501 13	230,305 91	2,947,854 39
Planters' Bank, " "	259,998 48	.....	10,068 56	605,569 88	517,008 61	919,180 19	84,939 00	139,437 28	1,987,171 81
Merchants & Planters' Bank, " "	11,190 64	43,687 83	37,988 08	566,937 83	393,000 71	848,825 97	18,579 40	104,398 04	1,469,589 99
Bank of Savannah, " "	10,041 26	.....	83,745 77	965,619 06	930,880 19	295,179 30	43,459 30	134,833 53	1,651,780 83
Mechanics' Savings Bank, " "	5,596 44	8,811 60	85,812 87	401,650 08	321,178 81	105,994 82	14,024 00	88,447 99	975,810 84
Mechanics' Bank, Augusta, ..	69,146 87	.....	167,688 44	327,415 85	240,593 84	81,376 18	50,319 00	165,518 61	1,350,968 34
Union Bank, " "	38,761 06	.....	89,116 63	186,694 33	174,999 37	.....	14,371 96	49,263 81	861,431 48
Augusta Ins. & Banking Co., " "	128,519 93	89,769 95	20,500 59	191,489 24	147,115 53	80,960 88	18,590 00	23,960 73	573,153 95
City Bank, " "	24,889 96	57,631 87	16,733 13	516,163 68	186,409 46	154,669 70	26,885 06	111,665 91	1,044,461 91
Georgia Rail-Road Bank, " "	868,963 81	16,409 81	59,177 90	117,459 05	279,808 17	287,538 80	48,700 00	89,117 78	1,285,168 37
Bank of Middle Georgia, Macon, ..	6,176,436 47	.....	.....	457,443 14	414,753 81	11,680 67	64,314 00	353,643 11	7,508,170 70
Manufacturers' Bank, " "	478 41	.....	918 88	6,936 78	269,304 43	9,557 09	7,250 86	20,159 24	404,850 06
Interior Bank, Griffin, ..	22,781 23	.....	16,193 36	169,300 59	84,038 84	31,855 67	69,650 08	49,514 14	288,777 45
Exchange Bank, " "	8,706 71	.....	300 00	351,542 59	.....	180,733 59	3,540 00	82,940 31	876,919 10
Bank of Athens, Athens, ..	470 85	.....	.....	40,463 66	480 00	15,396 99	1,601 00	14,908 40	78,373 00
Bank of Fulton, Atlanta, ..	5,454 17	675 00	.....	190,661 56	139,447 40	61,897 09	87,020 00	44,387 10	409,625 06
La Grange Bank, La Grange, ..	14,763 37	.....	6,650 00	108,699 20	92,767 66	19,196 61	26,253 29	34,866 45	389,892 61
Bank of Columbus, Columbus, ..	1,686 53	.....	.....	153,417 93	.....	66,161 81	1,259 00	80,335 63	367,970 44
Bank of the Empire State, Rome, ..	12,853 36	112,956 29	.....	340,138 93	269,025 81	29,188 93	56,413 51	147,309 08	906,559 96
Commercial Bank, Brunswick, ..	563 35	.....	.....	.....	118,240 86	8,318 00	49,069 44	6,318 00	177,914 94
Southern Bank, Bainbridge, ..	4,841 23	.....	.....	.....	14,774 87	15,106 24	8,686 84	48,717 24	92,079 43
Bank of Greensboro', Greensboro', ..	3,451 06	.....	.....	.....	75,100 55	6,300 53	.....	17,675 09	108,337 51
Statement not received.									
Total of all Banks in the State, .....	\$15,196,678 68	\$1,064,760 00	\$144,510 21	\$10,704,399 73	\$6,817,337 73	\$3,769,244 93	\$76,437 28	\$3,383,944 29	\$36,448,473 89

## LEGAL MISCELLANY.

## LETTERS OF CREDIT.

JOHN MUNROE, &C., *agt.* JOHN PILKINGTON, &C.; WILLIAM B. SCOTT, &C., *agt.* THE SAME—DEMURRER TO COMPLAINT. THE COURT—PER MITCHELL, J.

The defendants, on 16th February, 1856, delivered to Fleming & Alden, merchants in New York, the following letter :

NEW YORK, 16th February, 1856.

*Messrs. Fleming & Alden, 94 Wall-street, New York.*

Gentlemen: In reply to your communication made to me this morning respecting your drawing exchanges upon us, I would state that you have our authority to do so, and all such exchanges drawn upon us will be duly honored and protected; this power, however, is subject to being withdrawn at any future time.

Very truly yours,

DANIEL PILKINGTON,

*Of and for the firm of Pilkington Bros., Liverpool.*

Fleming & Alden, for the purpose of more readily negotiating bills to be drawn under the above letter, deposited it with and showed it to Scott & Co, (plaintiffs in the second suit,) to be shown to any person. Scott & Co. also showed it to the plaintiffs in the first suit, who, on the faith of it, purchased a draft of Fleming & Alden, in August, 1856, for £2,000 sterling, payable in London at sixty days' sight, and drawn on the defendants. They paid for the drafts its true value, \$9,677 78. Scott & Co., the plaintiffs in the second suit, bought a draft under similar circumstances. The drafts were presented for acceptance, but acceptance was refused, and they were protested. The plaintiffs claim to recover the amount of the face of the bill, with the premium of exchange on London.

The drafts do not go beyond the authority given; there was no restriction as to the amount, the number of days or the place of payment, although perhaps it is to be inferred that they were to be payable in England, and either at Liverpool or in London, the emporium of exchange for bills on that country. It accordingly is not disputed that Fleming & Alden could sustain an action against the defendants if they could show any injury to themselves, such as could not be met by a greater equity in favor of the defendants.

The defendants insist that there was no privity in the contract between them and any person except Fleming & Alden, and that no other person can avail himself of it. This turns on the meaning and object of the contract, as may be gathered from its face, and the known course of dealing; whether it was intended as an agreement in which no one but the defendants and Fleming & Alden should have any concern, or was an open letter written to them, to be exhibited to dealers with them,



and thus to give credit to them with such dealers. And in that inquiry a controlling *indicium* of intent is, that the article to be dealt in was negotiable paper, intended to circulate from hand to hand, and to transfer a perfect title to each purchaser for valuable consideration before its maturity, and consisted of *foreign* bills, to be drawn in this country, and to be accepted in another, and which, in the usual course of business, would be sold here before they would be remitted abroad. By this agreement to accept all bills to be drawn here by Fleming & Alden, the defendants infused into the letter all the credit which their own house possessed, and led dealers, with the latter, to believe that they intended that such dealers should rely on his agreement; the defendants also must have perceived that such would be the understanding of others. The letter could be of very little service if, as contended, the defendants were not to be bound to a third party until they should accept. There was no such limitation in the authority; it was to accept all that the defendants should draw before the power should be withdrawn; the liability of the defendants was complete as soon as the bill was drawn and negotiated, and as to such bill, could not be withdrawn.

Such unlimited discretionary powers must have been given as an authority to be shown to and acted on by others, that such others might act the more freely, without knowledge of any restriction on the powers of the drawers of the bills. It is incredible that there was not some such private restriction, either as to the amount or the purposes for which the drafts should be drawn, or their time, and it is most likely it would relate to two, if not to all three of those matters. The unrestricted power could then have no object except to be exhibited to the public, and to become an agreement with them also.

When the article thus established in credit is commercial paper, the object is that the additional credit may accompany such paper wherever it goes, and that the latter may be as current and as negotiable as the principal to which it is an incident. It is like the certificate "good," on a bank check, and like that is intended not only for the use of the one to whom the bank delivers it, but of all who may afterwards accept it. In this it essentially differs from a credit established by one house on the books of another, in favor of a third person. In that case all that the last party can ask is, that the second party should give him such credit on his books and allow him to withdraw the amount of the credit. The *letter* of credit, from its nature in that case, is not to be exhibited to dealers with the third person, nor is he, on the faith of the letter, to draw on the second party. But he is to deposit the letter with the second party as the authority to the second party from the first, and as affecting them alone, and then, if he receives an acknowledgment from the second party of the credit on the strength of that, he may draw; that is an instrument affecting the second and third parties alone; it is between the borrower and lender only, and not affecting the first party. Of this last class, *Birckhead, &c., agt. Brown, &c.*, (5 Hill, 634, *affd.* 2 Denio, 375.) There Brown, Brothers & Co., of New York, wrote to their house in Liverpool, stating that, at the request of S. & T., and on their account, they begged leave to open a credit for £10,000 in favor of J. D., to be negotiated by him in Rio Janeiro, by drafts on the

Liverpool house, at sixty days' sight. That the latter house would keep S. & T. advised as to the credit used, who would attend to placing them in funds. The first thing to be done by J. D. on that letter was to transmit it to the Liverpool house, there to remain in their private coffers as evidence of their authority to charge the New York house with the £10,000, on crediting that amount to J. D. The purposes of the letter ended when this was done; it was not to be shown to strangers, but to one single firm, (the Liverpool house,) and to enable him to obtain credit with that firm alone. Then, after that house should agree to the terms proposed in the letter, he would have the credit of that house, and could draw accordingly, but could not affect the New York house; their letter was *functus officio* when the credit was established in Liverpool.

Of the former class are *Russell* agt. *Wiggin*, (quoted 5 Hill, 644, 5; see it, also, in 2 Story, C. C. R. 213,) and the *Union Bank of Louisiana* agt. *Costar's Ex'r*, (3 Comst. 203.) In the last case, Heck-scher & Costar of New York, sent a letter to Kohn, Daron & Co., of New Orleans, as follows:

"Sir,—We hereby agree to accept and pay at maturity any draft or drafts on us, at sixty days, issued by Kohn, Daron & Co., of your city, to the extent of \$25,000, and negotiated through your bank.

"HECKSCHER & COSTAR."

Below this was the following guarantee:

"I hereby guarantee the due acceptance and payment of any draft issued in pursuance of the above credit.

"J. G. COSTAR."

The Union Bank of Louisiana, on the faith of those instruments, bought a draft of \$4,000, drawn by Kohn, Daron & Co., which Heck-scher & Costar refused to accept. The letter of guarantee had before been held by another bank. Yet the Union Bank was allowed to recover against the executors of J. G. Costar, the guarantor, on the guaranty which was made thus to travel with each draft of Kohn, Daron & Co., drawn on the face of it, and to become a separate contract with each person who paid for such draft on the faith of the guarantee.

Justice Pratt uses language from which it might be supposed that the distinction between a special letter of credit and a general one, turned upon the fact whether it was addressed in form to a single individual or to any and every person. But he used the word "addressed" there as equivalent to "intended for." In the case before him, the letter was addressed to "Sir," alone, and was sent to Kohn, Daron & Co., alone, and he says what explains that case and the rule intended, and applies to this case, (p. 215,) "the letter of credit in this was evidently intended to be general; it did *not* contemplate a *single* transaction or draft for the whole amount, but several drafts, limited in the aggregate to \$25,000. Although the address "Sir" and "your bank," is in the singular number, yet I think it was intended to be used in a distributive sense, and to apply to any bank or banks who should purchase the drafts. I can see no object which the drawers should have for limiting the party

for whose benefit the letter was issued to a single bank. It is said that it would enable them more readily to revoke the authority. But these letters are not issued, without either undoubted confidence in the persons for whose benefit they are drawn, or upon ample security." Often they are issued that the drawers may act as the agents of the drawee, as in the *Bank of Michigan* agt. *Ely*, (17 Wend. 508.)

So, if one fraudulently recommends by letter another as in good credit—it is immaterial whether the letter be addressed to the purchaser himself, or to a single merchant, or to merchants generally—a separate cause of action arises in favor of each who is defrauded. (See *Addington* agt. *Allen*, 11 Wend. 374.) Such would also be the case if, instead of being a false representation, it was a guarantee of goods to be purchased, without limiting the liability to purchases made at a particular house.

Justice Pratt divides general letters of credit into two kinds: 1st. Those that contemplate a single transaction. 2d. Those that contemplate an *open and continued credit, embracing several transactions*. It is evident this case belongs to the second class, and in that class he says the letters of credit "are not generally confined to transactions with a single individual; but if the nature of the business which the letter of credit was intended to facilitate required it, different individuals are required to make advances upon it, and it then becomes a several contract with each individual to the amount advanced by him." He illustrates this by a general letter of credit to a merchant to purchase goods in the city of New York for a country store; certainly it would be determined whether such a letter was a contract with each seller, or with only the one to whom it was addressed; not by looking merely to see whether it was in form addressed to one individual, or to "all to whom it might concern," but by looking to see if it agreed to guarantee all purchases which the bearer of the letter should make, or all which he should make of some particular house. (See, also, *Parker* agt. *Grule*, 2 Wend. 545; aff'd 5 *ibid.* 414.)

This letter seems precisely such a one as one of our produce dealers might give to his agent to enable him to purchase on good terms on his credit, or as a Liverpool merchant, wishing to buy largely of our cotton, flour or provisions, would give to his agent here for a like purpose.

It was stated in argument, that by the present law of England such a letter would give no cause of action except to Fleming & Alden, and that it would be considered that there was no privity between the defendants and any other persons.

If that were so, and this case was to be governed by the English law, the court could not, on a demurrer, take notice of interpretation of the common law peculiar to England. The general term of this court (at its last session, in *Wright* agt. *Berrian*,) expressed its views on the question how far we would assume a law of another State to be the same as ours. When we know historically that the common law does prevail, there is common sense in assuming that it is the same as ours, although it would be a great strain on one's reasoning power to infer that the statute law was the same. But then we must also assume that our construction of the common law, as sanctioned by our highest authorities, is correct, and until the contrary is proved, as a *matter of fact*, then

the same is understood to be the law of England and other States where the common law prevails.

The action here is founded on the facts of the case; if the acts of the defendants do not amount to an actual acceptance, then they amount only to an agreement to accept, (whether made with Fleming & Alden alone, or with these plaintiffs also,) and then the contract is not to be governed by the laws of England, but by our law; for that contract was made here, and, as a contract, was completed here. As Justice Story said, in an analogous case, (*Townsley agt. Summel*, 2 Peters' R. 181,) where the agreement was made in Kentucky to accept drafts in New Orleans.

"The contract for the acceptance and honor of the present bill was (if made at all) made in Kentucky, and was to be governed by its laws; even supposing *that the question whether it amounted to an acceptance or not, was to be governed by the law of Louisiana, where the contract was to be executed.*"

If the agreement can operate by our laws as an acceptance, it is a present acceptance in this place, as soon as the draft is bought on the faith of the agreement, although it is to be paid in England. The demurrer must be overruled with costs, with leave to defendants to elect to answer on payment of costs. Martin & Smiths and S. P. Nash, for plaintiffs. Miller & Devlin, for defendants.

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*Tennessee Banks.*—We notice that the Kentucky papers are in the habit of confounding the free banks in this State with the independent or chartered banks, and for the information of the public we publish below a correct classification of all the banks in Tennessee. The notes of those banks under the head of "Free Banks" are all secured by Tennessee bonds, dollar for dollar, deposited with the State Comptroller, which are beyond the reach of the banker. There *cannot*, therefore, be any material loss to the note holder in the event a "Free Bank" should suspend. Those banks, under the head of "Old Chartered Banks," are those which have been doing business many years, and have each a large paid in capital. Those marked "New Chartered Banks" are such as have commenced business during the past few years, and are generally banks of small capital. It is proper to remark, that the Lawrenceburg Bank, which is classed with the new banks, commenced business in 1848. Its stockholders are *individually* liable for all its circulation, and are regarded as the wealthiest men in Lawrence County.

The Bank of Tennessee is owned entirely by the State, which is liable for all the bank's indebtedness, including circulation.

"*Old Chartered Banks.*"—Planters' Bank of Tennessee, Union Bank of Tennessee, Bank of Tennessee.

"*Free Banks.*"—Bank of Commerce, Bank of Claibourne, Bank of Jefferson, Bank of Knoxville, Bank of Memphis, Bank of Middle Tennessee, Bank of Nashville, Bank of Paris, Bank of Tazewell, Bank of Trenton, Bank of the Union, Bucks Bank, City Bank, Commercial Bank of Tennessee, Dandridge Bank, Exchange Bank of Tennessee, Farmers' Bank of Tennessee, Northern Bank of Tennessee, Southern Bank of Tennessee, Traders' Bank, River Bank, Merchants' Bank.

"*New Chartered Banks.*"—Lawrenceburg Bank, (organized 1848,) Agricultural Bank, Bank of America, Bank of Chattanooga, Citizen's Bank, Ocoee Bank, Shelbyville Bank, Bank of West Tennessee, Bank of East Tennessee, (failed,) Central Bank of Tennessee, (failed,) Farmers' and Merchants' Bank, (failed,) Mechanics' Bank, (failed,) Miners' and Manufacturers' Bank, (failed.)—*Nashville Banner.*

## FIRE INSURANCE IN EUROPE.

*At the Meeting of the Statistical Society, London, April 21st, 1857, the following Historical Sketch was made "On the Extent and the Progress of Fire Insurance in the United Kingdom."*

THE author commenced by giving a sketch of the history of fire insurance in Great Britain, stating that the earliest attempts were made in London during the reign of Charles the Second, and in 1680 the Court of Common Council issued policies, and continued to do so for about two years, when it cancelled its policies and returned its premiums. In 1696 the Hand-in-Hand Fire Insurance Company was established; in 1706, the Sun; in 1714, the Union; in 1717, the Westminster; and in 1721, the Royal Exchange and the London Assurance. At present there are sixty-five offices in England and Wales, (of which thirty-nine are in London), seven in Scotland and two in Ireland, making a total of seventy-four in the United Kingdom. From the manner in which the returns of duty paid on insurances are drawn up, there is much labor necessary to estimate the amount of property annually insured, and the results, when obtained, are very liable to error. The stamp duty and the per centage duty varied very much from time to time; the latter was first levied in 1781, at 1s. 6d. in the pound, and was raised to 2s. in 1797, to 2s. 6d. in 1804, and to 3s. in 1815, at which rate it now stands. The amount of property insured at the end of 1856 might be estimated as follows:—property subject to duty, £927,000,000; farming stock exempt from duty, £70,000,000; foreign business, £125,000,000; making a total of £1,122,000,000. In France the first company was established in 1816 on the mutual system, "La Mutuelle de Paris," and the first proprietary company, "La Compagnie d'Assurances Générales," in 1819. It is estimated that at present the property insured in the French proprietary office is £1,320,000,000 sterling, and in the mutual offices, £480,000,000 more, making a total of £1,800,000,000. One reason for the greater amount of insurance effected in France than in this country may be the provisions of the Civil Code, articles 1733, 1734, which enact, that "the tenant must answer for a fire, unless he can prove that it happened by accident or by fault of construction, or that it was communicated by an adjoining house;" and that "if there are several tenants, all are fully responsible for the fire, unless they can prove that it began in the dwelling of any one of them, in which case he alone is liable; or unless any one can prove that it was impossible that the fire could originate in his portion of the dwelling, in which case he shall be exempt." In Belgium the amount insured is about £138,000,000. From Holland no information could be obtained. In Sweden there are five companies in Stockholm, besides some minor local mutual associations in the provinces. In Denmark there was a company established in 1778, and remodelled in 1843, which has a privilege for insuring goods, furni-

ture and movable property. Any person insuring these articles with another company is liable to a fine of 100 rix-dollars, (nearly £110,) payable at that office; but it is practically evaded by the difficulty of discovering the transaction, and the fine is often insured with the property. The late Czar of Russia, in 1847, forbade the insurance of property situated in Russia with foreign offices, under a fine of 3 per cent. on the sum insured. By the same ukase, a tax of  $\frac{2}{3}$  per cent. is levied on the amount of every policy, to contribute to pay the expenses of the administration of police in the district in which the property insured is situated. It is estimated that £30,000,000 are insured in Russia, and £16,000,000 in the Kingdom of Poland. In Germany it appears twenty proprietary offices insure £286,000,000, the mutual companies £414,000,000, and government offices £450,000,000: total £1,150,000,000. In Boston £23,000,000, and in New York £183,000,000 were insured, but the information obtained from America is very incomplete. The total amount insured in Europe and America may be estimated at £4,482,000,000; the annual premiums paid are about £8,250,000, and the annual losses about £4,750,000. The author then proceeded to discuss the inexpediency of retaining the present duty on fire insurances, and replied in detail to the arguments adduced in favor of it by Mr. Coode, in his recent report on the subject. He (Mr. Brown) considered the tax as a tax upon prudence, and unequal in its operation; as, in cases of insurance of well-built houses, the premium is 1s. 6d. and the duty 3s. per cent., so that the expense of insurance is trebled by the tax; whereas, a theatre, which is charged a premium of £5 5s., is also charged 3s. per cent. duty. He then proceeded to examine what proportion of insurable property was insured, and contended that though the amount of property insured in England and Wales was £800,000,000, the insurable property might be estimated at £1,634,000,000. In 1836 a memorial was presented to the Chancellor of the Exchequer, signed by the managers or secretaries of the Sun, Royal Exchange, Guardian, Globe, Phoenix, Westminster, Imperial, Union, London Assurance, Atlas, County and Alliance offices, praying for a reconsideration of the subject of taxes on fire insurance; in which they complained of the 3s. duty, deterring many industrious tradesmen and others from assuring, and expressing their opinion that a reduction of the duty to half that amount would be attended with a large increase in the amount of property insured.—*London Athenæum*.

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OLD SPANISH COINS.—The *Philadelphia Ledger*, in alluding to the act of Congress reducing the valuation of Spanish fraction pieces, says:

One hundred dollars of Spanish quarters, weighed yesterday, at a jewellers, were found to contain 79 ounces and 7 pennyweights, which, at the mint valuation of \$1 22 $\frac{1}{2}$  per ounce, will be worth \$97 20, or about 2 $\frac{1}{2}$  per ounce less than the nominal value. Five hundred dollars in old quarters, sent to the mint and coined, netted \$479, or about 4 per cent. less value. The real value of the Spanish quarter, as silver, making allowances for the wear and dirt, is about 95 to 96 cents. On the 12 $\frac{1}{2}$  cent pieces the depreciation is about 10 to 12 per cent., and on the 6 $\frac{1}{2}$  cent pieces the depreciation is from 20 to 30 per cent.

## RECENT DECISIONS IN LIFE INSURANCE.

## ACTION UPON A LIFE POLICY.

**GOSLING AND ANOTHER (EXECUTORS) v. NEW NATIONAL ASSURANCE COMPANY.**—This was an action upon a policy of assurance for £600 upon the life of the late Mr. George Gosling, who formerly carried on business as a corn factor at Reading.

The action was brought by the executors of Mr. George Gosling, of Reading, against the New National Assurance and Loan Company, who carried on business in Oxford-street, on a policy whereby the life of Mr. Gosling was insured by them on the 18th September, 1855, for £600. He was insured as a first-class life, and had to pay £33 a year, the usual premium for a person 56 years of age, whose life was considered to be of the first class. In May in the following year he died. The defence to the action was, that the policy had been obtained by Mr. Gosling by the misrepresentation and concealment of most material facts, which he knew, but did not choose to communicate to the company, and which, if they had known, they would either not have insured his life at all, or insured it at a higher premium; and further, that the insurance was obtained by fraud and covin, on the part of Mr. Gosling. The proposal of Mr. Gosling for the insurance of his life was in the ordinary form, and was signed by his mark; for although he was a very shrewd and intelligent man of business, strange to say, he was unable to write. But the questions in the proposal were read over to him, and the answers written from his dictation. The following were the answers which they alleged to be false and fraudulent:—1. "Is the proposed uniformly sober and temperate?" Answer. "He is." 2. "Are there any circumstances tending to render his life more hazardous than an ordinary life, with which the company ought to be made acquainted?" Answer. "I am not aware of any." 3. "Has his life been at any time proposed for insurance; if so, how long since, and, if accepted, whether at the ordinary or increased rate of premium?" Answer. Ditto. Thus repeating the second answer, "I am not aware of any." With regard to the first question, the learned counsel observed that there was a class of men who were neither sober persons nor habitual drunkards, but what some called "free-livers."

Lord Campbell.—How much do you allow a sober man to drink?

Mr. Collier.—That may be a nice question.

Lord Campbell.—A pint of wine a day?

Mr. Collier.—I should say a pint of wine a day would be "quite sober." The learned counsel then defined a free-liver and a person who drank a great deal more than did him good, and said his habits told upon him in this way, that if he were seized with inflammation from cold it would probably fly to his lungs, and endanger his life, while a sober man would easily recover from the same complaint, by recourse to the usual remedies. The life of a free-liver was, therefore, more hazardous to an insurance office than an ordinary life. Now it appeared that

three months before Mr. Gosling sent this proposal to the defendants he made a proposed to another insurance office—the St. George, in Pall-mall East—in which the same questions were substantially put and answered. In answer to the first, he said “his habits were free,” and the medical man who had attended him for upwards of twenty-four years wrote on the back, “he lives freely.” In reply to another, he mentioned that he had an old rupture, and the same medical man repeated that fact, and added that he had attended him frequently for attacks of erysipelas. It was quite clear, from the existence of this document, that Mr. Gosling had stated an untruth and deceived the defendants when he said he was not aware that his life had been proposed to any other office. This proposal was not rejected by the St. George, but was accepted by them on the condition of five years being added to the life on account of the rupture. They required him to pay £48 per annum if they insured his life, but he declined to pay that sum. The policy was, however, subsequently taken up by his son on the company's own terms. All these facts were concealed from the defendants, and the consequence was that they accepted Mr. Gosling as a first-class life—*i. e.*, a life free from all disease or tendency to disease; whereas, if the truth had been communicated to them, they would have known that the complaint under which he labored, as well as his habits, rendered his life very hazardous.

Mr. Knowles, in summing up his evidence, observed, that if after this testimony the jury found a verdict for the defendants, on the ground of Mr. Gosling's alleged intemperance, he would exclaim, “God help every man who has insured his life for the benefit of his wife and family.”

Lord Campbell said the only evidence on that subject was Mr. Gosling calling himself “a free-liver.”

Mr. Collier replied on the whole case. He admitted that if the defendants had relied only on the ground of intemperance, their case would have failed, observing that on this subject they had been misled by Mr. Gosling's own statement; but he contended that he had sufficiently supported the pleas in other respects to entitle his clients to a verdict.

Lord Campbell, interrupting the learned counsel, said it was clear to demonstration that Mr. Gosling made a proposal to the St. George Office, which was accepted at an increased rate of premium, and yet he told the second company to which he applied, that he was not aware of any such thing, he himself having refused to give more than £30, when they asked £48. That part of the plea was therefore distinctly made out. Mr. Gosling knew that if the whole truth were disclosed, the company would want a larger premium than £30, and his object clearly was to get an insurance at that rate by suppressing the real facts. The question of intemperance was very properly given up, but he did not see how any of the jury could entertain a moment's doubt that the other portion of the plea had been completely established.

The foreman said they entertained no doubt upon the point.

Verdict for the defendants.



## MISCELLANEOUS.

**PITTSBURGH CITY DEBT.**—The *Pittsburgh Gazette*, in speaking of the danger of repudiation by that city, owing to the failure of the tax bill in the legislature, explains the condition of things by saying that she has no power to levy taxes to save her from the disgrace. "She has twice stated to the legislature her embarrassment and powerless position, and craved the authority necessary to provide for paying the interest on her bonds, and twice has the legislature refused her the power asked for. What, then, is the city to do? She cannot levy taxes without legislative authority. Her revenue from present taxation has been specifically set apart, by State legislative action, to the payment of the interest on the municipal debt contracted prior to the rail-road subscriptions, and by the same action the city is restrained from borrowing any more money for municipal purposes. She is thus tied hand and foot, and no appeal to the citizens can work a remedy. The municipal authorities have done all they can do, and the public journals have nothing left them but the melancholy duty of stating the unpleasant facts of the case."

**THE COIN WHICH BETRAYED CHRIST.**—We have received from A. Nicholas, conductor of the *Bank Note List and Insurance Reporter*, a silver coin, which is a perfect *fac-simile* of the Shekel of the Sanctuary, or "piece of silver," thirty of which were paid to Judas for the betrayal of Christ. It was considered a peculiar piece by the Israelites, and was always spoken of in their holy books as the Shekel of Israel, or Holy Shekel of the Sanctuary. It was the amount which each Israelite, between the ages of 20 and 50, was required to pay into the public treasury, as a ransom for their delivery, during their sojourn in the wilderness. According to the British currency, a shekel was worth two shillings three pence three farthings—equal to about fifty cents of our money. The coin is somewhat larger than an American half dollar, and is smooth edged. On one side it bears the emblem of Aaron's rod, as mentioned in Numbers, xvii, 8, surrounded with the inscription in Hebrew characters, *Jerusalem the Holy*; and on the reverse is a representation of the Pot of Incense—a full account of which is given in Leviticus, xi.—with the words, Shekel of Israel. The cast from which this coin was struck was taken from an original specimen in the Vatican, at Rome, very rare; and indeed, claimed—with very little reason, of course—to be one of the identical pieces paid to Judas. Mr. Nicholas has caused a few to be struck off in pure silver, and also a large number of cheaper material, for the gratification of the curious.

**NEW BANK LAWS.**—1. PENNSYLVANIA.—The legislature of Pennsylvania has passed a law abolishing days of grace on sight bills; also, a law allowing merchants (*but not bankers*) to charge and receive seven per cent. interest on accounts current, viz.:

SEC. 1. *Be it enacted, &c.*, That commission merchants and agents of parties not residing in this Commonwealth, be, and they are hereby authorized to enter into an agreement to retain the balances of money in their hands, and pay for the same a rate of interest not exceeding seven per centum per annum, and receive a rate of interest not exceeding that amount, for any advance of money made by them on goods or merchandise consigned to them for sale or disposal. *Provided*, That this act shall only apply to moneys received from, or held on account of any advances made upon goods consigned from importers, manufacturers and others living and transacting business in places beyond the limits of the State.

Approved, May 21, 1857.

**BANK BILLS OF OTHER STATES.**—ACT IN ADDITION TO "AN ACT REGULATING BANKS."

SEC. 1. *Be it enacted, &c.*, That to the end that the full intent and purpose of the act to which this is a supplement may be accomplished, and that the notes of other States may be forced to give place to the secure issues of the banks of this Commonwealth, the thirtieth section of the act approved the sixteenth of

April, one thousand eight hundred and fifty, entitled "An Act regulating Banks," be, and the same is hereby extended to all persons holding licenses as brokers, under the laws of this Commonwealth, [Pennsylvania,] or who may be transacting the business of private bankers, so far as to prohibit the parties aforesaid from paying out said notes in the purchase or discount of any bill of exchange, promissory note or other negotiable paper. *Provided*, That nothing herein contained shall authorize any broker or brokers holding a license as such, or any person engaged in the business of private banking, to create any bank note or certificate in the similitude of a bank note. And any person, broker or banker, who shall violate any of the provisions of this act, shall be held to have committed a public misdemeanor, and on conviction thereof, shall be imprisoned for a period not less than ten nor more than sixty days, at the discretion of the court, and fined in any sum not exceeding five hundred dollars and not less than one hundred dollars.

Approved, May 21, 1857.

**EXPENSES OF THE MINT.**—Congress has appropriated \$626,995 in support of the mint for the next fiscal year, ending June 30, 1858, viz :

<i>Mint of the United States at Philadelphia.</i> —For salaries of the director, treasurer, assayer, melter and refiner, chief coiner and engraver, assistant assayer, assistant melter and refiner, and seven clerks, twenty-seven thousand nine hundred dollars,	\$27,900
For wages of workmen and adjusters, seventy-four thousand eight hundred dollars,	74,800
For incidental and contingent expenses, including wastage, in addition to other available funds, seventy-five thousand dollars,	75,000
For specimens of ores and coins to be reserved at the mint, three hundred dollars,	300
For transportation of bullion from New York Assay Office to the United States mint for coinage, ten thousand dollars,	10,000
<i>At San Francisco, California.</i> —For salaries of superintendent, treasurer, assayer, melter and refiner, coiner and five clerks, twenty-eight thousand dollars,	28,000
For wages of workmen and adjusters, one hundred and seventy-five thousand dollars,	175,000
For incidental and contingent expenses, including wastage, in addition to other available funds, ninety-four thousand seven hundred and fifteen dollars,	94,715
<i>At New Orleans.</i> —For salaries of superintendent, treasurer, assayer, coiner, melter and refiner, and three clerks, seventeen thousand seven hundred dollars,	17,700
For wages of workmen, twenty-seven thousand dollars,	27,000
For incidental and contingent expenses, including wastage, in addition to other available funds, twenty-two thousand two hundred dollars,	22,200
<i>At Charlotte, North Carolina.</i> —For salaries of superintendent, coiner, assayer and clerk, six thousand dollars,	6,000
For wages of workmen, three thousand five hundred dollars,	3,500
For incidental and contingent expenses, including wastage, in addition to other available funds, two thousand one hundred dollars,	2,100
<i>At Dahlonega, Georgia.</i> —For salaries of superintendent, coiner, assayer and clerk, six thousand dollars,	6,000
For wages of workmen, two thousand eight hundred and eighty dollars,	2,880
For incidental and contingent expenses, including wastage, in addition to other available funds, two thousand five hundred dollars,	2,500
<i>Assay Offices, New York.</i> —For salaries of officers and clerks, twenty-four thousand seven hundred dollars,	24,700
For wages of workmen, twenty-six thousand seven hundred dollars, in addition to an available balance of former appropriations,	26,700
<b>Total appropriation,</b>	<b>\$626,995</b>

**WISCONSIN RAIL-ROADS.**—At the recent session of the legislature of Wisconsin, an act was passed of great importance to the holders of rail-road mortgage bonds of that State. The act stipulates :

1st. That the mortgage shall cover real estate acquired and road constructed after the execution of the mortgage.

2d. That the rolling stock (when by the terms of the mortgage it is embraced therein) is declared a fixture on the road, and covered by the mortgage.

3d. That the act is to apply to mortgages executed before as well as after its passage.

4th. That upon foreclosures franchise passes to the mortgagees.

**NORTH CAROLINA.**—The legislature of North Carolina has provided for the re-charter of the State Bank, and for the incorporation of various new rail-road companies. Among the laws passed at the late session were the following :

An Act to incorporate the Mountain Rail-Road Company. (Road to extend from some point on the Western N. C. Rail-Road, in Catawba County, to or near the town of Lenoir, in Caldwell County. No appropriation from the State.)

An Act to secure the holders of the coupon bonds of the State against loss by accident, &c. (The Public Treasurer to register such bonds, with amount, number, date, &c., in a book to be kept by him, and such registry to be evidence where the bonds are lost or destroyed. Such registered bonds to be transferable only at the office of the Public Treasurer.)

An Act concerning the Albemarle and Chesapeake Canal. (The company to surrender the bonds guaranteed by the State, and the State to take stock to the amount of \$250,000, payable in six per cent. coupon bonds running 30 years. When \$200,000 shall have been subscribed and paid by individuals, the State to pay \$100,000 more. Company authorized to increase its capital stock to a sum not exceeding \$1,500,000.)

An Act for the completion of the Atlantic and North Carolina Rail-Road. (Public Treasurer to loan the company a sum not exceeding \$400,000, and the road to set aside its profits as a sinking fund to pay the debt and interest. State to take a mortgage on the road.)

An Act to authorize the North Carolina Rail-Road Company to issue bonds to an amount not exceeding \$350,000, running ten years, and to bear eight per cent. interest.

## FOREIGN ITEMS.

**PARIAN STATISTICS.**—The *Annuaire du Bureau des Longitudes* has just appeared, and contains the following details: "The increase of Paris in 1865 was 34,987 births, of which 17,868 were boys and 17,119 girls. Out of that number 10,917 were natural children, of whom 1,875 were recognised and 9,042 not recognised. The number of marriages was 11,805; 9,636 between bachelors and spinsters; 570 between bachelors and widows; 1,181 between widowers and spinsters; and 418 between widowers and widows. The deaths amounted to 39,016; 18,282 males and 17,734 females. The deaths, therefore, exceeded the births by 1,029. The deaths are thus divided: unmarried men, 12,146; married, 4,533; widowers, 1,318; unmarried women, 10,440; married, 4,088; widows, 3,148; and deposited at the Morgue, 343, of whom 285 were males and 58 females. In 1855 Paris consumed 945,018 hectolitres of wine in casks, and 13,367 in bottles; 76,669 of pure spirits and liqueurs; 25,319 cider; 237,926 beer; 78,869,216 kilogrammes of beef, veal, mutton, pork, &c.; 1,823,260 of cheese; salt water fish to the value of 8,785,320f.; oysters, 1,534,047f.; fresh water fish, 908,312f.; poultry and game, 15,888,863f.; butter, 17,602,221f.; eggs, 8,608,671f.; 6,923,038 kilogrammes of gray and white salt; 317,542 kilos. of ice; 838,869 steres of firewood; 3,346,014 hectolitres of charcoal; 3,405,263 of coal." &c.

**NEW COMPASS.**—On the 13th, at the Liverpool Underwriter's room, Mr. Ralph Reeder, of Cincinnati, U. S., exhibited an instrument, which he claims to be enabled to take any horizontal bearing in any latitude, at any time of the day, by bringing the shadow of the gnomon to its proper place. The gnomon revolves by means of the chronometer, so as to perform one revolution in twenty-four hours; and when the instrument is levelled and elevated to true latitude, and adjusted at the meridian, the gnomon points steadily to the sun, which it follows in its course. And conversely, if the instrument be levelled and elevated to the latitude of the place and turned round horizontally till the gnomon points to the sun, or till the shadow falls on the proper point, it will be adjusted to the meridian, and an angle or bearing may be laid on by a horizontal graduated motion. It will also solve practically all the problems which can be solved by any armillary sphere, or by spherical trigonometry, so far as its circles and their motions extend. For example: Having the declination and the time given, it will show the altitude and latitude, or having the declination and the meridian given, it will give both the time and the latitude at any hour and at any place. The Rev. Dr. Locke, M. D., Professor of Chemistry, &c., Medical College of Ohio, says the instrument is constructed on correct mathematical principles, and would undoubtedly be useful in high latitudes, where the magnetic needle traverses badly or not at all. Its accuracy depends wholly on the correctness of the chronometer or time-piece by which the index or gnomon is moved, and upon its adjustment to the meridian of the place. It would also be useful, perhaps, in ascertaining approximately the local declinations of the needle, in a common survey. It was tested in the *Baltic* on her last voyage here, and Captain Comstock speaks favorably of it.

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## BANK ITEMS.

**BANK CIRCULATION.**—One of the legitimate and important objects of legislation is to provide or authorize a sound currency for the people, and this currency should be equivalent at all times to gold and silver. The legislature of this State made a desirable move some years ago, when they restricted the discount on the bank circulation issued in the State to  $\frac{1}{2}$  of one per cent. In order to secure this, and to get rid of the fluctuating values of bank paper, a concession was made to bankers in the interior, whereby a redemption of their bills might be effected at this rate of discount. The system has since worked well—much to the advantage of the community, and perhaps as much so to the country bankers. But not satisfied with this, an act was forced through the legislature of 1857, (see act, p. 928, June Number,) whereby bankers might have several days grace on the redemption of their bills. This act was clearly unconstitutional, as it is in contravention of the law of Congress constituting gold and silver as a legal tender. The act is also considered invalid, because it was not signed by the governor within the prescribed time.

Under this act, however, one of the country banks (the Unadilla Bank) attempted to evade prompt payment of its circulation. Their bills to the amount of ten thousand dollars were recently under protest, at the instance of the Metropolitan Bank.

**New York City.**—The new edifice adjoining Duncan & Sherman's Banking House in Nassau-street, which has been in course of erection for some time past for the Continental Bank, was opened June 15th, for the transaction of business.

The banking-room is 60 feet in length, and 38 feet wide, occupying, with the president and cashier's offices, the first story of the building. The lofty ceiling is richly and tastefully frescoed, and supported by ornamental iron pillars. The walls are of a kind of French stone, resembling Caen stone, but harder, and the floor is of narrow pine plank. The desks and panelling are of dark oak, elabo-

rately carved and moulded. The dusky brown hue of the floor contrasts unfavorably with the richly painted ceiling; and the neutral tint of the walls, for the same reason, produces a cold and chilling effect. With this exception, the Continental Bank is not inferior in architectural beauty to any of the elegant structures of a like nature which have recently been erected. The building is of course fire-proof, and cost in the neighborhood of \$100,000.

*Continental Bank.*—Capital stock \$1,500,000, to be increased to \$2,000,000. The board of directors of this bank, in view of its increasing business, and in pursuance of the authority conferred on them by the articles of association, have unanimously decided to increase the capital stock by an issue of 5,000 additional shares of \$100 each, which shall be subject in all respects to the stipulations, conditions and limitations in said articles contained and declared with respect to the shares now existing.

*The American Exchange Bank.*—The second instalment of \$25 per share on the increased capital stock of this bank has been ordered by the board of directors to be called for, payable on the 1st day of July next, with interest from May 1 last. Any stockholder may have the option of paying the remaining \$50 per share required to make full paid stock, between the 1st and 10th of July, by adding interest as above.

*St. Nicholas Bank.*—The second instalment of \$25 on each share of the new or increased capital stock of this bank will be payable at the banking house on Wednesday, the 1st of July next. The pre-payment of the three remaining instalments, adding interest from 1st February last, will entitle the stockholder to the next full dividend.

*Metropolitan Bank.*—At a meeting of the board of directors of this bank, held on the 8th of May, it was resolved to increase the capital stock \$1,000,000, say, from \$3,000,000 to \$4,000,000.

Subscription books will be opened at the Banking House, No. 108 Broadway, on the 1st day of July next, and remain open until the 10th of said month. Those holding stock at the close of business on the 25th of June next, will be entitled to subscribe at par for said million of additional capital, and will receive one share of new stock for every three shares of old. They will also have the right to assign the privilege of subscribing, for which purpose a form will be furnished.

**MASSACHUSETTS.**—Edmund W. Russell, Esq., has been elected cashier of the Greenfield Bank, in place of George Ripley, Esq., who succeeds Mr. Hammond as cashier of the Hartford Bank.

*Suffolk Bank Redemption and Boston Clearing-House Exchanges.*—The following gives the comparative statement of bills redeemed monthly by the Suffolk Bank for two years past, and also the transactions for one year of the Clearing-House, which commenced operations March 29, 1856:

	<i>Suffolk Bank.</i>		<i>Clearing-House.</i>
June, 1856,.....	\$28,107,764	\$39,499,846	\$114,616,088
July,.....	28,090,590	34,100,523	119,648,965
August,.....	28,655,316	31,321,488	104,444,979
September,.....	29,124,271	33,651,159	112,837,124
October,.....	34,163,493	39,514,439	132,236,802
November,.....	32,604,767	35,731,847	122,680,334
December,.....	32,625,380	35,385,792	129,184,798
January, 1857,.....	32,311,406	33,135,272	128,938,086
February,.....	27,064,943	28,085,416	110,125,438
March,.....	29,443,696	31,419,330	125,181,164
April,.....	33,755,510	36,672,364	131,410,193
May,.....	33,592,368	35,730,997	128,300,738
<b>Totals,.....</b>	<b>\$371,533,333</b>	<b>\$407,133,073</b>	<b>\$1,459,704,599</b>
<b>Averages,.....</b>	<b>30,961,523</b>	<b>33,923,173</b>	<b>121,642,049</b>

The bank circulation of New England is about \$50,000,000 in round numbers, and it follows, therefore, that the average time of the bills being out is some six weeks, or in other words, the circulation is redeemed eight times annually. The exchanges at the Clearing-House for April, 1856, were \$98,065,784 93, and May, \$117,863,736 63, the first two months of its operation. This new feature in our banking system meets the expectations of its originators, and answers well the purposes for which it was instituted, giving, we believe, satisfaction to the banks of the city, all of which have become connected with it. (See Circular issued by Mr. J. G. Martin, Stock Broker, 10 State-street, Boston.)

*Bank of Mutual Redemption.*—The legislature, on the 20th May, passed an act authorizing the Bank of Mutual Redemption to commence business whenever their capital shall amount to five hundred thousand dollars, (instead of one million, as before proposed.) The Hide and Leather Bank at Boston was also incorporated, with a capital of one million of dollars.

*Country Banks.*—Since July, 1856, the only increase of capital has been the Adams Bank \$150,000, (\$200,000 to \$350,000,) and Millbury \$25,000; (\$75,000 to \$100,000;) this latter being, before increase, the only bank in Massachusetts with less than \$100,000 capital. Two new banks were created last year, the Wamsutta, at Fall River, (commenced Oct. 8, 1856,) and the Shelburne Falls Bank, (commenced December, 1856,) each with \$100,000 capital, making a total increase of only \$337,000.

The legislature of this year established no new banks, (except the "Hide and Leather," in Boston,) but authorized an increase of \$1,955,000 among the existing country banks, apportioned as follows:

<i>Banks.</i>	<i>Location.</i>	<i>Present Capital.</i>	<i>Increase.</i>	<i>Total.</i>
Agawam Bank,.....	Springfield,.....	\$200,000	\$100,000	\$300,000
Asiatic Bank,.....	Salem,.....	210,000	105,000	315,000
Brighton Market Bank,.....	Brighton,.....	200,000	100,000	300,000
Cape Cod Bank,.....	Harwich Centre,...	100,000	50,000	150,000
City Bank,.....	Worcester,.....	300,000	100,000	400,000
Conway Bank,.....	Conway,.....	100,000	50,000	150,000
Dedham Bank,.....	Dedham,.....	250,000	50,000	300,000
Hampshire Manufacturers' Bank,.....	Ware,.....	350,000	100,000	350,000
Haverhill Bank,.....	Haverhill,.....	150,000	50,000	200,000
Hopkinton Bank,.....	Hopkinton,.....	100,000	50,000	150,000
Housatonic Bank,.....	Stockbridge,.....	150,000	50,000	200,000
Lee Bank,.....	Lee,.....	200,000	100,000	300,000
Lynn Mechanics' Bank,.....	Lynn,.....	200,000	50,000	250,000
Malden Bank,.....	Malden,.....	100,000	50,000	150,000
Mechanics' Bank,.....	New Bedford,...	400,000	200,000	600,000
Millers' River Bank,.....	Athol,.....	100,000	50,000	150,000
Mount Wollaston Bank,.....	Quincy,.....	100,000	50,000	150,000
Old Colony Bank,.....	Plymouth,.....	150,000	100,000	250,000
Oxford Bank,.....	Oxford,.....	100,000	50,000	150,000
Pittsfield Bank,.....	Pittsfield,.....	300,000	200,000	500,000
Quincy Stone Bank,.....	Quincy,.....	100,000	50,000	150,000
Taunton Bank,.....	Taunton,.....	350,000	50,000	400,000
Union Bank,.....	Haverhill,.....	150,000	50,000	200,000
Warren Bank,.....	South Danvers,....	200,000	50,000	250,000
Woburn Bank,.....	Woburn,.....	100,000	50,000	150,000
Wrentham Bank,.....	Wrentham,.....	150,000	50,000	200,000
25 Banks,.....	Total,.....	\$4,710,000	\$1,955,000	\$6,665,000

After the above increase of capital is fully paid in, there will be 6 banks of \$600,000 capital, 3 of \$500,000, 2 of \$400,000, 7 of \$350,000, 1 of \$315,000, 10 of \$300,000, 11 of \$250,000, 1 of \$210,000, 28 of \$200,000, 1 of \$180,000, 33 of \$150,000, 1 each of \$140,000, \$125,000, \$120,000, and 31 of \$100,000, making

137 banks and \$28,840,000 capital, adding to which, 36 banks in Boston, \$31,960,000 capital, gives a total of 173 banks and \$60,800,000 capital in the whole State.

**PENNSYLVANIA.**—We learn that three of the new banks chartered for Philadelphia will be speedily organized. The subscription books of the "Commonwealth Bank" are now open at Sansom Street Hall, and will continue open until the whole number of shares shall be taken. The books of subscription to the "Corn Exchange Bank" were opened, corner of Second and Gold streets, early in June. The corporation of the "Union Bank" opened their books on Monday, the 15th June, in the second story of Gordon's new building, southwest corner of Third and Arch streets.

**Currency.**—Of the new bank currency law of Pennsylvania the Philadelphia *Ledger* says: "This will do something towards purging the currency of a portion of the more depreciated issues of other States that maintain circulation among us. This description of currency has not been paid out at all by some of the banks, and by others only in an indirect way. Still, enough has been done through the brokers to make it an object with both the banks and the brokers to keep it in circulation, to the prejudice of the issues of our own banks, and to the discredit of the currency."

**KENTUCKY.**—The Louisville *Journal*, of the 10th inst., says: "The Kentucky Trust Company Bank case of *Fennell vs. Sandford*, which has attracted much attention of late, its results being of great importance to parties holding the notes or stock of the bank, was decided, on Saturday, against Fennell. Judge Moore, of the Kenton County Circuit Court, in Covington, gave judgment sustaining the mortgage made by B. F. Sandford to the Savings Bank of Cincinnati, and dismissing the attachment taken out by the Commissioner of the Kentucky Trust Company Bank. The full extent of this mortgage was \$150,000. The decision will greatly disturb the calculations of note and stockholders. It was confidently expected by parties interested in the bank that the mortgage would be set aside, and the property be used in the assets of the bank."

**Ohio.**—We understand that the State Bank of Ohio is about to arrange for an extensive "assorting" business in this city, for the special purpose of returning the notes of Kentucky, Indiana and Virginia banks. One of our banking houses is to furnish New York exchange at  $\frac{1}{2}$  premium for the notes of the banks named, which are to be forwarded to it by the branches of the State Bank of Ohio. It is agreed that the agent here shall not pay out the notes of the Kentucky, Virginia or Indiana banks. The Ohio banks, we suppose, expect by this arrangement to obtain a supply of exchange, partly at the expense of other banks, and to make room for an increased circulation of their own paper, by collecting and returning for redemption foreign currency.

It would be well if an arrangement could be made with all the banks of Ohio, Kentucky, Indiana and Virginia to provide for the redemption of their notes in this city, but this can only be brought about by a united movement. This, so far as we know, is not contemplated by the State Bank of Ohio. It proposes to engage in the business on its own account, and with its comparatively trifling capital to bring its stronger neighbors to such terms as it may propose! This is an illegitimate business for a chartered bank to engage in. It was not for this that the people granted to it the privileges secured by the charter. It was organized for the benefit of the community at large, to facilitate trades, not to cramp or embarrass business operations.—*Cincinnati Gazette*, June 5th.

**CANADA.**—The Montreal *Gazette* contains the proceedings of the annual meeting of the stockholders of the "City Bank," of that place. A report was submitted by the president, in which he represents the institution to be in a highly flourishing condition. The following passage is from the conclusion of the report:

"Finally, it is admitted on all hands that our present banking capital is quite insufficient for our mercantile necessities, and that to retain capital in the country, or to invite the establishment of more banks with increased foreign capital, would be a wise and beneficial policy. And, while on this head, public sentiment

is unanimous, and our commerce suffers from a short supply of money, obsolete usury laws are maintained, which drive capital away, and a spirit of interference and disquiet manifested towards the banks, which would induce any foreign capitalist to suppose that our legislature viewed these institutions as inimical to the solid prosperity of the country."

CALIFORNIA.—The California papers allude to the returning of a large amount of Eastern capital from San Francisco. Messrs. Lucas & Turner have already just given up business; and Mr. Drexel, of the firm of Drexel, Sather & Church, withdraws his name and capital on the 1st of July. Mr. Drexel is at the head of the firm of Drexel & Co., of Philadelphia, and one of the firm of Van Vleet, Drexel & Read, New York. Those two firms will continue business as usual. The reasons assigned for all this withdrawal of capital is the unsatisfactory manner in which business is conducted at San Francisco, and the uncertain value of California securities. Capital, however, finds such profitable investment in San Francisco, and the commercial prospects of California are so flattering, that we have no doubt new capitalists will send their active means thither.

BANK APPOINTMENTS.—The following changes of cashiers have been recently made:

Place.	Bank.	Cashier.	In place of
Chelsea, Vt.,	Orange County Bank,	P. S. Smith,	George Lealie.
Danby, "	Danby Bank,	J. H. Vail,	J. W. Moore.
Royalton, "	Bank of Royalton,	W. H. Baxter,	L. L. Tilden.
Conway, Mass.,	Conway Bank,	William C. Robinson,	William B. Hale.
Greenfield, "	Greenfield Bank,	Edmund W. Russell,	George Ripley.
E. Greenwich, R. I.,	E. I. Central Bank,	William Bodfish,	J. D. Barker.
Newport, "	Aquidneck Bank,	J. W. Vose,	T. Cogshall.
Wickford, "	Farmers' Bank,	Francis M. Jennings,	G. W. Brown.
Chepachet, "	Franklin Bank,	H. A. Kimball,	A. A. Eddy.
Hartford, Conn.,	Hartford Bank,	George Ripley,	A. G. Hammond,
Norwich, "	Merchants' Bank,	J. M. Meach,	Joel W. White.
Seymour, "	Bank of North America,	H. F. Norcross,	W. Atwater.
Brooklyn, N. Y.,	Mechanics' Bank,	George W. White,	A. S. Mulford.
Goshen, "	Bank of Orange County,	William T. Russell,	Thomas T. Reeve.
Medina, "	Medina Bank,	Riley M. Godard,	John M. Kennan.
Iilon, "	Iilon Bank,	H. H. Devendorf,	John A. Rasbach.
Syracuse, "	Salt Springs Bank,		Edward B. Judson.
Oswego, "	Luther Wright's Bank,	S. H. Lathrop,	Amos A. Bradley.
Pulaski, "	Pulaski Bank,	R. L. Ingersoll,	S. B. Ingham.
Deekertown, N. J.,	Farmers' Bank,	J. A. Whitaker,	Tho. D. Armstrong.
Williamsport, Md.,	Washington Co. Bank,		John Van Lear, Jr.
Danville, Va.,	Bank of Virginia,	George E. Welsh,	C. B. Tallafervo.
Fincastle, "	Farmers' Bank of F.,	William McCreery,	Andrew H. Johnston.
Jeffersonville, Va.,	Northwestern Bank,	John A. Kelly,	George W. G. Browne.
Malden, "	Bank of Kanawha,	A. Spencer Nye,	C. O. Hedrick.
Eliz. City, N. C.,	Farmers' Bank,	Reuben F. Overman,	William W. Griffin.
Charleston, S. C.,	State Bank,	B. M. Lee,	Henry Trescott.
Bedsford, Ind.,	Branch of State Bank,	George A. Thornton,	Isaac Ector.
Evansville, "	Branch of State Bank,	Samuel Bayard,	
Peru, Ill.,	Bank of Peru,	Fred. S. Day,	John A. Hinsdale.
Greensburg, Ky.,	Bank of Kentucky,		William B. Allen.
Georgetown, "	Farmers' Bank of Ky.,	Fabricius C. McCalla,	J. T. Craig.
Covington, "	Farmers' Bank of Ky.,	Thomas B. Page,	C. B. Sandford.
Barbourville, "	Northern Bank of Ky.,	William McClanahan,	Thomas C. Woods.

#### BANK DIVIDENDS.

All the Philadelphia banks, with the exception of the Bank of Pennsylvania and the Bank of North America, which declare in January and July, have declared their semi-annual dividends. The amounts respectively made, compared with those declared at the last three dividend periods, we present herewith:



<i>Banks.</i>	<i>Capital.</i>	<i>Nov.,</i> <i>1855.</i>	<i>May,</i> <i>1856.</i>	<i>Nov.,</i> <i>1856.</i>	<i>May,</i> <i>1857.</i>	<i>Amount.</i>
Farmers and Mechanics' Bank,.....	\$1,968,980	5	5	5	5	\$98,449
Girard Bank,.....	1,250,000	3	3	3½	3½	43,750
Philadelphia Bank,.....	1,150,000	5	7	5	5	57,500
Commercial Bank,.....	1,000,000	5	4	4	4	40,000
Mechanics' Bank,.....	800,000	6	6	6	6	48,000
Bank of Northern Liberties,.....	500,000	6	5	5	5	25,000
City Bank,.....	500,000			5	5	25,000
Western Bank,.....	418,800	7	6	7	6	25,116
Bank of Penn Township,.....	350,000	5	5	5	5	17,500
Manufacturers and Mechanics' Bank,.....	300,000	5	5	5	5	15,000
Bank of Commerce,.....	250,000	5	10	5	5	12,500
Southwark Bank,.....	250,000	5	5	5	5	12,500
Kensington Bank,.....	250,000	9	6	9	6	15,000
Consolidation Bank,.....	250,000		8	5	4	10,000
Tradesmen's Bank,.....	150,000	5	5	3	5	7,500
	<b>\$9,387,580</b>					<b>\$451,815</b>

The dividends, it will be seen, are, on the whole, less than at either of the preceding periods with which we have compared, though with most of the banks they are the same. The whole amount which will come on the market by the payment of these dividends is \$451,815. The capital represented by these dividends is \$9,387,580.

## NEW PUBLICATIONS.

*A Manual for Notaries Public and Bankers, by B. ROELKER, Esq., of the New York Bar. Third edition. with notes and references and additional chapters on Negotiable Paper, by J. SMITH HOMANS, Notary Public. (Published at the office of the Bankers' Magazine.) Price two dollars.*

Various amendments have been recently made by the legislatures of New York, Illinois, Wisconsin, Missouri and other States, in reference to Negotiable Paper, Damages on Bills, Rates of Interest, &c. These numerous changes are fully stated in the above work, now just issued. The new law of New York as to Notices of Protest and Grace on Sight Bills, is given; also the new banking laws of Georgia, Iowa, Mississippi, Wisconsin, New York, California, Louisiana, Illinois and other States; recent decisions as to the liability of brokers in selling forged paper; liability of banks for errors committed by their notaries, and for collection paper. [Copies will be mailed to order, \$2 in paper covers, \$2 25 in muslin, including postage pre-paid.]

*The New Tariff of 1857, arranged in alphabetical order, showing the comparative rates according to the acts of 1846 and 1857; with the new instructions of the Treasury Department. Second edition. (Published at the office of the Bankers' Magazine.)*

This edition presents the subjects in a concise form. The errors pointed out in other editions of the Tariff are avoided in this. Besides which, the Foreign Commerce of New York, Pennsylvania and Massachusetts is fully illustrated, covering a period of thirty-six years.

*The Ship-Builders' Manual and Nautical Reference. By JOHN W. GRIFFITHS. Quarto, pp. 400. New York, 4 Bowling Green.*

Mr. Griffiths follows the profession of marine architect and practical ship-builder, and is the author of "Theory and Practice Blended in Ship-Building," and editor of the "Nautical Magazine." The present work, as its title imports, is intended to furnish information to the ship builder; giving valuable details in reference to ship-timber; designs for steam and sail vessels; strength of materials; tables of capacity; tabular illustrations of sails, rigging, spars, &c., all which are useful both to the ship-builder and to the ship-owner.

## MARKET VALUES OF RAIL-ROAD BONDS AT NEW YORK, JUNE 30, 1867.

NAME OF COMPANY.	AMOUNT OF LOAN.	DESCRIPTION OF BONDS.	RATE INT.	INTEREST PAYABLE.	WHEN PAID.	DUE.	OFFR.	ASKED.
Alabama & Tennessee River, .....	\$888,000	1st Mortgage, convertible, .....	7	1 Jan. 1 July, ...	N. Y.	1872	....	85
Buffalo & State Line, .....	500,000	1st Mortgage, inconvertible, ...	7	April, October, ...	"	1866	....	97½
Central Ohio, .....	1,250,000	1st Mortgage, conv., east. sect., ..	7	Divers, .....	"	1861-64	....	75
do. ....	800,000	2d Mortgage, inconvertible, .....	7	March, Sept., ...	"	1865	....	....
Cincinnati, Hamilton & Dayton, .....	500,000	1st Mortgage, inconvertible, .....	7	20 Jan., 20 July, ...	"	1867	84	90
Cincinnati & Marietta, .....	2,500,000	1st Mortgage, conv. till 1862, ...	7	January, July, ...	"	1868	70	75
Cincinnati, Wilmington & Zanesville, .....	1,300,000	1st Mortgage, convertible, .....	7	May, November, ...	"	1862	....	75
Cleveland, Painesville & Ashtabula, .....	567,000	1st Mortgage, inconvertible, .....	7	February, Aug., ...	"	1861	....	96
Cleveland & Toledo, .....	800,000	1st Mortgage, convertible, .....	7	February, Aug., ...	"	1860	....	98
Cleveland & Toledo, .....	525,000	1st Mortgage, inconvertible, ...	7	February, Aug., ...	"	1863	83	87
Chicago & Mississippi, .....	1,000,000	1st Mortgage, conv. till 1857, ...	7	April, October, ...	"	1862-72	50	65
Covington & Lexington, .....	400,000	1st Mortgage, inconvertible, ...	6	March, Sept., ...	"	1867	....	76
Delaware, Lackawanna & Western, .....	1,500,000	1st Mortgage, convertible, .....	7	April, October, ...	"	1875	78	88
Fort Wayne & Chicago, .....	1,250,000	1st Mortgage, conv. till 1863, ...	7	January, July, ...	"	1873	78	80
Galena & Chicago, .....	2,000,000	1st Mortgage, inconvertible, ...	7	February, Aug., ...	"	1863	90	91
do. ....	2,000,000	2d Mortgage, inconvertible, ...	8	May, November, ...	"	1875	95	95
Green Bay, Milwaukee & Chicago, .....	400,000	1st Mortgage, convertible, .....	7	10 April, 10 Oct., ...	"	1863	94	95
Indiana Central, .....	600,000	1st Mortgage, convertible, .....	7	May, November, ...	"	1866	....	90
Indianapolis and Bellefontaine, .....	450,000	1st Mortgage, convertible, ...	7	January, July, ...	"	1860-61	78	80
Indianapo. & Cin. (form. Lawb. & U. M.) .....	500,000	1st Mortgage, conv. till 1857, ...	7	March, Sept., ...	"	1866	....	90
La Crosse & Milwaukee, .....	450,000	1st Mort., 1st sec. conv. till 1864, ..	8	May, November, ...	"	1874	87	89
do. ....	500,000	1st Mort., 1st sec. conv. till 1864, ..	8	May, November, ...	"	1877	91	92½
Lake Erie, Wabash & St. Louis, .....	3,400,000	1st Mortgage, conv. till 1859, ...	8	February, Aug., ...	"	1865	45	50
Little Miami, .....	1,500,000	1st Mortgage, inconvertible, ...	6	2 May, 2 Nov., ...	"	1883	80	85
Michigan Central, .....	1,000,000	No Mortgage, convertible, .....	8	April, October, ...	Bost.	1860	100	101
do. ....	600,000	No Mortgage, convertible, ...	8	March, Sept., ...	"	1869	98	100
Milwaukee & Mississippi, .....	600,000	1st Mort., 1st sec., conv. till 1857, ..	8	January, July, ...	N. Y.	1863	....	98
do. ....	650,000	1st Mort., 2d sec., conv. till 1858, ..	8	April, October, ...	"	1863	88	91
do. ....	1,250,000	1st Mort., 3d sec., conv. till 1860, ..	8	June, December, ...	"	1877	86	87
Northern Cross, .....	1,200,000	1st Mortgage, convertible, .....	8	January, July, ...	"	1873	90	93
Ohio & Indiana, .....	1,000,000	1st Mortgage, convertible, .....	7	February, Aug., ...	"	1867	....	90



U. S. GOVERNMENT SECURITIES.			INT. PAYABLE.	OFFERED PER CENT.	ASKED PER CENT.
Loan, 6 per cent.	X	1862..	January, July,	112½	119
do. 6 do.	X	1867..	do.	118½	119
do. 6 do.	X	1868..	do.	118½	119
do. 6 do. Coupon Bonds,	X	1868..	do.	118½	119
do. 5 do. Texas indem.,	X	1865..	do.	108	109
STATE SECURITIES.					
New York, .....	6 per cent.	1860-61-62..	Jan. Ap. Jul. Oct.	102½	105
do. ....	6 do.	1864-65..	do. do.	105	108½
do. ....	6 do.	1866-67..	January, July,	108	111
do. ....	6 do.	1872-73..	Jan. Ap. Jul. Oct.	112	114
do. ....	5½ do.	1860-61..	do. do.	100½	102
do. ....	5½ do.	1865..	do. do.	100½	103
do. ....	5 do.	1858-60..	do. do.	99	101
do. ....	5 do.	1866-74..	do. do.	102	103
do. ....	4½ do.	1858-59-64..	do. do.	99	99
Ohio, .....	6 do.	X 1860..	January, July,	99	101
do. ....	6 do.	X 1870..	do.	101	104
do. ....	6 do.	X 1875..	do.	104	105
do. ....	6 do.	X 1886..	do.	104	106
do. ....	5 do.	X 1865..	do.	93	96
Pennsylvania, .....	5 do.	..	February, Aug.	82½	83
do. ....	5 do.	..Coupon, 1877..	do.	86	87
Massachusetts, .....	5 do.	..	..	..	..
Kentucky, .. Bonds,	6 do.	1869-72..	January, July,	102	104
Illinois, Int. Imp. ....	6 do.	1847..	do.	115	117
do. ....	6 do.	Interest..	do.	91	93
Indiana State, .....	5 do.	X ..	do.	80	82
do. ....	2½ do.	X ..	do.	53	56
do. Canal Loan,	6 do.	..	do.	..	..
do. Canal Pref.,	5 do.	..	..	..	..
Maryland, .....	6 do.	..	Jan. Ap. Jul. Oct.	105	106
do. ....	5 do.	..	do. do.	90	93
Alabama, .. Bonds,	5 do.	..	May, Novem'r,	82	90
Louisiana, .. Bonds,	6 do.	..Divers..	January, July,	86	87
Tennessee, .. Bonds,	5 do.	..	do.	73	78
do. .... Bonds,	6 do.	..Divers..	do.	87½	88
Virginia, .. Bonds,	6 do.	1885-1890..	do.	92	93
Missouri, .. Bonds,	6 do.	1872..	do.	83	83½
North Carolina, B'ds,	6 do.	1873..	do.	92	93
Georgia, .. Bonds,	6 do.	1872..	do.	93	94½
California, .. Bonds,	7 do.	1870..	do.	62	65
do. .... Bonds,	7 do.	1875..	do.	62	65
CITY SECURITIES.					
{ New York, .....	5 per cent.	1858-60 }	Feb'y, May, }	94	96
do. ....	5 do.	1870-75 }	August, Nov. }	89	92
do. ....	5 do.	1890-98 }	..... }	90	93
Albany, .. Bonds,	6 do.	X 1871-81..	February, Aug.	100	101
Alleghany, .. Bonds,	6 do.	X 1875-77..	January, July,	99	75
Baltimore, .. Bonds,	6 do.	1870-90..	Jan. Ap. Jul. Oct.	94	96
Boston, .. Bonds,	5 do.	X ..	April, October,	97½	99
Brooklyn, .. Bonds,	6 do.	X ..long.	January, July,	99	100½
Cleveland, WW B'ds,	7 do.	X 1879..	do.	101	103
Cincinnati, .. Bonds,	6 do.	X ..Divers..	Divers, .....	88	89½
Chicago, .. Bonds,	6 do.	X 1873-80..	January, July,	83	86
do. .... Bonds,	7 do.	X ..	do.	98	99
Detroit, WW Bonds,	7 do.	X 1873-78-83..	Feb'y, August,	102	102½
Jersey City, .. Bonds,	6 do.	X 1877..	March, Sept'r,	96	98
Louisville, .. Bonds,	6 do.	X 1880-83..	Divers, .....	79	80
Memphis, .. Bonds,	6 do.	X 1882..	January, July,	64	67½

CITY BONDS.			INT. PAYABLE.	OFFERED PER CENT.	ASKED PER CENT.
Milwaukee,...	Bonds, 7 per cent. X.	1873-74-75..	March, Sept'r,	78	82
New Orleans,...	B'ds, 6 do. X R.R.	1872-74..	January, July,	72	74
do. Municipal,	6 do. X.....	1892..	do.	80	84
Philadelphia,...	6 do. ....	1876-90..	do.	88	88½
Pittsburgh,...	Bonds, 6 do. X.....	1869-78-83..	Divers,.....	67½	70
Peoria, (Ill.)...	Bonds, 7 do. X.....	1873..	Divers,.....	90	92½
Quincy,.....	Coup, 8 do. X.....	1868..	January, July,	....	88
Racine, (Wis.)	Bonds, 7 do. X.....	1873..	Feb'y 10, Aug.	....	80
Rochester,...	Bonds, 6 do. X.....	long..	Divers,.....	....	100
St. Louis R. R.	B'ds, 6 do. X.....	Divers,.....	Divers,.....	80	84
do. B'ds, 6	do. X.....	Municipal,...	Divers,.....	81½	84
Sacramento, Bonds,	10 do. X.....	1862-73..	Divers,.....	70	72
San Francisco, B'ds,	10 do. X.....	1871..	May, Novem'r,	88	90
do. B'ds, 10	do. X pa'ble N. Y.	1873..	January, July,	....	....
do. B'ds, 6	do. X do.	1873..	do.	55	60
Wheeling, Mp. B'ds,	6 do. X.Sink. F'd,	1874	March, Sept'r,	....	81
do. R. R., B'ds,	6 do. X.....	Divers,...	Divers,.....	....	67
Zanesville,...	Coup, 7 do. X.....	.....	April, October,	....	97
COUNTY BONDS.					
St. Louis, (Missouri),	6 per cent. X.....	.....	January, July,	76	78
Alleghany, (Penn.)	6 do. X divers issues,...	.....	Divers,.....	69	73
Fayette, (Kent'y),	6 do. X.....	1881-83..	January, July,	78	82
Bourbon,...	do. 6 do. X.....	1881-82..	do.	75	80
Mason,....	do. 6 do. X.....	1881-83..	do.	75	80
Boyle,....	do. 6 do. X.....	.....	.....	....	75
Clark,....	do. 6 do. X.....	1883..	Ap. 15, Oct. 15,	....	73
Montgomery, do.	6 do. X.....	1883..	do. do.	....	70
Bath,....	do. 6 do. X.....	1883..	do. do.	....	68
Ross, (Ohio)	7 do. X.....	Divers,.....	Divers,.....	....	95
Belmont,....	do. 7 do. X.....	1862..	January, July,	....	93
Shelby, (Tenn.)	6 do. X.....	1884..	April, Novem'r,	....	70
Des Moines, (Iowa)	8 do. X.....	1874-75..	Divers,.....	97½	100
Henry,....	do. 8 do. X.....	1871-75..	Divers,.....	97½	100
RAIL-ROAD COMPANIES.					
		<small>Semi-annual dividends.</small>			
Baltimore & Ohio,.....	100..	3	April, October,	52½	53
Chicago & Rock Island,.....	100..	5	do.	90	91
Cincinnati, Hamilton & Dayton,.....	100..	..	do.	66	70
Cleveland, Columbus & Cin.,.....	100..	5	January, July,	100	103
Cleveland & Pittsburgh,.....	50..	5	do.	41	42
Cleveland & Toledo,.....	50..	4	March, Sept'r,	55½	56
Erie,.....	100..	..	April, October,	30	31
Galena & Chicago,.....	100..	5	February, Aug.	89	90
Harlem,.....	50..	..	do.	10	11
do. Preferred,.....	50..	..	January, July,	24	26
Hudson River,.....	100..	..	May, Novem'r,	21½	21½
Illinois Central,.....	100..	3½	January, July,	129	130
Little Miami,.....	50..	5	June, Decem'r,	93	94
Macon & Western,.....	100..	5	February, Aug.	93	94
Michigan Central,.....	100..	5	December,.....	80	83
Michigan South'n & North'n Ind.,.....	100..	5	January, July,	40	41
Milwaukee & Mississippi,.....	100..	5	do.	56	57
New Jersey,.....	50..	5	February, Aug.	126	128
New Haven & Hartford,.....	100..	5	April, October,	119½	120
New York Central,.....	100..	4	February, Aug.	81½	81½
Ohio & Pennsylvania,.....	50..	..	January, July,	....	....
Panama,.....	100..	6	do.	92	92½
Pennsylvania,.....	50..	4	May 15, Nov'r,	91	91½
Reading,.....	50..	4	January, July,	71	72

## Notes on the Money Market.

NEW YORK, JUNE 24, 1857.

*Exchange on London, at Sixty days' sight, 9½ a 9¼ premium.*

There has been increasing ease in the Money Market since March last, and occasional concessions by lenders in their terms on call loans and on business paper. The banks have maintained their liberal line of discounts—there being but slight fluctuations since 1st April. The heavy shipments of coin for the past month have, at last, served to check the loans, and are accompanied by an advance in the rates for sterling bills from 9½ to 9¾ a 9¼. The constantly accruing indebtedness of our merchants and importers to European manufacturers more than balances the values of our export trade. The shipments of cotton for the current year are less than in 1856, by nearly seven thousand hundred bales, viz.:

	1857.	1856.	1855.	1854.	1853.
Received at all ports,.....	2,967,000	3,414,000	2,589,000	2,767,000	3,163,000
Exported to Great Britain,.....	1,818,000	1,787,000	1,862,000	1,838,000	1,598,000
Exported to France,.....	871,000	472,000	402,000	293,000	409,000
Exported to other foreign ports,...	378,000	483,000	245,000	291,000	334,000
Total export,.....	3,067,000	2,741,000	2,009,000	1,973,000	2,338,000
Stock on hand,.....	240,000	313,000	174,000	391,000	369,000

The Custom House returns for the past three months show diminished importations of dry goods compared with last year. This is owing to the essential change in the tariff policy, to take effect on the 1st day of July—a change which will further encourage the importation of foreign flannel, and depress domestic manufactures. It has long been a settled principle of the conservative portion of our people, that this country cannot (for a few years to come, at least) compete successfully with Europe in the important manufactures by which Europe has attained such enormous wealth. It is well known that labor and capital are there remunerated generally at one-half the rates paid here. In the manufactures of cotton, woollen, silk and other goods, labor is the chief item of expenditure—perhaps three-fourths of the whole. In this item alone the American manufacturer pays double what is paid in Europe. Hence the facility with which foreign manufactures are forced upon this market at prices far below those at which they can be produced here. Our cotton goes to Europe to the extent of nearly three millions of bales, at a value of \$123,000,000—supplies England and Continental Europe for their own people. Of this, England takes about two millions of bales, and re-exports cotton goods annually to the value of thirty-three millions sterling, after supplying a population of twenty-eight millions with cotton goods.

The loan of credit by the Commonwealth of Massachusetts to the Norwich and Worcester Rail-Road Company (\$400,000) has been renewed. Proposals were invited in June last for the purchase of the scrip of the Commonwealth of four hundred thousand dollars, payable July 1, 1877, bearing interest at the rate of six per cent. per annum, from the 1st day of July, 1857, payable semi-annually on the first days of January and July, on the coupons attached to said scrip, at the Treasurer's office in the city of Boston. The following loans are now proposed in this market:

I. The Chicago, St. Paul and Fond du Lac Rail-Road Company propose to sell to stockholders their eight per cent. 25 year Construction (land grant) Mortgage Bonds, of \$1,000 each, of date May 1, 1857, and secured upon their entire road and line, of road from Chicago to Lake Superior, and upon a million of acres of the grants of public lands from Congress, as made to this company by the States of Wisconsin and Michigan.

II. The Pittsburgh, Fort Wayne and Chicago Rail-Road Company offer their first mortgage bonds to the extent of one million of dollars, bearing seven per cent. interest. This road is now in operation from Pittsburg to within eighty-two miles of Chicago.

The commissioners of the sinking fund of Indiana will receive sealed proposals till the 8th day of July, 1857, for the sale to them of two hundred thousand dollars, or any less amount of bonds of the State of Indiana, issued for bank capital, bearing five per cent. interest, and falling due in 1864, 1865 or 1866, which, if the offers are accepted, will be paid for on the following day.

The additional bank capital paid in since January last enables our banks to enlarge their loans

notwithstanding the decline in the specie reserve. The following are the leading items for the past few weeks:

Date.	Loans.	Circulation.	Deposits.	Sub-Treas'y.	Coin in B'ks.	Total Coin.
June 7, 1856, ..	\$103,474,921	\$3,430,252	\$90,609,243	\$7,822,000	\$16,166,000	\$22,989,000
July, 5, " ..	109,267,562	3,637,471	100,140,420	6,171,500	16,829,200	23,000,700
Aug. 2, " ..	112,221,568	3,646,043	93,847,317	5,567,700	14,725,200	22,995,900
Sept. 6, " ..	109,560,948	3,887,360	69,350,154	13,694,100	13,098,800	26,702,900
Oct. 4, " ..	107,981,707	3,580,628	68,730,804	13,222,200	11,015,100	24,247,400
Nov. 1, " ..	103,142,098	3,686,935	86,522,891	13,406,500	11,057,800	24,464,100
Dec. 6, " ..	106,898,554	3,671,753	91,698,724	11,944,400	12,273,200	24,223,700
Jan. 3, 1857, ..	109,149,133	3,602,113	95,346,216	11,430,100	11,172,200	22,602,800
Feb. 7, " ..	112,876,713	3,426,317	96,029,439	13,618,000	11,143,800	24,761,900
March 7, " ..	111,899,649	3,465,697	95,558,222	15,189,800	11,707,300	26,896,600
April 11, " ..	115,374,717	3,787,344	96,518,908	15,174,800	10,854,400	26,059,200
May 2, " ..	114,409,275	3,006,566	99,159,472	14,403,100	12,009,900	26,418,000
June 6, " ..	115,838,592	3,588,572	96,594,891	12,431,000	13,184,700	25,565,700
June 13, " ..	115,412,541	3,696,898	96,163,937	11,749,309	11,974,800	23,724,100
June 20, " ..	115,119,690	3,598,801	95,939,613	11,472,600	12,790,400	24,268,000

The total shipments of coin from this port since 1st January (to 20th June) have been \$20,056,000, and for same period in

1852, .....	\$10,518,000	1855, .....	\$15,696,000
1853, .....	7,913,000	1856, .....	12,226,000
1854, .....	14,264,000	1857, .....	20,056,000

The State Treasurer of Ohio is represented as a defaulter to the amount of over \$800,000. The default at Columbus, Ohio, will not affect the market value of the bonds, although it will be a serious inconvenience to the State authorities. It is another lamentable instance of the folly of employing mere politicians as financial officers. The duties of a State Treasurer require business talents of the first order, and integrity unquestioned. But the State funds should not be subject to the order of any one man. All payments of that office should be countersigned by the auditor or some other State officer. The legislature of Ohio employ a treasurer at a salary of only one thousand dollars per annum—a sum at which only second or third rate men could be employed. The office requires a man of the first talents, and his salary should not be less than five thousand dollars a year—the annual revenue of the State being over three and a half millions of dollars. Illinois, Mississippi and other States have suffered by employing political treasurers; and Ohio will now have to pay for its own experience.

We annex the prices of State Loans at the close of the past eight weeks:

	May 1.	30th.	15th.	22d.	29th.	June 5th.	12th.	19th.
U. S. 6 per cents, 1867-8, .....	118	118	118½	118½	118½	118½	118½	118½
Ohio 6 per cents, 1886, .....	105	105	106	106	106½	106½	106	106
Kentucky 6 per cents, .....	102	102	104	104	103	102	102	102½
Indiana 5 per cents, .....	88½	88½	82½	82½	82½	82½	83	88
Pennsylvania 5 per cents, .....	84½	84½	84	83½	82½	82½	82½	83½
Virginia 6 per cents, .....	91½	91½	91½	91	92	92	91½	92½
Georgia 6 per cents, .....	92½	92½	92½	92½	93	93	93	93
California 7s, 1870, .....	50½	47	49½	56½	57½	64½	59	64½
North Carolina 6 per cents, .....	92½	92½	91½	90½	90	91	92½	92½
Missouri 6 per cents, .....	83	82½	82	82½	83½	83	83½	83½
Louisiana 6 per cents, .....	87½	85	85	85½	84	84½	85	85½
Tennessee 6 per cents, .....	87½	87	87	86½	86	87½	87	87

Our summary of stock values shows no material changes in Government or State Loans. The United States sixes are quoted at 118½, without sellers. Holders are unwilling to part with these even at the premium offered by the Treasury—viz, sixteen per cent, and the accumulated interest of nearly three per cent. Some of our savings banks hold considerable amounts of these securities; and although the market price is not likely to decline, it is a favorable period for conversion into State Bonds. \$100,000 United States Loans of 1867-8, at present value, will purchase \$145,000 of Missouri Sixes or Pennsylvania Five per cents—the former yielding nearly nine per cent, and the latter 7½ on the investment.

The American Exchange Bank have to pay \$500,000 on 1st July for the State of Illinois, being the amount of certain State indebtedness then redeemable. The Bank of the Republic is already furnished with funds to pay the interest due 1st July on the debt of the State of Virginia.

**Rail-Road Shares.**—The market is more depressed than at any period of 1856 or 1857. Since our last monthly report Harlem shares have declined  $1\frac{1}{2}$ ; Reading has reached the extremely low figures of 71 a 71 $\frac{1}{2}$ ; Illinois Central shares are quoted  $3\frac{1}{2}$  lower; Chicago and Rock Island  $1\frac{1}{2}$ ; Cleveland, Columbus and Cincinnati Rail-Road shares, paying 12 per cent. annually, are quoted at 102. Little Miami (10 per cent. dividend) 93 a 96. New Haven and Hartford 119.

We annex the closing rates for leading rail-road shares for the past eight weeks:

	May 1st.	5th.	15th.	22d.	29th.	June 5th.	12th.	19th.
N. Y. Central R. R. shares,....	87 $\frac{1}{2}$	86 $\frac{1}{2}$	86 $\frac{1}{2}$	86 $\frac{1}{2}$	86 $\frac{1}{2}$	84 $\frac{1}{2}$	81 $\frac{1}{2}$	84 $\frac{1}{2}$
N. Y. & Erie R. R. shares,....	49 $\frac{1}{2}$	42 $\frac{1}{2}$	41 $\frac{1}{2}$	37	36 $\frac{1}{2}$	35 $\frac{1}{2}$	31 $\frac{1}{2}$	30 $\frac{1}{2}$
Harlem R. R. shares,.....	15 $\frac{1}{2}$	..	15 $\frac{1}{2}$	13 $\frac{1}{2}$	11 $\frac{1}{2}$	10 $\frac{1}{2}$	11	9 $\frac{1}{2}$
Reading R. R. shares,.....	81 $\frac{1}{2}$	81 $\frac{1}{2}$	79 $\frac{1}{2}$	78 $\frac{1}{2}$	80 $\frac{1}{2}$	79	77 $\frac{1}{2}$	71 $\frac{1}{2}$
Hudson River R. R. shares,....	25	24	24	24	23	19	19 $\frac{1}{2}$	21
Michigan Central R. R. shares,	95	95	95	94 $\frac{1}{2}$	94 $\frac{1}{2}$	98	91 $\frac{1}{2}$	91
Michigan Southern R. R. shares,	64 $\frac{1}{2}$	64 $\frac{1}{2}$	63	61 $\frac{1}{2}$	61	50 $\frac{1}{2}$	43 $\frac{1}{2}$	45 $\frac{1}{2}$
Panama R. R. shares,.....	94 $\frac{1}{2}$	93	93	95	95 $\frac{1}{2}$	96 $\frac{1}{2}$	92	92 $\frac{1}{2}$
Baltimore & Ohio R. R. shares,	61 $\frac{1}{2}$	63 $\frac{1}{2}$	59 $\frac{1}{2}$	54	52	50 $\frac{1}{2}$	50 $\frac{1}{2}$	50 $\frac{1}{2}$
Illinois Central R. R. shares,....	185	184 $\frac{1}{2}$	185 $\frac{1}{2}$	189 $\frac{1}{2}$	189	183 $\frac{1}{2}$	187	188 $\frac{1}{2}$
Clev. and Toledo R. R. shares,.	63 $\frac{1}{2}$	69	63	65 $\frac{1}{2}$	66 $\frac{1}{2}$	68 $\frac{1}{2}$	57	57 $\frac{1}{2}$
Chicago and Rock Island R. R.	99 $\frac{1}{2}$	93	97	96 $\frac{1}{2}$	96	95	98 $\frac{1}{2}$	99 $\frac{1}{2}$
Milwaukie and Miss. R. R.,....	70 $\frac{1}{2}$	63 $\frac{1}{2}$	67 $\frac{1}{2}$	67	67	64 $\frac{1}{2}$	63 $\frac{1}{2}$	63 $\frac{1}{2}$

**Rail-Road Bonds.**—The more active demand for money has induced some holders to part with Erie sevens of 1859 at 95. Income Bonds are quoted 1 per cent. lower. In other items the changes are not material. We annex the closing prices of rail-road bonds for the last eight weeks:

	May 1st.	5th.	15th.	22d.	29th.	June 5th.	12th.	19th.
Erie R. R. sevens, 1859,.....	96	94 $\frac{1}{2}$	96	96	96	96	96	95
Erie R. R. bonds, 1875,.....	87 $\frac{1}{2}$	88	87 $\frac{1}{2}$	88	88	87 $\frac{1}{2}$	87	86
Erie Convertibles, 1871,.....	76	75	77	77	75 $\frac{1}{2}$	75	73 $\frac{1}{2}$	79
Hudson River R. R. 1st mort.,...	97 $\frac{1}{2}$	97 $\frac{1}{2}$	97 $\frac{1}{2}$	98 $\frac{1}{2}$	93	98	93	93
Panama R. R. bonds,.....	94	..	93	93	93	99	96	93
Illinois Central sevens,.....	99 $\frac{1}{2}$	99 $\frac{1}{2}$	100	99 $\frac{1}{2}$	99 $\frac{1}{2}$	99 $\frac{1}{2}$	97	97
New York Central sixes,.....	86 xd	86 $\frac{1}{2}$	86	86 $\frac{1}{2}$	85	85	84	84
Canton Company shares,.....	21 $\frac{1}{2}$	20	20 $\frac{1}{2}$	20	19 $\frac{1}{2}$	19 $\frac{1}{2}$	15 $\frac{1}{2}$	19
Pennsylvania Coal Company,...	93 $\frac{1}{2}$	93 $\frac{1}{2}$	93 $\frac{1}{2}$	94 $\frac{1}{2}$	94	94	93 $\frac{1}{2}$	93
Cumberland Coal Company,....	18	17	17 $\frac{1}{2}$	18 $\frac{1}{2}$	18 $\frac{1}{2}$	18	17	17 $\frac{1}{2}$
Del. and Hudson Canal Co.,....	124 $\frac{1}{2}$	123	124 $\frac{1}{2}$	124 $\frac{1}{2}$	123	123 $\frac{1}{2}$	115	116

The foreign demand for cotton and breadstuffs is steady, and prices well maintained. The London money market exhibits strong signs of an early recovery and renewed ease. Consols were quoted on the 18th, at 93 $\frac{1}{2}$  a 93 $\frac{1}{2}$ .

The phases of the stock market are certainly more extraordinary than at any previous date, to our knowledge. With abundant capital, and abundant facilities for loans, holders seem to have lost all confidence in the value of rail-road securities, and are inclined to sell even at a loss of thirty or forty per cent. This line of conduct is not authorized by the facts. There may have been some mismanagement in rail-road affairs in some few cases; but it will be found sooner or later that the rail-road system is the *back bone* of the country; and if it does not pay now, it can be made to pay: not only to bondholders but to shareholders. Our neighbors in Massachusetts tried low fares for some years, and found the policy unprofitable—a losing one to stockholders. A radical change was made. The tariff was altered from the ruinous prices of  $1\frac{1}{2}$  cent per mile, to  $2\frac{1}{2}$  cents and 3 cents. These rates have enabled the leading companies to maintain regular dividends; and we are convinced that if the New York and Western roads adopt the same change, the results will be equally beneficial. Instead of the present minimum, 2 cents per mile, let them adopt  $2\frac{1}{2}$  cents; it will thus add twenty-five per cent. to their earnings without adding to their expenditures. The receipts might possibly fall off in a small ratio, but the business would be more profitable. At the present low fares, in many cases (through routes from New York to Chicago, for instance) the rates will not average two cents per mile for each passenger.

## DEATH.

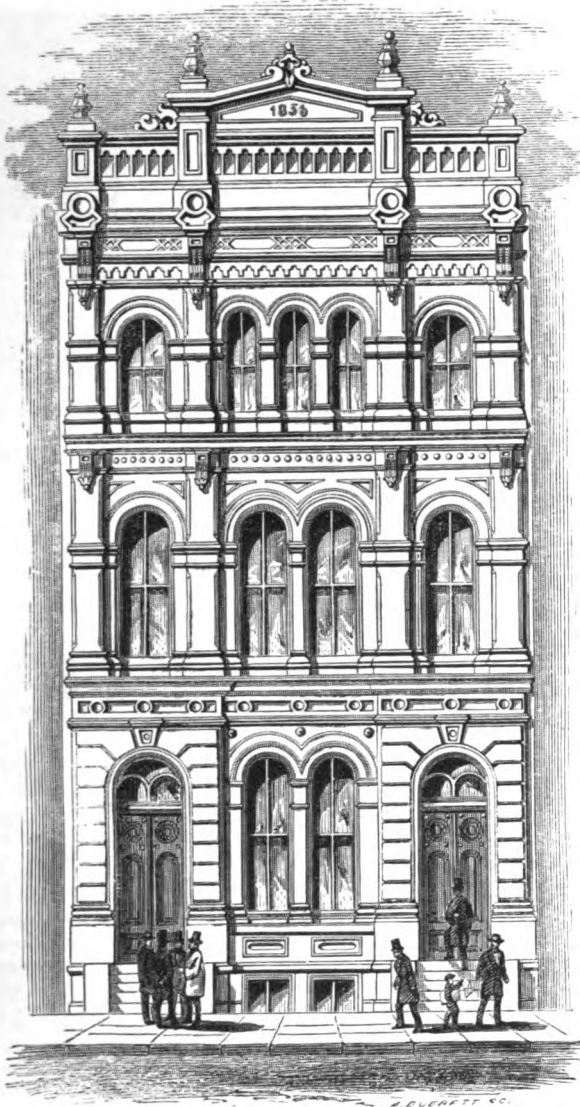
AT BANGOR, Maine, Monday, June 8th, LEONARD MARCH, Esq., President of the Bank of the State of Maine, in the 44th year of his age.





*Plans for Banking Houses.*

ENGRAVED FOR THE BANKERS' MAGAZINE.



**GRIGG'S FIRE-PROOF BANKING HOUSE,**

*Philadelphia—Erected 1856-7.*

SEE BANKERS' MAGAZINE, MAY 1857, p. 856.

# BANKERS' MAGAZINE.

## Statistical Register.

Published by the Bankers' Magazine Co., N. Y.

No. 2.

### MONTHLY ACCOUNT.

For the month ending 31st Dec. 1880.

The following table shows the result of the operations of the banks during the month ending 31st Dec. 1880. It is based on the returns made to the Board of Supervisors of the State of New York, and is published for the information of the public. The figures are in millions of dollars, unless otherwise stated.

The total amount of deposits on hand at the close of the month was \$1,000,000,000, an increase of \$100,000,000 over the amount on hand at the close of the previous month. The total amount of deposits on hand at the close of the year was \$1,000,000,000, an increase of \$100,000,000 over the amount on hand at the close of the previous year.

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THE MERCANTILE BANK BUILDING.

DESIGNED BY J. W. WOOD.

NEW YORK: PUBLISHED BY THE ARCHITECTS, 1887. p. 100.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES. AUGUST, 1857.

No. 2.

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MONEY OF ACCOUNT.

[Continued from page 17, July No.]

How little did the man who could thus write comprehend that commerce consists mainly in an exchange of commodities for commodities, which is effected, so far as value is concerned, mainly by money of account, by comparison of values by the "operation of accounting!"

We may aptly introduce here, in taking leave of the *Review*, a passage from a work on "Coin and Coinage,"\* which denotes a clearer conception of this subject than any to which it was the fortune of the reviewer to attain. "For all exchange is either by the actual or intellectual valuation of money; that is to say, either the thing is exchanged for money, or, if it be exchanged for another thing, the measure of that exchange is, how much money either of the things exchanged is *conceived* to be worth; and practice hath found out that in values, which geometricians have found out in quantities, that two lines which are equal to a third line, are equal to one another; so the money is a third line, by which all things are made equal in value." Money of account is the line or medium of comparison by which values are compared, stated, expressed, and by which parties discharge their debts, by delivering as many goods into the channels of commerce as they take, "by which all things are made equal."

In the controversy which grew out of the famed Bullion Report of

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\* Published in London in 1875, by Rice Vaughan, page 3.

1810, Mr. Huskisson published a pamphlet, "*The Question concerning the Depreciation of the Currency Stated and Examined*," ably sustaining the doctrines of that report, for which he was, as an acting member of the committee, responsible. That dispute was waged among scores of writers on grounds on which it was impossible they could arrive at any just conclusion. One party contended, that owing to the wars on the Continent during the French Revolution and of Napoleon, the demand for gold on the Continent became extraordinary, as on such occasions it always does, and that in consequence it had risen in value. The other maintained that the bank paper, which was the general currency, had depreciated to the extent of the apparent difference between them. Gold, from the usual price of £3 17s. 10½d. per oz., was quoted occasionally as high as £5 4s. The testimony of merchants, taken before the committee, decidedly sustained the views of the first, that gold had risen. But those who, like Locke, were unable to separate the idea of money from gold or silver, concluded that, as an ounce of gold was always equal to itself, it must always be of the same value; and that as a pound sterling is the "*unambiguous name of a certain quantity of coined gold or silver*," the paper must have depreciated, as the gold could not rise in value. No force of argument, no array of facts, could move them from this, as they regarded it impregnable ground. It was shown that other articles had not, like gold, risen in comparison with paper; that silver had not, and that parties were in constant pursuit of the gold for exportation. All in vain; for in the view of the bullionists, a pound denoted a certain quantity of gold, and however much that gold might be in demand, it could never be more valuable than itself. Mr. Huskisson, with far more knowledge of the subject than Mr. Locke, could not escape from the blinding effects of this error. He was met by numerous adversaries, who labored under other errors of doctrine or fact, which left the question still unsettled. They fought the battle, indeed, on a field where it could never be determined. The very fact that such an array of able men applied their powerful minds, and in numerous instances great practical knowledge, to the solution of this question of depreciation, without full success—for it is still a matter of contest—proves there was some lurking misapprehension in the minds of both parties, which kept them from the true point of the controversy. The merchants, who contended that gold had risen in value, and that the bank notes had not depreciated to the extent of the apparent difference between paper and gold, sustained themselves by an appeal to facts which would have been irresistible, except to those who could not conceive of a difference in value between a pound sterling and a sovereign, between twenty-one shillings and a guinea. It was useless to array facts to prove that two and two did not make four, for as clear as that did the bullionists conceive their position to be.

In the years 1811 and 1812, two publications appeared, in which the doctrine of money of account or abstract currencies was applied with remarkable discrimination and clearness to this question.\* No reader

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\* Defence of Abstract Currencies in reply to the Bullion Report and Mr. Huskisson: By Gloucester Wilson, Esq., F. R. S. London, 1811. A Further Defence of Abstract Currencies: By the same. 1812. Mr. Wilson was a Barrister.

of these works can fail to perceive that the elements introduced by them into the discussion are indispensable to a fair understanding of the subject, and especially to a safe solution. It was shown that gold had risen, and that the money of account, which continued to correspond with the bank paper, measured that rise in value. As soon as the paper ceased to be convertible into gold, it ceased to fluctuate in value with gold, and became a medium of exchange or currency, of which the money of account was the expression. But we can neither quote from the close-woven pages of Mr. Wilson, nor attempt an abstract, as he follows up the thread of fallacy alleged to run through the doctrines and arguments of the bullionists with a steady perseverance, and in such an unbroken chain that it is difficult to detach a link. No mind open to the truth and sufficiently disciplined to the labor of close investigation, can read these pages without perceiving that the doctrine of an abstract money of account has found an advocate few would venture to assail or could hope to overcome. We are not aware that any reply to Mr. Wilson's publications ever appeared.

We cannot omit in our mention of those who have supported the true idea of a money of account, a publication which appeared in Philadelphia, in 1832.\* In this pamphlet the whole subject is ably and fully handled, and, as a single treatise on this subject, is more suited for popular reading than any yet published. In summing up his conclusions at page 62, he lays it down: "That value in exchange was originally altogether comparative; one article being compared with another. That to enable this to be done, it was found absolutely necessary to assume an intermediate imaginary point of comparison, and that this point of comparison is to be found in use in all countries." He says this is used to express the value of coin as well as of other commodities. He compares it to the assumed point in algebra; to the imaginary points of the North and South poles; to the imaginary line which is drawn for the meridian; to the degrees of latitude and longitude. By these lines ships are guided thousands of miles over a trackless ocean, and an unerring account of the track is kept, and few ship-owners would be willing to intrust the care of a ship to a master who should declare that he would take no charts to sea, as they were nothing but imaginary lines drawn upon paper.†

We find a clear expression of the doctrine of money of account in a report made to Congress, in the session of 1830-1. "Nations generally establish a measure of value, founded upon an ideal unit or money of account and contract. Coins regulated in conformity to this standard usually compose the metallic currency, and they are generally the only legal tender in payments. The stamp set upon the metal is the seal of the State, certifying as to the fineness and weight of the coin; and the

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\* From the press of Jasper Harding: 8vo. pp. 76. The copyright is secured by Thomas Smith. The pamphlet is otherwise anonymous, but in the introduction the writer speaks of himself as a foreigner. Can he be the same Thomas Smith whose work on the Theory of Money we have already noticed?

† There is in all this illustration the want of a clear statement that the unit must have an ascertained power or value, derived in the first instance from articles used as money, and from that fixed by use in the minds of the people.

money unit, or its integral parts or multiples, being exhibited in every coin, facilitates enumeration, exchanges and payments," &c.

There is a point in the history of our government from which this subject can be studied with advantage. The subject of the establishment of a mint was brought to the notice of Congress as early as 1782, by Robert Morris, "financier" to the confederation, in a report submitted by him on the 15th January of that year. This was not acted upon, and the subject was referred to Alexander Hamilton, Secretary of the Treasury, in April, 1790, who submitted an elaborate report on the 28th January, 1791. These important papers are accompanied by extended notes of Mr. Jefferson, as they are found at large in American State papers. (Vol. 7, fol. ed., p. 94.) As no previous coinage of any importance had existed in the colonies; as Spanish coins were almost the only kind in circulation, and as an excessive derangement in the money of account in the different colonies had occurred; the fact was constantly exhibited of merchants counting by pounds, shillings and pence, and paying in Spanish coins. And this money of account varied so much, that in New England and Virginia a Spanish dollar was valued at six shillings; in New York and North Carolina, at eight shillings; in Pennsylvania and the Middle States, at seven and sixpence; and in Georgia and South Carolina, four and eight pence. These various moneys of account were the scales by which they estimated, measured and compared all commodities throughout the colonies, the foreign coins in circulation included. This was felt to be very inconvenient, as the affairs of the Revolution and the subsequent intimate connection of the colonies blended their business and increased their mutual trade, and great anxiety was felt for a uniform system. It is evident, from the whole tenor of the documents last referred to, that these eminent men understood clearly enough the distinction between the money of account and money in coins. Mr. Morris desired to retain the money of account in such state as it was, and sought a unit for the contemplated coinage, which would be a common divisor for all. This divisor was the 1,440th part of a dollar, of which 24 would be a penny of Georgia, 15 of New York and North Carolina; 20 would be a penny of Virginia and New England, and 16 a penny of Pennsylvania, &c. His coinage was to be founded on this minute unit, as follows:

10 units to be equal to one penny.	
10 pence " " one bit.	
10 bits " " one dollar.	
10 dollars " " one crown.	

This dollar would have been two-thirds of the Spanish dollar. Under this coinage, it was supposed the people would continue their old habit of counting and estimating by pounds, shillings and pence, and that the new coins would be valued in the same way as the Spanish coins had long been. Mr. Morris understood the difficulty with which people changed their habits of mental reckoning and fixing prices, and therefore deemed it safer to change the coins than the money of account, even though the systems in the several States were so various. His coins were not only to be paid as equivalents in value, but convenient in



small transactions, as counters or assistants in reckoning, from their decimal subdivision, and from carrying on their face evidence of weight and quality.

Mr. Hamilton expressly recognises the distinction between the unit of the money of account, which, he says, is "the pound in all the States," and the "unit of the coins," which is "not so easy to pronounce," but which he considers to be the dollar. He recommends the adoption of the dollar as the unit of the coins as well as of the money of account, the more especially as the people were prepared for it by the circulation of the Spanish coins, and by many of the financial operations of the Revolution. Mr. Jefferson coincided with the Secretary of the Treasury, and recommended the adoption of the dollar unit, and the coins issued ever since. "A required condition of the unit is, that its multiples and subdivisions coincide in value with some of the known coins so nearly, that the people may, by a *quick reference in the mind, estimate their value*; and, if this be not attended to, they will be very long in adopting the innovation, if they ever adopt it." (*Am. State Pap., Finance, vol. 3, 105.*) "The unit or dollar is a known coin, and the most familiar of all to the minds of the people. It is already adopted, from North to South, and therefore offers itself as a unit already introduced. Our public debt, our requisitions and their apportionments, have given it actual and long possession of the place of unit." (*Ibid. Finance, vol. 3, 105.*)

These valuable papers clearly recognise the distinction between the functions of a money of account and a coinage, though, in many respects, there is a want of that precision in their views, which nothing but a long familiarity with the subject could give. Hamilton and Jefferson seem to take it for granted that the coins should correspond with the unit of account. Morris did not deem that necessary, because, undoubtedly, he understood the matter better than either of them. For want of knowing more, however, his plan was certainly inferior, on the whole, to that of the others. It would have been a happy time to adopt a coinage recommended since and before, by many eminent men. The standard of quality being fixed, the precious metals to be coined into Troy pounds and decimal parts of a pound, ounces and parts of an ounce, and the dollar being adopted as the unit of account, with a decimal subdivision, these pieces of the precious metals would be readily valued in this money, following all these fluctuations. A coinage intended specially for small transactions of half dollars and under, would have been advisable to be a legal tender, not beyond ten dollars. The fact that the legal tender of gold or silver, in large transactions, is a very rare occurrence—few people having ever seen it resorted to—shows that it should not be the law, but the subject of an exceptional regulation. The precious metals finding their value according to the market, could not disturb the steadfastness of the unit of account, which would perfectly register and express every variation in them. It is absolutely necessary to clearness of ideas on this subject, that the coins and money of account should not correspond, because when they do, they are blended in people's minds, and the old difficulty, which even Mr. Locke could not overcome, arises—the difference between the shilling in account and the

silver shilling. If the words are different, the ideas will not be blended. Every one in Pennsylvania, in colonial times, could readily separate the idea of 7s. 6d. from a dollar. But, at the present day, very many familiar with money matters, cannot distinguish the dollar unit from the silver dollar. If you exhibit a Spanish dollar coin, and say it is in the market worth, at the time of showing, \$1 05, it might assist, but still many would assert a dollar is only a dollar, even if it does sell for more.

If some plan of this kind had been adopted in the place of our present system, it might by this time have been brought, by such changes as experience would have dictated, to a more perfect coinage than any now in existence, and the way would have been opened to other equally important improvements.

We trust it is not necessary to assure the reader, after what has been advanced on this subject, that we are proposing no novel theory, no new scheme, no crotchet of money or currency. Our effort has been simply to establish a fact, to vindicate a truth. We find and assert it to be a fact, that people always express prices, keep books of account, write the sums expressed on the face of bills of exchange, promissory notes and other evidences of debt in money of account; we have only attempted to explain the nature of this mode of reckoning. It has not been our aim to appreciate or decide upon the merits or importance of this use of money of account; we have, however, not only shown the fact; we have shown that this mental process is unavoidable. Civilized men never express prices by coins—they never hold up a coin or coins to denote a price; they always employ a money of account. Such is the unavoidable mental proclivity which soon becomes an inveterate habit. We need not, then, discuss the propriety of a money of account. Being an established process or method, we need only study its operations and avail ourselves intelligently of all its functions. It strikes us as impossible to comprehend the subject of money without first understanding that of money of account. This understanding is equally necessary, whether we are considering payments in the precious metals or payments by the processes or adjustments of the credit system. In either case the amount to be paid is first fixed and expressed in money of account, and never in any other way. Real money, of whatever material composed, in no case intervenes until the moment of payment arrives. The mode of payment in no way affects the use of the money of account, nor diminishes the necessity of employing it. It is just as important in all that concerns prices as arithmetic itself; if it pays for nothing it always tells what amount is to be paid. Prices are not expressed in money, but in money of account; the first is matter, the second is an abstraction; the one is substance, the other language.

The importance of this distinction is very great. We learn from it that the credit system is not dependent on any function of coins or bullion. The credit system only employs the precious metals in retail transactions and in the payment of balances. A balance may, under the processes of the credit system, be carried to a new account and go into a new adjustment, otherwise it ceases to be the subject of the credit system; it is an amount standing, expressed in money of account, to be paid in some-

thing real. We see, then, where the agency of the credit system ceases to act. It is in reality a system of set-off, of which banks, merchants, brokers and commercial securities are a part of the machinery. The time given for payment, and the confidence reposed by men in one another, are only a part of the elements of the credit system. Neither time nor confidence effect payments. The great business of the credit system consists in those adjustments or processes by which ninety-five hundredths of all the payments of trade and the business of life are effected. The whole of this rests, so far as all the prices, all the amounts, all the expressions of value are concerned, on the money of account—without a money of account there could be no credit system.

It is true that by our law all debts are strictly payable in gold or silver; and that in other countries they are payable by law in gold or silver, or only in one or the other. The fact is, however, that it is almost unheard of to demand legal payment—that is, payment in the precious metals—of a debt of any magnitude. Payment by the credit system is preferred, for the reason that it is simpler and more practicable than that by coins. But there is still a stronger reason why the credit system is preferred to the legal system of payment. The one is practicable, the other impracticable. All the specie in the United States would not be sufficient to make the payments of our chief commercial cities for one day. If all creditors were to demand payment in specie they would ask an impossibility. Fortunately, what the law exacts is not necessary; it gives the creditor a legal right to the coins, but leaves him the option to receive any thing or to arrange it as he pleases.

Money of account is the language of prices, the expression of sums or amounts; it is understood instantaneously, whether the sum be large or small, whilst an offer of coins always involves a scrutiny and a computation. When a horse is said to be worth \$150, the seller is understood as soon as the *words* are heard or the figures are seen; but if the buyer lays down the amount in silver coins, it may require from five to ten minutes to ascertain whether silver to the amount of \$150 is upon the table. So the expression \$5,000 is perfectly understood, and the amount apprehended as soon as heard, but it may require a whole day or more to count silver coins to that amount.

The credit system is that by which deferred payments are adjusted and the debts extinguished, by processes which enable men to apply their credits to the payment of their debts—the credits and debts being alike expressed in money of account.

The money system is that by which a real equivalent in gold or silver passes in every transaction. The price of this equivalent is always expressed in money of account. It is that by which every commodity of trade is exchanged for gold or silver—the price of both being expressed in the same money. The coinage has nothing to do with this exchange, except by the facility it affords in furnishing, accurately weighed, pieces of gold or silver, with an impression giving an authoritative certificate of weight and quality or standard. The coins in their amounts are the representatives of the money of account, and are so made for con-

venience in paying;\* and this convenience would fully justify this accommodation of the coin to the money of account, but for the confusion it creates in the minds of those who speak, write and legislate about money. If in the United States the coinage of dollars and parts of dollars were discontinued, the people would none the less use dollars and cents as the money of account. The money system is a system of equivalents, an exchange of commodity for commodity; and the coinage is a preparation of one of these commodities by extreme subdivision, accurate weighing and equable quality or uniform standard for the purposes of money; that is a common commodity for which all others can be exchanged, and in which all debts must be paid, unless the parties otherwise arrange.†

**FORGERY IN PARIS.**—The person who has the collection of the rents of the houses and apartments in the Passage de la Marmite, in the Quartier St. Martin, which belongs to the Administration des Hospices, in paying in the money which he had received at the central office, discovered a forged bank note of 100f. This note, which at the first glance appears to have been admirably done, is executed entirely with the pen. It is thought it must have been the work of a forger, as there are several orthographical errors, sufficient to cause the fraud to be detected. These errors may be seen in the words written in the small escutcheons on either side the note. The water mark, too, has been managed in such an ingenious way as to deceive the eye of an ordinary observer. The time occupied by the person who had executed the note must have been worth infinitely more than 100f, which it represents. An inquiry has been instituted by the commissary of police.—*French paper.*

* The Franc of France weighs	(silver).....	76.5 grains.
Napoleon	" (gold).....	99.2 grains.
Sovereign, England,	" (gold).....	122.7 grains.
Shilling,	" (silver).....	86.5 grains.
Dollar, United States,	" (silver).....	412.5 grains.
Eagle,	" (gold).....	258. grains.

The coins here mentioned, and all others, are accurately adjusted in weight to the unit of the respective moneys of account they represent. The money of account is not changed to suit the coins, but the latter to represent the former. Where this representation is not correct, as was the case with our gold coins before 1834, the coins will not circulate. If coins are undervalued in the money of account, they will be melted or exported; if overvalued, they will be refused. The adjustment of the coin to the unit of the money, or the part it purports to represent, must be correct to the minutest fraction. This is because coins are made a legal tender. Bars of gold or silver of any size may circulate by weight at the market price. Coinage, with a law making the coins a legal tender, is fixing the price by law of the precious metals, and is open to serious objections when applied to larger sums. It is not in the power of any nation to fix the price of the precious metals.

† The writer of the foregoing article intends to put to press in the course of this year a work long in preparation, on the subject of commercial payments, wherein the money system, the credit system and its processes, money of account, and other kindred topics will be treated at large, as to their history, theory and usages.

## GOLD VERSUS PRICES.

"CONSIDERABLE uneasiness begins to prevail in Paris at the enormous rise that has taken place within the last two years in the prices of food and lodging. It is not only that this state of things drives away the crowds who a few years ago used to resort to Paris to economize, and who spent immense sums in that capital, but, what is of far more importance in a social and political point of view, it creates suffering, and, consequently, discontent among the working classes. In all the capitals of Europe, there has been of late a similar tendency to an increase in prices, partly caused, no doubt, by the uncertainty created by the late war, and by the withdrawal of large numbers of able-bodied men from the ordinary pursuits of agriculture and industry, to swell the ranks of the standing armies kept up by the four great military monarchies of France, Russia, Austria and Prussia. Perhaps, also, the speculative habits of the present generation have had some share in producing this result."

The above is from a late London paper. The same remark is pertinent to new circumstances in our own country. The advanced prices charged for all commodities where labor is involved in their production, and where new machinery and new appliances cannot be used, are unerring results of an increased volume of the precious metals. According to estimates made by statistical writers who have examined the subject critically, the increase of the precious metals during the six years, 1851-1856, is fully one-third of that existing in the world at the end of the year 1850.

The product of gold in California is thus stated in round numbers :

Year.	Export.	Marginal addition.	Total.
1848-9.....	8,060,000	806,000	8,866,000
1850.....	25,000,000	2,500,000	27,500,000
1851.....	41,250,000	4,125,000	45,375,000
1852.....	58,500,000	5,850,000	64,350,000
1853.....	62,500,000	6,250,000	68,750,000
1854.....	70,500,000	7,050,000	77,550,000
1855.....	67,000,000	6,700,000	73,700,000
1856.....	70,000,000	7,000,000	77,000,000
	<u>\$402,810,000</u>	<u>\$40,281,000</u>	<u>\$443,091,000</u>

Product of gold in California and Australia combined :

1848-9.....	8,060,000	806,000	8,866,000
1850.....	25,000,000	2,500,000	27,500,000
1851.....	45,760,000	4,576,000	50,336,000
1852.....	107,175,000	10,717,500	117,892,500
1853.....	112,725,000	11,272,500	123,997,500
1854.....	115,640,000	11,564,000	127,204,000
1855.....	124,565,000	12,456,500	137,021,500
1856.....	133,715,000	13,371,500	147,086,500
	<u>\$672,640,000</u>	<u>\$67,264,000</u>	<u>\$739,904,000</u>

At the same time the rate of interest has increased from an average one of 3 a 3½ to 6 a 7 per cent., and the active demand for capital throughout Europe, in support of heavy undertakings abroad and at

home, will probably maintain the current rates for some years to come. We see no present indications of a plethora of capital.

We think it will appear that a greater rise, *pro rata*, has taken place in prices within this short period. In our own country, the prices of market produce, labor, and materials requiring labor for their production, have all increased from thirty to fifty, and in some instances to one hundred per cent. In articles of food in the London markets, the changes in prices between 1851-1857 are shown in the following summary, which we take from "Tooke's History of Prices, during the years 1848-1856," just published in London:

	Jan. 1851.	Jan. 1854.	Feb. 1857.
Coffee, .....	58 a 58s.	58 a 60s.	58 a 67
Sugar, .....	26 a 28s.	21 a 65s.	36 a 40
Rum, Jamaica, .....	26 a 32d.	42 a 46d.	44 a 46
Tobacco, .....	4½ a 10d.	2½ a 8d.	8 a 11
Butter, .....	78 a 80s.	104 a —	112 a —
Beef (8 lbs.) .....	28 a 30	42 a 46	40 a 46
Do. prime, .....	32 a 36	48 a 50	48 a 50
Mutton, .....	34 a 42	48 a 54	48 a 52
Do. prime, .....	44 a 46	50 a 52	54 a 58
Pork, .....	30 a 42	42 a 44	44 a 52
Silk, raw, lbs., .....	9 a 17s.	12½ a 16½	16 a 25
Flax, tons, .....	38 a 46	35 a 52	52 a —
Wool, (240 lbs.) .....	£14 a —	15½ a 16	37 a —
Logwood, .....	70 a 80s.	110 a —	110 a —
Seal Oil, .....	£37 a —	43 a —	50 a —
Olive Oil, .....	43 a —	63 a —	61 a —
Palm Oil, .....	29 a —	43 a —	47 a —
Tallow, .....	36½ a —	60 a —	62 a —
Leather, lbs., .....	12 a 23d.	15 a 20	24 a 31
Saltpetre, cwt., .....	27½ a 29½s.	27 a 31	37 a 46
Ashes, Pearl, .....	30½ a 31	29 a —	45 a —
Copper, .....	£84 a —	126 a —	135 a —
Iron, tons, .....	5½ a 6	9½ a —	9 a —
Do., Swedish, .....	11½ a —	12½ a —	15 a —
Lead, tons, .....	17½ a —	23½ a —	23 a —
Steel, Swedish, .....	15 a —	17½ a —	20 a —
Tin, tons, .....	84 a —	126 a —	148 a —

These facts are important, as demonstrating the progressive advance of prices according to the increased bulk of precious metals. The same result occurred in the century following the discovery of gold in America, (1500-1600,) although the increased production was far less than it is now. Rents, wages, family supplies, labor generally—all advanced fully one hundred per cent.; and the probability is that an equal (or greater) ratio of increase will take place between 1850 and 1860. It is true that the present accumulation of precious metals is diffused among a much larger population and over a more extended region of country than in the sixteenth or seventeenth centuries—but similar causes will produce similar results, and labor will secure for itself a remuneration commensurate with the increased expenses of living.

## FLUCTUATIONS IN PRICES.

MR. TOOKE, an English writer of some celebrity, has lately added two volumes on the prices of 1848-1856. From these volumes (published in London a few weeks since) we extract the following summary view of the changes in prices since the discoveries of gold in California :

*Summary of Conclusions with reference to the Prices of Commodities and State of Trade, 1848-56.*

Without attempting to include in a summary of conclusions all the inferences which arise from the survey and narrative now concluded, I present the following statements as setting forth those results which are best established and most important, viz. :

That as regards the great articles of import, such as colonial and tropical produce and commodities largely employed in this country as raw materials of manufacture, the course of prices during the nine years, 1848-56, may be described in general terms, as follows, viz. : During 1848 and 1849 there was a general, and, in several important instances, a strong tendency to lower prices ; that in 1850, partly in consequence of larger consumption and partly in consequence of actual or apprehended failures of supply, prices sensibly, and, in some cases, materially advanced ; that in 1851 there was again an extensive and severe decline, attributable almost wholly to excess of supply ; that in 1852 there was a manifest tendency towards recovery ; that in the first nine months of 1853 the upward tendency of the previous year reached its highest point, establishing and maintaining for nine months a range of prices considerably higher than had prevailed for a long period ; that from the autumn of 1853 to the close of 1854, there was a sensible reaction from the previous high rates, except as regards some of the articles immediately affected by operations, or the commissariat consumption of the war ; and that in 1855 and 1856 the markets were quiet and firm, exhibiting only such fluctuations as arose out of ordinary changes in supply and demand. In a future part (VII.) I shall inquire how far the fluctuations of prices now referred to were connected with the influx of the new gold.

That the first effects of the California discoveries of 1848 were felt in this country in 1850 and 1851, and manifested themselves in the increased demand for British and foreign articles suitable for the export trade to the United States ; that the same effects were still more sensibly felt in the course of 1852 ; that in 1853 the consumption of British goods in California and the United States generally, had become so large and rapid as to counteract almost entirely, as regards this country, any prejudicial effect upon the balance of trade of the vast imports of grain, rendered necessary by the serious failure in these islands of the harvest of 1853 ; that the same large American demand for British exports continued through 1854 and 1855, and had prevailed

through 1856, interrupted but casually by the extensive failures and discredit which prevailed in the United States and California during portions of the years 1854 and 1855; and that, as the general result of the trade between this country and the United States since 1850, the absorption of British exports either in California itself or in those regions of the North American continent to which the supplies of California gold are chiefly sent in the first instance, has increased so rapidly as to render necessary a constant and large transmission of the precious metals from America to this country.

That the effects of the Australian discoveries of the summer of 1851 were felt in this country in a striking manner early in the following year, (1852,) manifesting themselves in a sudden and large expansion of the stream of emigration from these islands, and in a sudden and large expansion in the shipment of nearly all descriptions of commodities; that the demand for ships hence arising could not, in the then condition of the mercantile marine, be readily supplied; and the consequence was an enormous increase of the rates of freight, and a demand for new ships so urgent, that considerably higher wages were at once conceded in all the ship-building trades; that the same urgent demands for Australia continued in the early part of 1853, were considerably moderated in 1854, still more reduced in 1855, but in 1856 were again marked by considerable activity.

That the movement for higher wages successfully commenced in the autumn of 1852; in the ship-building trades became almost universal in the first half of 1853; and previous to September, in that year, had led to a very general addition of from 12 to 20 per cent. to the wages current in 1851; but that the effect of the bad harvest of 1853, the war of 1854-'55, and the glut of the Australian markets, was to produce a considerable reaction from this advance, especially in the factory districts.

That the first and immediate effect of the high prices of colonial and other imported articles in 1852 and 1853, and of the high prices and large demand for manufactured goods in the same years, was to occasion vigorous efforts and a large expenditure of capital, with a view to opening up new fields of supply, and creating extended means of production; and that it is principally to the operation of these causes that the steady and frequently declining course of prices since 1853 is to be attributed.

That as far as trustworthy evidence can be obtained, there are no facts in the experience of the last nine years which justify the conclusion that in this country the fluctuation of prices, the course of trade, or the increased demand for goods arising out of the large exports to America and Australia, were immediately preceded by or connected with changes in the amount of the aggregate outstanding circulation of bank notes. In other words, all the evidence available to us points distinctly and uniformly to the conclusion that the fluctuation of the bank note circulation were determined and regulated by the consequences flowing from previous applications of capital and credit in particular modes.

That further, in a great number of specific instances, it can be shown



conclusively that fluctuations of price of the most important kind, and in the largest markets of the country, took place either without the occurrence of any change whatever in the bank note circulation or contemporaneously with the occurrence of a change the precise opposite of that which on *a priori* grounds, or on the grounds on which the currency theory is built, would have been expected to precede or accompany the particular alteration in the markets.

That neither is there any such coincidence between variations in the rate of interest and variations in the markets for produce, as to justify the inference of a direct connection between them in the relation of cause and effect. That the first effect of the gold discoveries on the financial condition of this country was the remarkable and prolonged depression in the rates of interest and discount, which prevailed during the twelvemonth preceding the spring of 1853; that this effect on the rate of interest was the immediate consequence of an excessive accumulation, principally in the Bank of England, of the early remittances from California and Australia; and that the influence produced by these accumulations on opinion and credit was greatly extended and aggravated by the maintenance at the Bank of England of a rate of discount so low as 2 per cent., from April, 1852, to January, 1853.

That the rise of the rate of discount which commenced in January, 1853, and has been maintained during the subsequent three years, is to be traced in its origin and continuance to extended demand for capital for the purpose of new, distant and costly enterprises, directed either to the construction of public works, to the extension of old and introduction of new processes, or to the exploration of new fields for the supply of commodities; and that so far as we can judge from recent experience, the absorption of capital for these and other objects, becomes more rapid and extensive with every year.

That the interruption to the trade of the country occasioned by the Russian war of 1854-5, was comparatively slight, and for five reasons, viz.: 1. Because the theatre of war was in a remote part of the east of Europe; 2. Because the enemy had practically no navy that could molest our commerce; 4. Because the raw materials previously obtained from Russia still continued to arrive through neutral ports or were readily replaced by imports from India and elsewhere; and 5, lastly, Because the invention of the telegraph, the existence of steam and the enormous resources of our mercantile marine and postal services, enable us to accomplish in a few weeks' operations which, at the commencement of the century, would have occupied a long series of months. That further, in addition to and far more powerful than any of the five causes just enumerated, was the effect of the continued influx of gold during 1854 and 1855—but especially during the latter portion of 1855, in averting from this country and from France the extreme financial pressure and peril which, in the absence of that influx, must inevitably have been produced by the necessity of providing large and constant remittances of gold to the seat of war; and must inevitably have placed entirely out of question the maintenance of the restrictions of the Bank Charter Act of 1844, and perhaps have even imperilled the maintenance of the act of 1819.

That during the years 1848 and 1849, and part of 1850, the losses and discredit which fell with crushing force on a large portion of the middle classes involved in the railway expenditure, did, beyond question, produce some important effect in limiting the consumption of commodities.

That, on the other hand, it was a direct consequence of the railway expenditure of the years 1848, 1849 and 1850, that the working classes were provided with fair employment during a period of interrupted trade, and it was also a direct consequence of the cheapness of food, and the low range of general prices which prevailed to the year 1852, that the working classes were able to command, by means of their wages, a larger amount of sustenance and comfort than had been within their reach probably at any former period of the century.

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## LEGAL MISCELLANY.

[From the *London Law Times*.]

### BANKING.

*Stockbroker—Custom of Stock Exchange—Liability of Principal to Stockbroker—Inchoate Contract—Transfer of Shares—Money paid.*

**TAYLOR AND ANOTHER v. STRAY.**—This was an action brought by the plaintiffs, who are stockbrokers, against the defendant, for money paid, and for commission on the purchase of shares. Plea—never indebted. The cause was tried at Guildhall, at the sittings in Michaelmas term, before Willes, J.: verdict for the plaintiffs, £653, with leave reserved to move to set the same aside, and enter a verdict for the defendant.

The material facts given in evidence were as follows: The plaintiffs were stockbrokers, and the defendant a tailor, who employed them. They brought their action to recover the price of twenty shares in the Royal British Bank, and commission thereon, bought by the plaintiffs on the order of the defendant. The order was given on 28th August, 1856, and the shares were to be bought for account—the settling day being the 15th September. The parties had had several previous dealings in shares in the usual way.

On the 3d September, the Royal British Bank stopped payment. When the order to buy the shares was given, no suspicion of the solvency of the bank was entertained by either of the parties. The plaintiffs having received the order to buy the shares, proceeded at once to execute it. They went to a stockjobber named Russell, who contracted with them to supply the required number for the settling day named, 15th September. The ordinary contract-note, making a binding contract between the plaintiffs and Russell, according to the rules of the

Stock Exchange, was made out the same day, and plaintiffs wrote to the defendant, informing him that they had made the purchase to his order, and inclosing the contract-note. Nothing more took place till the 3d September, when the defendant called on the plaintiffs and desired them to dispose of the shares, without making any allusion to the circumstances of the bank, which that day stopped payment. The plaintiffs went at once on the Stock Exchange to sell, but the attempt failed. Questions having arisen as to the transfer of Royal British Bank shares, the committee of the Stock Exchange came to a resolution that the ordinary rules of the Stock Exchange should apply in all such cases. On the 11th September, the plaintiffs received from Mr. Fitch, the defendant's attorney, a letter, stating that defendant would not take the shares, and giving them notice not to pay any money on his account. On 15th September, the plaintiffs sent to Russell the name of their principal, the defendant, as bound to do by the rules of the Stock Exchange. The defendant still holding back, the plaintiffs, on 19th September, sent to the defendant the transfers for twenty shares ordered, sixteen from General Aitchison and four from a Mr. Bennett—the secretary of the bank having given a certificate, under seal of the bank, that those gentlemen were holders of the shares. The two transfer papers were dated 16th and 18th September. On the settling day Russell called on the plaintiffs, and they paid him for the shares. The contract was to supply the shares on a given day at the contract price; not that he held the shares in his own name, or that the shares were his to transfer. At the trial there was no disputed fact, and nothing went to the jury: they found for the plaintiffs.

Knowles, Q. C., on a former day obtained a rule calling on the plaintiffs to show cause why the verdict should not be set aside and a new trial had, on the grounds—first, that the directors had refused their consent to the transfer before the plaintiffs paid the money to Russell, and that it was the duty of the plaintiffs to procure a complete transfer; secondly, that the transfer tendered was not in the name of Russell, whose name was on the contract-note, but in the names of other parties, and that Russell had not, at the time of the contract, or at any subsequent time, any shares in the bank to transfer.

Atherton, Q. C., (Ashton with him,) showed cause. It is submitted this rule should be discharged. As to the first ground on which the rule was granted the point does not really arise. The directors could not have refused their consent, because the defendant, having declined to accept the transfer, the point of time was not reached at which the directors would have to consent or dissent from ratifying the contract. Two things must happen before the directors can interfere; there must be presented to them formal transfers for registration, and there must have been the actual consent of the transferees shown by his acceptance and execution of the deed of transfer. The plaintiffs could not complete a transfer without the concurrence of defendant himself, which he refused. The first point, therefore, does not arise. But, assuming that it does arise, then it is contended that it is a question of fact on what terms the plaintiffs and defendant dealt in this transaction—whether the consent of the directors was to be obtained to the transfers. By the

rules of the Stock Exchange, all that the plaintiffs were bound to do, on receiving the defendant's order, was to obtain from some holder of shares the required number, at the stipulated price, and they have fulfilled their duty by what they have done. The learned judge said at the trial, "We have it in evidence that by the usual course of business on the Stock Exchange the plaintiffs were not bound to get the transfers registered by the bank." It was not denied that the plaintiffs any way would be liable to Russell because they transact such business as principals. Then, as to the second point, that the transfers were not in the name of Russell, and that he had no shares in the bank. As a fact, that is true enough, but it does not signify. All that is in the contract-note is true, and it shows that the plaintiffs bound themselves to procure the shares through Russell. That part of the note relates only to the plaintiffs and Russell. Here we are discussing the question of the bargain between the plaintiff and defendant; (*Sutton v. Tatham*, 10 *Ad. & Ell.* 27.) A man who employs a stockbroker must be taken to employ him according to the ordinary course of dealing at the place; (*Hibblewhite v. McMorine*, 5 *M. & W.* 642.) The plaintiffs did not contract to make a completely registered shareholder, but only to perform a part of an inchoate contract. They were to buy according to the custom, and to pay the jobber for the shares, therefore they have a right to recover back the money paid on defendant's account; (*Catchpole v. Ambergate Railway Company*, 1 *Ell. & B.* 111.) [Willis, J.—Suppose a broker buys forged shares, and hands them to his principal, could his principal recover?] Yes; because there the broker buys a thing worth nothing at all, not that which he contracted to procure; (*Lamert v. Heath*, 15 *M. & W.* 486; *Bosanquet v. Shortridge*, 24 *L. J.* 457, in *Dom. Proc.*; *Mortimer v. Macallan*, 6 *M. & W.* 58; *Westropp v. Solomon*, 8 *C. B.* 845.)

Knowles, Q. C., (Maude and J. Gibbons with him) in support of the rule. This rule should be made absolute. The plaintiffs were not compellable to perform their contract with Russell; and they had distinct notice not to pay him. No one has ventured to say that the custom of the Stock Exchange compels the defendant to pay money for nothing at all. The custom of the Stock Exchange is, that a man shall have a valid transfer of shares for his money. Before the plaintiffs could be compelled to perform their contract with Russell, he must give them what he contracts to give, valid shares. Offering a piece of paper worth nothing is not to comply with the contract. A shareholder continues a shareholder until he puts some one in his place, according to the terms of the charter. It is laid down by the Act of Parliament that the transfer must be by deed or in the mode indicated in the deed of settlement, which says it shall be lawful to transfer, but only with the approval of the directors. Without the approval of the directors, what the plaintiffs call a deed of transfer is no transfer. The party wishing to transfer shares cannot divest himself of them without the consent of the directors. [Cresswell, J.—We are trying whether the plaintiffs had authority to pay this money for the defendant.] Yes. This case is like *Bowlby v. Bell*, 3 *C. B.* 284. If the plaintiffs could not have been compelled by Russell to pay the money, (and it is contended they could not,) neither

can the plaintiff in this case recover, because he offered a transfer without the requirements of the charter being first complied with. *Catchpole v. Ambergate Railway* is not always applicable. *Wilkinson v. Lloyd*, 7 Q. B. 27, is very much like the present case. It is the duty of a person selling shares to make a valid transfer. Russell was bound to get the assent of the directors. The plaintiffs paid the money to Russell in their own wrong, and are not entitled to recover it from the defendant. On the authority of *Wilkinson v. Lloyd*, plaintiffs may recover back the money they paid to Russell. As to the second point, that depends upon a *dictum* of Parke, B., in *Hibblewhite v. McMorine*. The defendant had a right to suppose by the contract-note that he was to get the shares from Russell.

April 22.—Maude and Gibbons continued the argument in support of the rule. There is nothing in the contract to bind the defendant to repay the plaintiffs. At the time of the contract, that which was bargained for was something which would entitle the defendant to be a shareholder in the bank. The vendor undertook to sell shares which would be operative, *i. e.*, shares which would be transferred to the purchaser. But before the shares could be transferred, the bank became insolvent, and the directors would not consent to any more shares being transferred, and the vendor did not do what he undertook. The defendant then gave distinct notice to the plaintiffs not to pay for the shares, and it thereupon became the duty of the broker not to pay the money, but by refusing to do so to give the defendant the benefit of that not being done. The excuse of the broker is, that he paid the money in accordance with the regulations of the Stock Exchange. But that is no answer. To sustain an action for money paid, it must have been paid at the request of the defendant, or in discharge of some legal liability imposed upon the plaintiffs by reason of the relation he bore to them. [Crowder, J.—Was there any evidence that the broker was to act differently from other cases?] No; but the circumstances having changed by reason of the refusal of the directors to consent to a transfer, the custom of the Stock Exchange was no longer applicable, which distinguishes this case from *Lamert v. Heath*, 15 *M. & W.* 486. There was no evidence that any shares had ever been sold, and passed from hand to hand, without the consent of the directors. The rule of law is, that where a person employs an agent to do any thing, he impliedly promises to indemnify him against any liability. There is no larger promise; (*Slee v. Slee*, 5 Ex. 514.) The same rule applies to brokers as to any other agent. [Crowder, J.—The question is, what was the liability of the plaintiffs under the contract according to the custom of business on the Stock Exchange?] Because he sent them to transact business there. There was no evidence of what the course of business was, as there had been no case of directors refusing to allow a transfer. The usage of the Stock Exchange does not make the defendant liable; (*Childe v. Morley*, 8 T. R. 610.) *Boulby v. Bell* shows that brokers are responsible to each other. *Wilkinson v. Lloyd*, 7 Q. B. 27, shows that the broker was not liable, and therefore the defendant is not liable. The seller here must be assumed to know the deed of settlement and the regulations; and it was his duty to give the notice of transfer.

[Crowder, J.—The buyer could give notice, and nothing remained to be done which he could not do.] [Willis, J.—The evidence of one of the officers of the bank was, that although the transfers were generally made at the bank, sometimes forms were given to the bankers, who filled them up themselves.] There is nothing to show that the defendant agreed to waive the obtaining of the consent of the directors. Further, there is a written contract, and there is an implied contract to do all that is necessary to vest the shares in the buyer. But the name of the seller is not in it. [Willis, J.—The note sent to the defendant is not the contract; the contract is on the books of the brokers.]

Creswell, J.—I am of opinion that this rule must be discharged. The action is brought for money paid to the use of the defendant, and the question is, whether the plaintiffs received any authority, express or implied, to pay it for the defendant. The plaintiffs were employed by the defendant to purchase shares for the defendant in a joint-stock bank on the Stock Exchange, and it appeared that by the practice of that market it was customary for the broker to pay the money for such shares upon tender of the transfers, and he did pay the money according to that custom. It appeared, also, that the defendant had employed the plaintiffs before to purchase shares at that market, and that being so, he must be taken to have given the plaintiffs authority to purchase shares according to the practice of that market. Then he gave authority to purchase for a future day, and he must be taken to have contracted to pay the money on that day. I do not know that it is necessary to consider many of the points that were made, because, if we get to a point when the broker was compelled to pay the money, the defendant becomes liable to repay him. Suppose the defendant had drawn a check for the amount upon his banker, and the banker had paid the check, could he have refused to pay the banker, because the transfer was not completed? It was said that notice of transfer must be given to the directors. But it may be given by either party, and the bank may waive it. The transfer must be executed by both, and then the bank was bound to comply with the regulations. But that could not be done until the purchaser gave the seller's name, and, therefore, the seller refused to do what would enable the bank to give a transfer. It was said that, on the 15th September, when Russell tendered the shares, the bank had stopped payment, and was not then carrying on business. But it then existed, and, although it was suspended, business might have been resumed. The shares existed, and he tendered what he contracted to tender, and the broker is, therefore, entitled to recover. As to the point made, that the seller's name does not appear on the contract, and the *dictum* in *Hibblewhite v. McMorine*, the paper amounts to nothing more than this, that the broker had communicated to the defendant the contract.

Crowder, J.—I am of the same opinion. The question is, whether the broker is entitled to the purchase-money and the per centage. The defendant authorized the plaintiffs to purchase shares in the market, and he must be taken to have authorized the plaintiffs to purchase the shares according to the custom of the Stock Exchange. Then the plaintiffs did so, and at the time agreed upon, according to the usage of the Stock Exchange, payment was made by the plaintiffs, and I think they did

that by the authority of the defendant. Then the question arises whether, the bank having stopped, the thing tendered was what he was authorized to purchase. It is argued that the bank, and therefore the shares, no longer existed; but the bank might have gone on again. It is said the shares were valueless, but at that time there was no reason why the defendant should not become a partner if the directors had consented; but it was quite out of the business of the broker to get that consent. The other point was almost relinquished, namely, that no shares but Russell's would do. But as between the plaintiffs and the defendant what was sent in was that note, which was to buy shares of Russell, not Russell's shares.

Willis, J.—I am of the same opinion. It is not the duty of the broker to register the shares; he is to take a transfer of the shares, and to pay the money. If the transfer should not be completed by reason of the non-consent of the directors, or for any other reason, and that should be by default of the seller, the defendant could get back his money from the seller. This case is said to differ from the ordinary case of buying and selling, because the buyer pays his money before he effectually gets what he purchases. But that is not so. It merely follows from the custom of the Stock Exchange, and depends upon no different law. Credit is given to the seller, whereas in other cases credit is given to the purchaser, if at all. The practice was to pay upon the day preceding the account day, and that being proved, the case is tolerably clear, because that being so, it was agreed to pay the money before the transfer should be completed, and it could not be contended that because the matter became abortive on the following day, the plaintiff could not recover the money which he had properly paid the day before. But the rule of law is, that the principal is bound to indemnify the agent for what he has done by his authority. It is said in the rule *nisi* that the directors had refused to allow the transfer before the broker paid the money. But that is not so in point of fact. The refusal was only to prepare a transfer. Of course, when the position of the bank became known, many were anxious to confer their shares to men of straw, and the directors were unwilling that that should be done. But there is nothing to show that the directors had exercised their discretion and refused to allow a transfer in this case. I do not think that Mr. Stray could make out any case against the seller, because the money was to be paid before the transfer was to be completed. As to the objection that the transfer ought to have been of shares of Russell, the words "bought of Russell" do not mean that the shares were to be shares of Russell.—Rule discharged.

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COTTON IN GERMANY.—A letter received at the State Department, dated Frankfort, April 8, says a project is on foot for the establishment of a great cotton factory at Oberusel, Duchy of Nassau, near that city. The capital is three millions of florins, one-half of which is to be issued immediately. The managers are bankers and merchants of Frankfort, of capital and great respectability. The letter adds:

"The facilities now open for bringing cotton to this place, the low price of labor, and the constant and immense neighboring demand for the manufactured material, are circumstances greatly in favor of the success of the new enterprise."

## BANK CAPITAL IN NEW YORK.

THE rapid increase of bank capital in this city is one of the strong evidences of the growth of New York as a commercial and manufacturing point. The directors of the American Exchange Bank have called for the payment of the second instalment of \$25 per share on the increased capital stock of the bank on the 1st July. The new capital of the Bank of Commerce, St. Nicholas Bank and others, is now being paid in. With a view to show this increase, the following tabular view has been prepared. The annual increase of late years has been fully ten per cent., viz :

	<i>Capital.</i>
September, 1851, New York City Banks,.....	\$34,600,000
“ 1852, “ “ .....	36,791,000
June, 1853, “ “ .....	44,196,000
September, 1855, “ “ .....	48,688,000
May, 1857, “ “ .....	60,000,000

*Number of Banks and Bank Capital of Towns and Cities of the State of New York, May, 1857.*

<i>No. of Banks.</i>	<i>Capital.</i>	<i>No. of Banks.</i>	<i>Capital.</i>
Adams,..... 1	\$125,000	Delhi,..... 1	\$150,000
Addison,..... 1	50,000	Dover Plains,..... 1	50,000
Albany,..... 10	4,380,100	Deposit,..... 1	125,000
Albion,..... 2	300,000	Dundee,..... 1	....
Amsterdam,..... 1	117,500	Dunkirk,..... 1	65,800
Attica,..... 1	54,500	Elmira,..... 8	500,000
Auburn,..... 4	800,000	Fayetteville,..... 1	115,400
Balston Spa,..... 1	125,000	Fishkill,..... 1	150,000
Batavia,..... 2	250,000	Fonda,..... 1	100,000
Bath,..... 2	230,000	Fort Edward,..... 2	350,000
Binghampton,.... 3	400,000	Fort Plain,..... 1	150,000
Brockport,..... 1	50,000	Frankfort,..... 1	105,000
Brooklyn,..... 6	1,850,000	Fredonia,..... 2	150,000
Buffalo,..... 13	2,924,800	Fulton,..... 2	291,100
Canaoharie,..... 2	225,000	Genesee,..... 1	150,000
Canandaigua,..... 1	50,000	Geneva,..... 1	205,000
Canastota,..... 1	110,000	Gloversville,..... 1	150,000
Carmel,..... 1	72,820	Glen Falls,..... 2	248,400
Catskill,..... 2	215,688	Goshen,..... 2	215,660
Cazenovia,..... 2	220,000	Greene,..... 1	20,000
Cherry Valley,.... 1	200,000	Greenwich,..... 1	150,075
Chester,..... 1	125,500	Hamilton,..... 1	110,000
Chittenango,..... 1	110,000	Havana,..... 1	50,000
Clyde,..... 2	128,351	Herkimer,..... 1	125,000
Cooperstown,..... 3	450,000	Horseheads,..... 1	50,000
Corning,..... 2	154,500	Hudson,..... 2	500,000
Cortland,..... 1	50,000	Ilion,..... 1	100,000
Cornwall,..... 1	142,000	Ithaca,..... 2	330,000
Crescent,..... 1	200,000	Jamestown,..... 3	203,685
Cuba,..... 1	100,000	Johnstown,..... 1	100,000
Dansville,..... 1	150,250	Keeseville,..... 1	100,000



<i>No. of Banks.</i>		<i>Capital.</i>	<i>No. of Banks.</i>		<i>Capital.</i>
Kinderhook,.....	2	\$448,200	Rhinebeck,.....	1	\$125,000
Kingston,.....	3	425,000	Rochester,.....	9	2,867,800
Lancaster,.....	1	50,000	Rome,.....	4	500,000
Lansingburgh,....	3	520,500	Rondout,.....	1	150,000
Leonardsville,....	1	100,000	Sag Harbor,.....	1	20,000
Le Roy,.....	1	200,000	Salem,.....	1	110,000
Lima,.....	1	50,000	Saratoga Springs,...	2	225,000
Little Falls,.....	1	200,000	Saugerties,.....	1	150,000
Lockport,.....	3	300,000	Schenectady,.....	2	350,000
Lowville,.....	1	102,450	Schoharie,.....	1	100,000
Ludingtonville,...	1	106,940	Schuylerville,....	1	80,000
Lyons,.....	1	48,600	Seneca Falls,.....	1	110,000
Mahopac,.....	1	56,050	Silver Creek,.....	1	100,800
Malone,.....	1	129,800	Sing Sing,.....	1	150,000
Medina,.....	1	50,000	Somers,.....	1	111,150
Middletown,.....	1	125,000	South East,.....	1	127,000
Mohawk,.....	1	150,000	Syracuse,.....	10	1,602,400
Monticello,.....	1	150,000	Tonawanda,.....	1	104,000
Mt. Morris,.....	1	130,000	Troy,.....	11	3,844,000
Newark,.....	1	100,000	Utica,.....	6	1,935,200
Newburgh,.....	4	975,000	Unadilla,.....	1	143,400
New Paltz,.....	1	125,000	Vernon,.....	1	100,000
Newport,.....	1	100,000	Warsaw,.....	1	60,000
N. White Creek,...	1	115,000	Waterford,.....	1	150,000
Norwich,.....	2	245,000	Waterloo,.....	1	200,000
Ogdensburgh,....	3	422,000	Watertown,.....	6	735,679
Oneida Depot,....	1	105,000	Waterville,.....	1	120,000
Owego,.....	4	975,000	Waverly,.....	1	104,850
Owego,.....	2	300,000	Weedsport,.....	1	100,000
Painted Post,....	1	10,000	Westfield,.....	2	115,000
Palmyra,.....	1	100,000	West Troy,.....	1	250,000
Pawling,.....	1	195,000	W. Winfield,....	1	125,000
Peekskill,.....	1	200,000	Whitehall,.....	2	208,200
Penn Yan,.....	1	100,000	Whitestown,....	1	120,000
Perry,.....	1	50,000	Williamsburgh,...	3	755,700
Phelps,.....	1	50,000	Yonkers,.....	1	150,000
Pine Plains,.....	1	100,000			
Plattsburgh,....	2	150,000	Country,.....	259	\$43,505,248
Port Jervis,.....	1	130,000	*N. Y. City,...	56	59,708,583
Potadam,.....	1	100,000			
Poughkeepsie,...	4	750,000	Total State,...	315	\$103,208,831
Pulaski,.....	1	100,000			

\* Official, March, 1857.

**NEW-YORK STOCK BOARD.**—The following is the amendment of the thirty-first article of the by-laws of the New-York Stock and Exchange Board, relative to contracts, as adopted in May last:

*Deposit on Contracts.*—In any time bargain made at the Board, either contracting party may require of the other to make a deposit of not more than ten per cent as security for the fulfilment of the contract, and notice of such requirement shall be given on or before two o'clock, P. M. On contract made at the Second Board, such notice shall be given on or before ten A. M., of the next day; and in the event of the party so called upon refusing to comply before three P. M., on the day of such notice, the party calling shall report the same to some officer of the Board, whose duty it shall be to re-purchase or re-sell the same, without commission, and collect any difference that may accrue, and pay it over to the party entitled thereto.

## FOREIGN BANKS AND CURRENCY.

## I. FRANKFORT BANKS.

THE following communication to the State Department, dated at Frankfort, March 19, 1857, gives an interesting account of banking in that place :

"The annual meeting of the stockholders of the Frankfort Bank took place yesterday. Great expectations had been entertained as to results of this meeting. Although it had been cited as a 'model institution,' it was known that the directors would propose various amendments of its charter, especially as to the paragraph which requires 25 per cent. of net revenue to be deposited as a *reserve fund*, and also of that which limits the issue of small notes (5 florins and 10 florins) to the amount of 500,000 florins. And it was further said that propositions on the part of several shareholders were to be brought forward concerning the establishment of branches, and in favor of greater liberality in granting advances. But all these expectations were disappointed ; a proposition to modify the charter cannot be entertained unless half the amount of all the shares is represented ; and the number represented at the meeting yesterday was only 4,000, or the fifth of the total number of shareholders of 20,000 shares. The propositions of the directors have, consequently, been postponed to a future meeting, and those moved by the stockholders were merely submitted. The directors stated the establishment of agencies was already in the way of execution ; but it was necessary to act with great prudence, for fear of awakening the attention of foreign governments, and bringing out prohibitory measures against the circulation of Frankfort bank notes, after the example given by Bavaria.

"It may be of some interest to see the essential facts concerning the business of the Frankfort Bank during the last year. The whole transactions of the establishment amounted to 837 millions of florins—about 337 millions more than in 1855 ; the discounts extended to 23,314 bills, at an average interest of 4 3-10 per cent. The loans amounted to the sum of 20 millions of florins ; the interest earned on same was 148,000 florins, or about 4 7-10 per cent. of the capital employed. The operations in bills on foreign places embraced 20,000,000, and the earnings 88,000 florins. The business with foreign bankers was 18,000,000 florins ; the earnings, 40,000 florins ; the deposits amounted to 2,000,000 ; the expense of the bank notes, &c., amounted to 62,000 florins ; the expenses of the administration to 44,000 florins.

"The total amount of earnings was 490,000 florins ; the net revenue, 432,000 florins, or nearly 5 per cent. on the capital. Out of this amount, 25 per cent. is taken for the *reserve fund* ; the remainder, say 324,000 florins, is distributed as a dividend among the stockholders, which gives 16 1-4 florins for each share of 500 florins. This dividend represents for a share at par an interest of 3 1/4 per cent. ; but at the actual price of 110 per cent., less than 3 per cent. This result has not been

found satisfactory by the stockholders, and quotations, which a few months ago were 120, and at the beginning of this month 114, have receded to 110. It may be mentioned, however, that the small amount of dividend is ascribed by the directors in their report to the sacrifices the bank was constrained to make in obtaining *specie* during the monetary crisis of the past year.

"I have entered into these particulars because the Frankfort Bank is considered one of the best conducted stock institutions in Germany; and also to show that, with the most skilful management, banking is far less profitable here than in the United States; but is, undoubtedly, more sure and cautious. There is a saying about the Frankfort Bank which appears to be very correct, in that it is a good institution for lodging, but not for boarding—that is, that it is good to sleep by, but not to eat by; or, in other words, it is safe and sure, but not profitable. Those interested in it may sleep sure, but their income will be small in proportion."

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## II. FLORENCE.

A letter from Florence, of the 29th of March, to the *London Times*, states :

That the small financial world in Tuscany is in motion, in consequence of the principal merchants in Florence and Leghorn having announced their intention to establish a Tuscan bank, having branches in the principal towns, issuing notes, discounting commercial bills, lending money on a deposit of public securities, and opening accounts current. The managers propose to lend 4,000,000 livres to the government, who on their part engage to receive the notes of the bank in all the public offices. The shares are to be issued at par—a certain number to be reserved for the founders of the bank. The writer of the letter observes, that there are at present in existence two respectable banks—one at Florence and the other at Leghorn—which discount commercial bills, and the notes of which are not negotiable at par, except in the town where they are issued. The charter of these two banks will expire in the year 1858. There are, moreover, banks at Pisa, Sienna, Lucoa and Azegno, but their operations are perfectly local, and their notes are hardly seen out of the town in which the bank is established. The government approves the plan of a bank, and is determined to convert it to its own profit by carrying it on with the government officers, and selling the shares at a premium. M. M. Testini, Attorney-General of the Court of Accounts, and Mantellina, an advocate, are appointed to prepare a plan.

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## III. CURRENCY IN GERMANY.

The State Department has received the following official intelligence from Frankfort-on-the-Main :

In the *Journal* of Frankfort of this date you will find published the treaty signed at Vienna on the 24th January last, between the plenipo-

tentiaries of Austria and Sichenstein, on the one part, and the government of the Zollverein, united by the convention of 30th July, 1838, on the other part, to regulate and establish a uniform currency for the contracting States.

You will see that silver is maintained as the standard of value, and that the Verein thalers and Verein coins to be issued are to be received at par throughout all the States.

This treaty has been submitted by the Frankfort Senate to the legislative body. The Senate is of opinion that the treaty constitutes a great progress towards the unity and harmony of the great interests of the German States, and that its results will prove acceptable and beneficial to the whole nation. Finally, the Senate has invited the legislative body to give its sanction to the treaty. The legislative body replied that, before taking a resolution on the subject, it wishes to have the opinion of the Chamber of Commerce, and invited the Senate to submit the treaty to that corporation. There is no doubt the treaty will receive the ratification of the Frankfort government.

As the governments of the South of Germany have already in use the proportion of alloy fixed upon by the new treaty, viz., 9-10 silver and 1-10 copper, they have not to make any change, except that they will in future, instead of 3½ florin pieces, coin a certain quantity of Verein thalers. The city of Frankfort, for example, according to the arrangement, will have to coin at least 11,424 pieces of that denomination.

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#### IV. HOW GOLD IS DISTRIBUTED.

Gold continues to be exported as fast as it is imported. Since the commencement of the year, the stock of bullion in the bank has continued to be very nearly about £10,000,000. Once or twice it has been a trifle below that sum, but generally from one to three hundred thousand pounds above it. So, with rare exceptions, about £10,000,000 was the stock throughout the whole of 1856. It was never but for one week above £12,000,000, and was then in July £13,083,758; and was only in eleven weeks—five in April and May, and six in October and November—below £10,000,000, the lowest point having been reached in the week ended November 8, when it was £9,530,152. We begin, therefore, now to look on £10,000,000 as something like the normal or necessary sum for the bank to hold; as in 1851-'52 people began to think £20,000,000 might be the true unit of safety.

Why the bank, or why any nation should have a particular quantity of gold, and why the people should be distressed or alarmed that this quantity is not held, and continually frightened when gold goes away or does not come in, more than when any other commodity goes away or does not come in, seems to be one of the unexplained mysteries of social life and of mercantile necessities. Let us try to explain it.

Gold is found only in restricted localities; and it cannot, like sugar and cotton and corn, by any art be increased, according to the want of it, by the labors of mankind. At the same time, it is indispensable as the instrument of exchange. Latterly a very great addition has provi-

dentially been made to the supply; but the customary law of distribution, which obviously forbids its being heaped up in any one place, must convince us that we cannot, do what we may—though the bulk of the new supply be found in our own territory—retain more than our share. Gold being an article of which the quality cannot be increased indefinitely by labor, and being more like atmospheric air (of which every man and every nation must have a proportionate share or he dies) than like cottons or woollens, (which may be dispensed with, or for which substitutes may be found,) there is a providential means of distributing it as well as providing a supply.

What our share of the general supply is, we can only learn from experience; but whatever it may be, we use all kinds of means—bank notes, clearing-houses, banking accounts, bills of exchange, &c.—to dispense with it as much as possible. Precious as it is we are always trying to lend it or to spend it. Every farthing we can spare we send abroad to buy things which we regard as more useful than gold. Whenever it can be sold to advantage, the bullion merchant sells it; and at present every person is desirous to keep his stock as low as possible.

All individuals and nations act, as the rule, on this principle. Only here and there does a miser hoard up his gold, or, from old prejudices, prefer to keep it rather than to lend it or to use it. It is now a rare thing for a nation or a sovereign actually to hoard as a corporate body. All the mercantile classes of every nation—using the word in the most enlarged sense of exchanges—get rid of the gold, buying with it other things as fast as they can. Thus all persons are desirous of distributing it through the world, and such a general desire, like the appetite for food, subserves a good purpose in the economy of society.

On the principle just stated, it distributes pretty fairly the providential supply of the necessary instruments of exchange amongst all the people and nations of the earth, according to their respective wants. That this is for our benefit, and equally for the benefit of others, is palpable, from exchanges by which it is distributed being in all cases voluntarily made. They are made for the benefit of the changers, and confer advantages on them. Our purchases, by means of gold and silver, of the corn of Russia and the tea of China, help to promote the civilization of those distant portions of the earth. They are approximating to a condition that we have already attained or gone beyond, and in which they need, for the purposes of exchange among them individually, those portions of the precious metals we, from superior contrivances—from the bulk of us being able to read and write, while many of them cannot—can dispense with. But as they make more exchanges amongst themselves they will advance in civilization—they will, like us, have more to sell to others; and thus the gold and silver which we have bought, and which we are continually sending away to buy goods from them, will tend to improve them, and make them better neighbors and better customers to us and all civilized people.—*London Economist.*

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#### V. BRITISH EAST INDIES.

The following statistics, which the *Union* translates from a late number of the "*Annales du Commerce Extérieur*," published in Paris, convey

some idea of the immense commercial movements that are going on in the British East Indies, and of the almost marvellous amount of capital embarked in the thousand speculations which serve as the handmaids of industry and enterprise in developing the great natural resources of that distant portion of England's colonial dominions. Even with the figures and other positive data before one's eyes, it is almost impossible to conceive the vast extent of commercial operations and the almost limitless field of enterprise of which that colossal monopoly, the East India Company, is the soul and centre.

*Commercial Houses at Calcutta.*—We first proceed to indicate the number and nationality of mercantile and commission houses established at Calcutta. According to information collected on the spot, there are at present about 51 establishments of this sort, as follows: Houses—British, 24; American, 8; French, 9; German, 6; Greek, 4. To the above houses of the first class may be added no inconsiderable number of others, conducted by natives, Arabs, Jews and Persians. These houses, although ranking as second class, transact an immense amount of business, and control a large trade. Besides these, there are also in Calcutta 13 exchange brokers, 7 shipping and freight agents, 6 silk commission houses, 7 indigo commission houses, and 8 general commission houses.

*Chamber of Commerce.*—This body was organized April 19, 1834, and is known as the Bengal Chamber of Commerce. It is composed of a president, vice-president, five judges, a secretary and a committee of three members. The actual number of members is 89. This chamber takes cognizance of commercial matters, examines and settles disputes between merchants, &c.

*Institutions of Credit.*—There are in Calcutta five first class banks, under the following names: Bank of Bengal, established in 1839, with a capital of 10,700,000 rupees of the colony, (rupee sicca,) divided into 2,675 shares, at 4,000 rupees each. Government Savings' Bank, established November 1, 1833. Agra and United Service Bank, founded in 1833, with a capital of 7,500,000 rupees, distributed into 15,000 shares, at 500 rupees each; reserved capital 1,200,000 rupees. This bank has branches at Agra, Lahore, Madras, Bombay and Canton. Northwestern Bank of India, established in 1844, with a capital of 2,205,600 rupees, divided into 5,514 shares, at 400 rupees each. This bank has branches at Mysore, Bombay and London. Oriental Bank Corporation, organized in 1842. This bank has branches at Ceylon, Mauritius, Melbourne, Sidney, Bombay, Madras and Singapore. We must also include in the preceding list the banks which are represented at Calcutta. These are: The Commercial Bank of India, established at Bombay in 1845, the London and Eastern Banking Corporation, Mercantile Bank of India, London and China, Delhi Bank, Semla Bank, Dacca Bank.

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## VI. THE LONDON TIMES ON THE CREDIT MOBILIER.

From the translation of the last report of the Credit Mobilier Company, (an abstract of which appeared in the London *Times* a few weeks

ago,) the general public will be able to scan the course of that establishment. For bombastic incongruity the document is without parallel. It occupies the space of a moderate volume, and would require half a dozen volumes in reply, since each paragraph involves an outrage on some admitted principles of economical science, which would have to be explained and illustrated from their very rudiments, before the faintest impression could be expected on the minds of its concoctors. The first proposition of M. Pereire and his colleagues is, that the general intelligence of the public does not constitute the best guide in the pursuit of their own interests, and, consequently, that the Credit Mobilier was required to act as a sentinel, and to initiate and support, by upholding prices, such selected enterprises as the board might approve. His next is, that the inflation of the years preceding 1856, and the subsequent distress and pressure, alike demonstrate the services rendered by the company. In the one case, in the midst of war, they founded, developed and re-organized grand undertakings, and in the other they relieved by their advances, on such terms as the sufferers could, perhaps, best describe, the miseries of the speculators who had thus been enticed beyond their depth. In each transaction the company made large profits, and as a result of its experience it now enunciates that, "in industrial affairs, as in war, to know how to resist or to march forward at a proper moment is one of the first conditions of success;" an axiom to be received with due weight by that unhappy public who for twelve months have been tempted by the facilities of the Credit Mobilier to borrow moneys on weak securities at enormous rates, in the delusive hope of a reaction. In the midst of all the advantages conferred upon the country by the Credit Mobilier having undertaken to centralize and conduct its industrial pursuits, M. Periere, however, admits there have been some perturbations; but this is through defects of the law, which prevent the Credit Mobilier from having everything in its own hands. While the "exalted wisdom" of the Emperor forbade last year the commencement of new enterprises that might add to the inflation already stimulated by the Credit Mobilier, and at the same time compete with the securities of that establishment, the public, driven from one mode of speculation, turned to another, and availed themselves of the power of forming *Sociétés en Commandite*, which are exempt from government control. Thus the influence of the self-constituted "sentinel" over the finances of France was in some degree neutralized. Other parties wished, also, to aid credit and to become sentinels. In vain the Credit Mobilier urged the necessity of new laws to suppress all undertakings not its own. "Speculation had only been displaced, and found in another quarter a large outlet by which it precipitated itself." The monopoly of the Credit Mobilier was therefore interfered with, and the directors were reluctantly compelled to limit their operations to the granting of assistance to the great companies "which form their connection," waiting for more favorable opportunities for deluging the market with more securities. What was to become of the great companies which did not happen to form their connection, does not appear to have been a question for consideration. As, however, the Credit Mobilier has made a dividend of 23 per cent. out of the results of its money-lending, probably the hold-

ers of outside securities have not fared much worse than the speculators, who, instead of at once meeting their losses, have prolonged them through being "assisted" on these terms. While thus alike making gains, whether from the hopes or reverses of the public, the company still saw that its duties of sentinel still required that it should regulate the prices of the public funds. "The purchases made by us during the year 1855 to keep up the prices of the public funds" are alluded to by the directors with pride, and they add that, "faithful to the same idea of conservatism," they have steadily continued the system, "remaining in the breach" at each monthly settlement to defend quotations from a fall by enabling the speculators to hold on—a self-devotion which it is instructive to find has been rewarded by enormous profits, however fatal it may have proved to those for whose benefit the heroic attitude was assumed. In one single month they advanced upon Rentes nearly £4,000,000. The directors seem to consider that one of the first among financial duties is to keep up the prices of the public funds, and they claim merit accordingly. In other countries a fall in the funds would be regarded at once as the sign and remedy of over-speculation, and would be welcomed as a salutary means of inducing investments, and thus attracting capital from the quarters where it was being recklessly employed. In Paris they have a sentinel to teach them otherwise. Proportionate aid has been accorded to the share market, and during the first nine months of 1856 the advances at each fortnightly settlement averaged £600,000. It appears, also, that, notwithstanding the precautionary spirit of the company throughout the past year, they have subscribed and issued on behalf of enterprises forming their own connections bonds to the amount of £4,600,000. It was in the face of such proceedings that the directors had to struggle with a crisis to the precipitation of which they had of course in their own view, not in the slightest degree contributed. In fact, this crisis is evidently regarded by them as a cruel grievance, which has most unjustly limited their gains. It broke out, they say, at the moment when they "were using such efforts to facilitate a transition towards better times," and they attribute it to the Bank of England and the Bank of France not having sufficiently supported public confidence. The course of the *Credit Mobilier*, if it had occupied the places of these institutions, would have been very different; but M. Pereire does not specify the plans he would have adopted, whether consisting of unlimited issues of paper, ultimately to assume the form of assignats, or otherwise. He and his colleagues, however, offered at the moment to buy up all the Rentes held by the Bank of France, and to subscribe by anticipation £12,000,000 for the railway wants of 1857, and it was not the fault of the company that neither of these magnificent remedies were put in operation. With regard to the coming year the confidence of the company is undiminished. It expects a part of the concession for the *Compagnie Maritime*, and an extension of the southern railways, while it likewise contemplates a joint action with the Spanish *Credit Mobilier*, in the construction of a line from Madrid to the French frontier. An increase of the capital of the Bank of France, so that by some mysterious means it may "extend the circulation and keep it on a par with the legitimate and serious



wants which social activity and increased production incessantly claim," and an augmented issue of bonds of the *Credit Mobilier* of short date and small amounts, are among the means now looked to for establishing perpetual prosperity. That under this prosperity the cause of the *Credit Mobilier* will be as distinguished as was that of the Bank of the United States in its most flourishing days, there can be little doubt. Whether like causes will produce like effects, is a question for those who may presume to prognosticate its end. The Bank of the United States was cruelly destroyed by a failure in the European harvests at the very moment when it was using the most gigantic efforts "to facilitate a transition towards better times." As the *Credit Mobilier* is the sentinel for all France, its vigilance will perhaps be of a higher order. Nevertheless, its course on the first occurrence of one of those periods of political or commercial convulsion, in which everybody will expect it to make advances upon everything, and no one will buy its securities in return, cannot fail to be watched with curiosity and awe; meanwhile it may pursue its career undisturbed by the "interested and jealous criticisms" to which M. Pereire reproachfully alludes, even with liabilities of more than £4,000,000 on deposits and bonds, and its assets of £7,000,000 embarked in railway shares, obligations and "different securities."—*London Times*, May 8.

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#### VII. ENGLISH SAVINGS BANKS.

*Total amount received and paid by Trustees of Savings Banks from and to Depositors, and of the Capital of Savings Banks.*

In 1841 there were received by Trustees of Savings Banks in the United Kingdom £5,694,908, and paid £5,487,723, and the capital was £24,474,689. In 1855 there were received £7,188,211, paid £7,654,133, and the capital was £34,201,712. The capital was divided—in England, £29,732,296; in Wales, £841,903; in Scotland, £2,011,473; and in Ireland, £1,616,049.

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#### VIII. FRENCH SAVINGS BANKS.

There are Savings Banks, Mutual Benefit Societies and Societies for Assuring Annuities. The first savings bank was established by Baron B. Delessert, 1818, who left a legacy of 150,000 frs. in favor of 3,000 working men. In 1833 the total number was 27; in 1843, 339; in 1853, 377. On the 31st of December, 1853, there were 844,949 depositors in 350 savings banks in activity. The sum deposited was 285,573,378 frs., or an average of 337 frs. each. The number of Mutual Societies in December, 1853, was 2,773, having 289,446 subscribers, and a capital of 12,089,561 frs. Their income was 1,732,083 frs. The Annuity Societies had, in December, 1854, 37,613 accounts, and a capital of 42,084,822 francs.

## NEW BANKING LAW OF MAINE.

AN ACT ADDITIONAL IN RELATION TO BANKS AND BANKING.

*Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :*

## SECTION 1. The charters of—

Alfred Bank,.....Alfred.	Manufacturers' Bank, Saco.
American Bank,.....Hallowell.	Man'rs & Traders' B'k, Portland.
Auburn Bank,.....Auburn.	Marine Bank,.....Damariscotta.
Augusta Bank,.....Augusta.	Mariners' Bank,.....Wiscasset.
Bank of Commerce, ..Belfast.	Market Bank,.....Bangor.
Bank of Cumberland, Portland.	Mechanics' Bank,.....Portland.
Bank of Somerset, ..Skowhegan.	Medomak Bank,.....Waldoborough.
Bank of State of Maine, Bangor.	Merchants' Bank,.....Bangor.
Bank of Winthrop, ..Winthrop.	Merchants' Bank, ..Portland.
Bath Bank,.....Bath.	Mousam River Bank, ..Sanford.
Biddeford Bank, ..Biddeford.	Newcastle Bank, ..Newcastle.
Belfast Bank,.....Belfast.	North Bank,.....Rockland.
Bucksport Bank, ..Bucksport.	Northern Bank, ..Hallowell.
Calais Bank,.....Calais.	Oakland Bank,.....Gardiner.
Canal Bank,.....Portland.	Ocean Bank,.....Kennebunk.
Casco Bank,.....Portland.	Orono Bank,.....Orono.
City Bank,.....Bath.	People's Bank,.....Waterville.
City Bank,.....Biddeford.	Richmond Bank,.....Richmond.
Cobbossee Contee Bk., Gardiner.	Rockland Bank,.....Rockland.
Eastern Bank,.....Bangor.	Sagadahoc Bank, ..Bath.
Farmers' Bank,.....Bangor.	Searsport Bank, ..Searsport.
Freeman's Bank, ..Augusta.	Skowhegan Bank, ..Bloomfield.
Frontier Bank, ..Eastport.	South Berwick Bank, South Berwick.
Gardiner Bank, ..Gardiner.	State Bank,.....Augusta.
Georges Bank,.....Thomaston.	Thomaston Bank, ..Thomaston.
Granite Bank,.....Augusta.	Ticonic Bank,.....Waterville.
Grocers' Bank,.....Bangor.	Traders' Bank,.....Bangor.
Hancock Bank,.....Ellsworth.	Union Bank,.....Brunswick.
Kenduskeag Bank, ..Bangor.	Village Bank,.....Bowdoinham.
Lewiston Falls Bank, Lewiston.	Waldoborough Bank, Waldoborough.
Lincoln Bank,.....Bath.	Waterville Bank, ..Waterville.
Lime Rock Bank, ..Rockland.	York Bank,.....Saco.
Lumberman's Bank, ..Oldtown.	

Are hereby extended to the first day of October, in the year of our Lord one thousand eight hundred and sixty-seven, subject to the provisions of this and all existing acts upon the subject of banks and banking. *Provided, however,* That all banks accepting the provisions of this act shall be holden to pay to the State, for the support of schools, an annual tax of one per cent. on their capital stock, payable semi-annually, as is now provided by law, any thing in their charters, or in any of the laws of this State, to the contrary notwithstanding.

SEC. 2. The charters of all banks which have been incorporated since the first day of January last, or may hereafter be incorporated, shall expire on said first day of October, 1867.

**SEC. 3.** Any bank mentioned in the first section of this act may accept the provisions thereof, extending their charters as aforesaid, at a special meeting of the stockholders, held on or before the first day of August next, by two-thirds of the votes cast on a stock-vote; and if said provisions are so accepted, written notice thereof shall be given to the Secretary of State, on or before the first day of September next.

**SEC. 4.** From and after the first day of October next, the cashiers of every bank in this State shall, on the first Monday of every month, except the months of January and June, make returns signed and sworn to by them, exhibiting the condition of the bank as it existed in the afternoon of the preceding Saturday, and transmit the same, within five days, to the Secretary of State, stating the capital stock, bills in circulation, specie, deposits, loan, and amount due from other banks, bills issued, and amount of unsigned bills on hand.

**SEC. 5.** The Secretary of State shall furnish to the cashiers of every bank, on or before the first day of October, in each year, twenty printed copies of the forms of the returns required by the preceding section.

**SEC. 6.** The Secretary of State, after receiving said returns, shall, as soon as may be, prepare an abstract from said returns, with each column summed up, and shall cause said abstract to be published in the State paper, on or before the first day of the next ensuing month.

**SEC. 7.** No bank now incorporated, or which may be hereafter incorporated within this State, shall issue and put in circulation, as money, bills to the amount of more than fifty per cent. of its capital stock actually paid in, and exclusive of that owned by the bank, unless such bank shall have in its vaults at the time of such issue, one dollar in specie for every three dollars so issued, over and above fifty per cent. of its capital stock as aforesaid; nor shall the circulation of any bank in this State at any time exceed the amount of its capital stock paid in, not owned by the bank, and the specie in its vaults; but when any such bank shall keep a special deposit of specie in the Suffolk Bank, Boston, and shall take and retain a certificate of such deposit, such sum, not exceeding three thousand dollars, shall be considered, for the purposes of this section, as in its own vault; and any bills actually redeemed by any bank in this State, at any bank in Boston, to be forwarded to the bank which issued them, shall not be deemed to be in circulation after such redemption.

**SEC. 8.** Weekly balances shall be made by the cashiers of banks, exhibiting the amount of specie on hand, and the amount of bills in circulation; and every bank shall forfeit and pay, for the use of the State, ten per cent. upon the amount of bills it shall at any time put in circulation over and above the amount authorized by the preceding section.

**SEC. 9.** It shall be the duty of the bank commissioners, from time to time, to examine the weekly balances made by the cashiers of the several banks in this State, and when it shall appear that over-issues have been made by any bank, it shall be their duty to notify the cashier of such bank to pay over forthwith, to the Treasurer of State, the forfeiture mentioned in the preceding section; and if said forfeiture is not paid to the treasurer within ten days after such notice, it shall be the

duty of said commissioners to make a complaint to one of the justices of the supreme judicial court, who shall, thereupon, summon the officers of such bank, by notice to the president or cashier thereof, to appear before him at such time and place as he may appoint, to answer such complaint, and show cause why an injunction should not issue against such bank. If upon such hearing it shall appear that such bank had over-issued and not paid the forfeiture, within the time above prescribed, it shall be placed under injunction until such forfeiture and the costs of the proceedings shall be paid; and if the order of such justice is not complied with within such time as he shall fix, the injunction shall be made perpetual, and receivers appointed to close up the business of such bank according to law.

SEC. 10. Every bank in this State shall keep on hand, in its own vaults, at least five per cent. of its capital stock in specie.

SEC. 11. Whenever the directors of any bank shall destroy any bills of their bank, it shall be done in the presence of a disinterested justice of the peace, and they shall make a record of the number and denomination of the bills so destroyed, and shall make oath to the truth of the same before said justice, to be certified by him on the record, with the fact that he witnessed their destruction. Any directors violating the provisions of this section shall severally forfeit and pay the sum of five hundred dollars to the use of the State, to be recovered by indictment.

SEC. 12. The bank commissioners shall each be paid four dollars for each day employed in the discharge of their duties, and their expenses. Their accounts shall be audited by the governor and council, and the governor is authorized to draw warrants on the treasurer for the amount due them, but the amount so paid to each commissioner in any single year shall not exceed the sum of six hundred dollars.

SEC. 13. An act additional in relation to banks and banking, approved the tenth day of August, in the year of our Lord eighteen hundred and forty-six, is hereby repealed, saving actions and causes of action which have accrued under said act; and it is continued in force for the purpose of collecting all forfeitures incurred under said act until final judgment, in all cases which have been or may be commenced for any such forfeiture, and not otherwise.

SEC. 14. This act shall take effect and be in force from and after its approval by the governor.

Approved April 14, 1857.

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NEW BANKS CHARTERED IN MAINE, 1857.

<i>Name of Bank.</i>	<i>Location.</i>	<i>Capital.</i>
1. Long Reach Bank,.....	Lewiston,.....	\$100,000
2. The Lowell Bank,.....	Bath,.....	100,000
3. The Norombega Bank,.....	Bangor,.....	100,000
4. Penobscot River Bank,.....	Bangor,.....	100,000
5. Central Bank,.....	Gray,.....	50,000
6. The Marine Bank,.....	Brunswick,.....	75,000
7. The Pejepscot Bank,.....	Brunswick,.....	75,000

## THE NEW LAW OF LIMITED PARTNERSHIP.

AMONG the bills passed by the recent legislature of New York was one to amend the Revised Statutes relating to limited partnerships. It is of so much importance to the business community that we publish it in full. The changes made in the old law are indicated by italics. It takes effect immediately, and applies as well to partnerships now existing as to those hereafter formed :

## AN ACT TO AMEND THE REVISED STATUTES IN RELATION TO LIMITED PARTNERSHIP.

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

SEC. 1. Section three, article one, title one, chapter four, part second of the Revised Statutes, is hereby amended so as to read as follows :

SEC. 3. The general partners only shall be authorized to transact business *for the partnership, except as provided in section seventeen, and no special partner shall be authorized to sign for the partnership, or to bind the same.*

SEC. 2. Section twelve of said article is hereby amended so as to read as follows :

SEC. 12. Every alteration which shall be made in the names of the partners, in the nature of the business, or in the capital or shares thereof, or in any other matter specified in the original certificate, *and the death of any partner, whether general or special,* shall be deemed a dissolution of the partnership ; and every such partnership, which shall in any manner be carried on after any such alteration shall have been made, *or such death shall have occurred,* shall be deemed a general partnership *in respect to all business transacted after such alteration or death,* unless renewed as a special partnership, according to the provisions of the last section.

SEC. 3. Section seventeen of said article is hereby amended so as to read as follows :

SEC. 17. A special partner may from time to time examine into the state and progress of the partnership concerns, and may advise as to their management ; *he may also loan money to, and advance and pay money for, the partnership ; and may take and hold the notes, drafts, acceptances and bonds of or belonging to the partnership, as security for the repayment of such moneys and interest, and may use and lend his name and credit as security for the partnership, in any business thereof, and shall have the same rights and remedies in these respects as any other creditor might have. He may also negotiate sales, purchases and other business of the partnership, but no business so negotiated shall be binding upon the partnership, until approved by a general partner. Excepting as herein mentioned,* he shall not transact any business on account of the partnership, nor be employed for that purpose, as agent, attorney

or otherwise. If he shall interfere contrary to these provisions, he shall be deemed a general partner.

SEC. 4. Section twenty-three of said article is hereby amended so as to read as follows :

SEC. 23. In-case of the insolvency or bankruptcy of the partnership, no special partner shall, *except for claims contracted pursuant to section seventeen*, under any circumstances, be allowed to claim as a creditor, until the claims of all the other creditors of the partnership shall be satisfied.

SEC. 5. This act shall take effect immediately, and shall apply as well to such partnerships existing at the time of the passage hereof as to those thereafter formed.

### CURRENCY LAWS—USURY LAWS.

WE make some extracts from the letters of an eminent financial writer of England, lately printed in the *London Times*, to show how devoid of justice is the law which *regulates* the price of a naturally variable merchandise—money—and also the absurdity of having a fixed price for money, without regard either to the terms or risk of lending ; or whether it is interest or discount—all must pay alike :

“ It is often a subject of surprise that it should be possible for a banker to obtain a high rate of interest in return for his capital, loaned out on bills or other short appointments, when the fundholder or the mortgagee must be satisfied with the legal rate. All are lenders alike, and lend the same thing, which is capital ; but the reason is that they lend in a different market and under different circumstances. Let us illustrate our meaning by a familiar example. There are two classes of persons who let horses on hire ; the one class includes those who let them by the day, and the other class includes those who let them by the year. When an occasion of sudden demand arises, such as a race or a review, the first class is enabled and fairly entitled to claim a double price ; but the second class—the jobmasters—cannot double their price, because they let them in a different market and under different circumstances. Both markets in the end, it is true, must submit to a rate of hire which is regulated by the cost of horses and horse-keep. As it is with horses so it is with capital ; the price of horses is affected by situation and modes of hiring ; so may capital be of one kind, yet affected by two modes of lending and borrowing. Discount capital changes daily in amount ; interest capital remains about the same for considerable periods.”

And yet we presume to regulate both, by one price, and that a *constant* price, without paying any regard either to demand and supply. The scarcity of the precious metals, and the facilities of getting capital or the credit of the borrower and the risk of the lender. No regard is paid to any of these, but an unchangeable price is fixed by legislators,

who have generally no experience in finances; and if the natural right of selling your own property at the best possible price be exercised, the law of the State is broken and the property forfeited; seven per cent. is made the proper interest, and all must abide by this rate. We extract further from the same letters:

“When the production and consumption to any commodity are small in comparison with the stock in reserve at any recurring period, the fluctuations of price are small, as in gold or silver.

“Loanable capital is similar to marketable commodities; the fluctuations of its price, or of their price, are *not* reducible to any law by an exact scale; but every person accustomed to markets, knows that the terrors of scarcity and glut are sure to be exaggerated; that a small scarcity makes a very high price, and that a very small glut makes a very low price.

“Interest is not regulated by the rate at which the bank will lend, but by the rate of profits which can be made by the employment of capital, and which is totally independent of the quantity or value of money.”

It is not probable that ten well-informed merchants in New York will dispute the truth of these assertions; nor will they dispute the conclusions that must be drawn, namely, that the effect of the present Usury Laws of New York are oppressive and injurious; and can we expect that an effort will be made by New York merchants to repeal a statute so injurious to the interests of trade and commerce? The experience of the past would justify us in asserting otherwise—we must have more and severer fluctuations in the money market, sometimes to be originated and always aided by the law which prohibits the loaning of money at more than the legal rate, under the penalty of confiscation, even when the risks make it unprofitable to lend at that rate.

**NATIONAL DEBT OF GREAT BRITAIN.**—According to recent official returns, the national debt existing on the 31st of March, 1856, was £775,312,694, of which £3,007,775 bore interest at 2½ per cent.; £769,000,280, interest at 3 per cent.; £2,871,515, at 3¼ per cent.; and £483,124, at 5 per cent.; making an annual interest of £23,267,361. In the year ending 31st March, 1851, there was effected a reduction of interest of £37,236, by stock purchased with sinking fund, transferred and unclaimed. There was, also, an increase of interest of £747,243 by stock created by loans and by exchequer bills; besides £116,000 annuity for thirty years, ceasing payment on 5th April, 1855. The debt created in the year amounted to £24,908,134, of which £3,383,250, was created by exchequer bills funded. The debt redeemed in the same year was £1,241,257.

The capital stock cancelled in each year in exchange for terminable annuities, from the 1st September, 1808, to the 31st March, 1856, amounted to £50,391,074, and the long annuities cancelled, £165,889. The largest amount cancelled was in 1831, when it was £8,737,094; and in 1835, £8,500,169. In other years it varied from £500,000 to £2,500,000. In the year ending 31st March, 1856, there were in existence £1,955,248 annuities for lives and terms of years, besides £1,295,421, created under various loans, which will expire in 1859 and 1860; £585,740, annuity purchased by the Bank of England, which will expire on 5th April, 1876; £116,000 annuity, created by the loan of £16,000,000, which will expire on the 5th April, 1835; and £47,114, the Tontine annuities, payable in England and Ireland.

## THE NEW CENT.

THE coinage of the new cent at the mint in Philadelphia has been prosecuted with vigor. We learn that the new coin has been largely distributed in exchange for old silver coins. After this they will be exchanged for gold and silver. The following is a *fac simile* of the new cent :



The new law provides that the old Spanish silver coins may be received at their nominal value, 25, 12½ and 6¼ cents in exchange for the new cent.

SEC. 4. Provides that the standard weight of the cent shall be seventy-two grains, or the three-twentieths of one ounce Troy, with no greater deviation than four grains in each piece; and said cent shall be composed of eighty-eight per centum of copper and twelve per centum of nickel, of such shape and device as may be fixed by the director of the mint, with the approbation of the Secretary of the Treasury; and the coinage of the half cent shall cease.

SEC. 6. Provides that it shall be lawful to pay out the said cent at the mint, in exchange for any of the gold and silver coins of the United States, and also in exchange for the former copper coins issued; and it shall be lawful to transmit parcels of the said cents, from time to time, to the assistant treasurers, depositaries and other officers of the United States, under general regulations proposed by the director of the mint, and approved by the Secretary of the Treasury, for exchange as aforesaid. And it shall also be lawful, for the space of two years from the passage of this act, and no longer, to pay out at the mint the cents aforesaid, for the fractional parts of the dollar hereinbefore named, at their nominal value of twenty-five, twelve and a half, and six and a quarter cents respectively.

## HISTORY OF THE COPPER CENT.

[From the Charleston Courier.]

As the old, familiar but not unpopular coin, known as the American cent, will soon be superseded by another issue of quite a different looking coin—smaller, neater and less liable to corrode—it may not be uninteresting to our readers to know something of the various pennies that have been used at different times by and for our people. Coin collectors have frequently obtained specimens that are rare, and sometimes unique, and it may be that many are ignorant of the kinds of cents that have had their day, and are now to be found only or rarely, save in the cabinets of the numismatist. Massachusetts was the first of the colonies



to coin money, and her example was followed by other States at different intervals; but very few persons, except those who make it a subject of special attention, are aware of the extent of this coinage. I will give you a list of specimens that have come to my knowledge, and shall be pleased if others will add to this brief notice, if they are aware of any other coinage, or are in possession of any specimen coins. The writer is desirous of becoming fully acquainted with the early American coinage, and will be much obliged for any *specimens* or information that may be extended to him.

In 1652, Massachusetts coined shillings and sixpences. On the obverse was an indented square, near the upper edge of the coin, within which were the letters "N. E." On the reverse were the numerals "XII." and "VI." Very few of these were struck, and they are now exceedingly rare. The General Court of Massachusetts soon ordained that all pieces coined should bear the following devices: Shillings, sixpences, threepences and twopences, obverse a double ring, with the words "Massachusetts In.," a pine tree in the centre. Reverse, New England, An. Dom., 1652," with the value in numerals. This has been called the "Pine-tree coinage," and it continued for thirty years, but the date of 1652 appears upon all the coins that are now met with. They are rare and curious. The next coinage was by Maryland, where silver and copper coins were issued in 1661. These are now rare.

In 1722, a penny and twopenny piece was struck for the Carolinas. These bore on the obverse the head of George I., with the inscription, "Georgious D. G. Mag. B. R I F R A E T., Hib Rex." Reverse, "Rosa Americana, Utile Dulci, 1722."

In 1632, Lord Baltimore obtained a patent grant as "Proprietor" of Maryland, and either at that time or in 1661, when this grant was renewed by the Second Charles, coined money for this colony, bearing his effigy, with the inscription, "Cæcilius Dus. Terræ Mariæ;" and on the reverse his arms, crowned with the inscription, "Crescite et multiplicamini," and the numerals XII. VI. and IV., on the respective coins. He also issued a small copper coin, with the legend "Denarium Terræ Mariæ" on the reverse. These coins are extremely rare, and possibly are not now found in this country.

In 1776, a large copper coin was issued by Massachusetts, about the size of a half dollar. Obverse, "Massachusetts State," with a pine tree in the centre. Reverse, a female seated on a globe, holding in her right hand an olive leaf, in her left a staff; around the coin are the words "Liberty and Virtue, 1776."

In 1776, there is a copper coin of the size of a half cent. On one side a Janus head, and on the reverse, "Goddess of Liberty, 1776," supposed to have been engraved by the well-known patriot, Paul Revere.

1776. Another half-cent. On one side thirteen bars parallel to each other, and equi-distant. On the reverse are the letters U. S. A., the S. being of large size, and extending across the other letters.

Also a copper coin about the size of the dime. Obverse, a head with the word "Columbia;" reverse, a female seated, holding a balance.

1781. There was issued a cent of the usual size, on one side the figure of an axe, with the inscription, "I cut my way through;" reverse,

"Value me as you please." Another variety has upon one side three sledge-hammers.

1783. A cent was published by private persons, on the obverse of which was a head crowned with laurel, and the words "Washington and Independence;" reverse, "Unity States of America." This and some varieties of cents with the head laureated, have been called "Washington cents;" but the true one, as known by coin collectors, is that of 1791-2, which will be noticed soon.

1783. A cent, the obverse same as above; reverse, a figure of Liberty, seated, with the inscription, "United States."

1783. New York cent. Obverse, a head—inscription, "Nova Eborac;" reverse, a figure of Liberty—inscription, "Vir. et Lib. 1783."

1783. A cent—an eye in the centre, with rays diverging from it, surrounded with thirteen stars, around which are the words "Nova Constellatio;" reverse, a wreath, with the letters "U. S." and the legend, "Libertas et Justitia, 1783."

1784. A coin, having on one side a sheaf of wheat, and the words "Peace and Plenty;" reverse, a full-length figure of Fame, blowing, and the words "For the convenience of the public, 1784."

1785. Vermont cents. One variety has on the obverse an eye, with rays diverging from it, divided by thirteen stars, and the words "Quarta Decima Stella;" reverse, the sun rising from behind the mountains, a plough in the foreground; around the coin, "Vermont Ensium Res Publica, 1785."

Another Vermont cent, and more common than the above, though rare, has on the obverse the head of George, laureated, and the words "Vermon Auctori;" reverse, "Inde. et Lib., 1788," around the figure of Liberty.

1785. Connecticut cents were issued in 1785, 1786, 1787, 1788. The obverse has the head laureated; legend, "Auctori Connec.;" reverse, a figure of Liberty, and the words "Inde. et Lib., 1788."

1785. A New York cent. Obverse, an Indian, with the legend, "Libertas Liberatum Defendo." Reverse, an eagle, with "Excelltor, 1785."

1785. There are several New Jersey cents, of various dates, the obverse always being a shield, with a motto, "E Pluribus Unum." Reverse, a horse's head and the plough, with the inscription, "Nova Cæsanea, 1785."

1787. A cent was issued this year with a female sitting on a globe, with the inscription, "Immunis Columbia, 1787." Reverse, a spread eagle, with the legend, "E Pluribus Unum."

In 1787 Massachusetts issued cents and half cents. Obverse, an eagle; on its breast the words "One Cent;" around the coin "Massachusetts, 1787." Reverse, an Indian; near his forehead a star; encircling the coin the word "Commonwealth."

1694. In this year, in the reign of William and Mary, there was a copper coin struck, which is now exceedingly rare. Obverse, an elephant, without inscription; reverse inscription is: "God preserve Carolina and the Lords Proprietors, 1694." This coin is commonly called the Carolina half-penny, but the intention of it is not known.

1694. Same year a copper coin was struck, with elephant; and reverse, "God preserve New England, 1694."

These appear to be all the varieties of authorized coin struck in and for the States up to the establishment of the mint of the United States, since when the cent has been changed several times, but with each the public is well acquainted. The days of cumbrous copper are numbered, for in a short time we shall have the new "red cent"—a neat and pleasant coin—and the old coin will gradually pass out of circulation.—*Charleston Courier.*

COINS, COINAGE AND BULLION.

*The United States Mint.*—The coinage of the United States Mint, Philadelphia, during the month of May, was not large in amount, though the number of pieces was large. The following is the statement :

	No. Pieces.	Value.
Gold Dollars.....	161,590	\$161,590
Quarter Dollars.....	676,000	169,000
Dimes.....	340,000	34,000
New Cents.....	3,800,000	38,000
Total.....	4,977,590	\$402,590

Of the rush for the new cent at the mint, on the 25th of May, the *Philadelphia Bulletin*, says :

Every man and boy in the crowd had his package of coin with him. Some had their rouleaux of Spanish coin done up in bits of newspaper or wrapped in handkerchiefs, while others had carpet bags, baskets and other carrying contrivances, filled with coppers—"very cheap and filling," like boarding-house fare.

The officiating priests in the temple of mammon had anticipated this grand rush and crush, and every possible preparation was made in anticipation of it. Conspicuous among these arrangements was the erection of a neat wooden building in the yard of the mint for the special accommodation of the great crowd of money-changers. This temporary structure was furnished with two open windows, which faced the south. Over one of these windows was inscribed the words "cents for cents," and over the other "cents for silver." Inside the little office were scales and other apparatus for weighing and testing coin, a goodly pile of bags containing the newly-struck compound of nickel and copper, and a detachment of weighers, clerks, &c.

The bags containing the "Nicks" were neat little canvas arrangements, each of which held five hundred of the diminutive little strangers, and each of which bore upon its outside the pleasant inscription "\$5." Just as the State House bell had finished striking nine o'clock the doors of the mint were thrown open, and in rushed the eager crowd—paper parcels, well-filled handkerchiefs, carpet bags, baskets and all. But those who thought that there was to be a grand scramble, and that the boldest pusher would be first served, reckoned without their host. The invading throng was arranged into lines which led to the respective windows; those who bore silver had the post of honor assigned them and

went to the right, while those who bore nothing but vulgar copper were constrained to take the left.

These lines soon grew to an unconscionable length, and to economize space they were wound around and around like the convulsions of a snake of a whimsical turn of mind. The clerks and the weighers exerted themselves to the utmost to meet the demands of all comers, and to dea out the little canvas bags to all who were entitled to receive them; but the crowd grew apace, and we estimated that at one time there could not have been less than one thousand persons in the zigzag lines, weighed down with small change, and waiting patiently for their turn.

Those who were served rushed into the street with their money bags, and many of them were immediately surrounded by an outside crowd, who were willing to buy out in small lots at an advance on first cost. We saw quite a number of persons on the steps of the mint dealing out the new favorites at an advance of from thirty to a hundred per cent., and some of the outside purchasers even huckstered out the coin again in smaller lots at a still heavier advance. The great majority of those who came out "made tracks" with their bags of money, and not an omnibus went eastward past the mint for several hours that did not, like the California steamers, carry "specie in the hands of the passengers."

Those who made their way homeward a-foot attracted the attention of passers-by by their display of specie bags, and we doubt much whether, in the history of the mint, there was ever so great a rush inside the building, or so animated a scene outside of it. It was, in effect, at once the funeral of the old coppers and of the ancient Spanish coins, and the giving of a practical working existence to the new cents.

In the course of a few weeks the new coin will be plentiful enough at par, the Spanish coins will go out of the hands of the brokers just as they already have disappeared from ordinary circulation, and as regards the old cents there will be "nary red" to be seen, except such as will be found in the cabinets of coin collectors.

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**A TRANSACTION ON THE PARIS BOURSE.**—The Tribunal de Commerce decided a case on the 5th, in which M. Cauchois, a *courtier marron*, or unlicensed stock exchange interloper, who had sued one of his employers, M. Perigny, for a balance of 14,000 francs of loss upon the bargains which Cauchois had made on the other's account, not only was condemned to lose his suit, on the ground that he could not be legally recognised as a stockbroker, but was also fined a sum amounting to one-twelfth of the heavy caution-money exacted from the regular *agents de change*, as a punishment for practicing in that capacity without a legal title to do so.

**RAILWAYS IN AUSTRALIA.**—The second line of railway in New South Wales—or rather the extension of the original line—was opened for public traffic on the 1st of September last. The first line was from Sidney to Paramatta, a distance of thirteen and a half miles—the second line is from Paramatta to Liverpool, a distance of eight and a half miles. The arrangements for the working of the line provide for the running of six trains daily from each end, between Sidney and Liverpool. The time occupied by the journey will be seventy-two minutes, and the fares by the three classes, 4s., 5s., 6s. and 7s. 6d. respectively. The charge for conveyance of goods is 9d. per cwt. The entire cost of the new line, exclusive of rolling stock, is about £76,000. The first portion of the line is estimated to have cost £500,000.—*Emigration Record*.

## NEW BANK BUILDINGS IN NEW YORK.

ALTHOUGH the charge, that our people are indifferent to art, and honor, with a very limited patronage, painting and sculpture, may, to a certain extent, be well-founded, yet a glance at the new buildings that have lately been erected, and are in process of erection, especially in the lower portion of our city, sufficiently proves that in the department of architecture we are making some amends for our neglect otherwise. The useful in art has merely been substituted for the ideal. But nowhere is there seen a more liberal expenditure for the sake of attaining grandeur and elegance, than in the erection of buildings for banking purposes. Money is freely expended in the erection of stately edifices; and although the extent of the business done by the bank is generally the standard which regulates the costliness of the building in which that business is transacted, yet a desire to excel frequently produces higher and broader windows, and more curious external and internal ornament than a rigid economy would warrant. In the majority of instances, however, the magnificence of a bank is an index of its wealth, and even where this is not the case, no one who admires the grand and the stately in art, and who takes a pride in whatever improves the appearance of our city, will deprecate a lavishness which adds so much to its architectural beauty. A brief notice of recently erected bank buildings, and those in process of erection, will not be out of place in this connection.

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#### I. THE BANK OF COMMERCE

Is situated on the northwest corner of Nassau and Cedar streets, having a front of 75 feet on the former, and 108 feet on the latter street. It is four stories in height, exclusive of the basement and cellar, and is designed in the Americo-Italian style, with projecting wings on either front, and a central Ionic portico of four columns on Nassau-street. The entire height of the building, from the basement upward, is seventy feet, and the whole front is faced with white marble. The first story is boldly rusticated, has semi-circular windows and door heads, and is finished with Ionic entablature. The windows of the upper stories are varied in character, and a well-defined and handsome cornice surmounts the whole. The appearance of the exterior of the building is a combination of simplicity and grandeur. The whole of the first story, with the exception of the north side, is appropriated to the use of the bank. The banking-room, a noble apartment, 73 feet long by 35 feet wide, and of proportionate height, is approached through a lobby from Nassau-street, by a flight of eight marble steps, and has also a side entrance at the southwest corner from Cedar-street. The general appearance of this room is very striking. There are no columns to intercept the view upon entering—the ceiling being supported by wrought iron girders and beams made fire-proof, and being thus constructively divided into eighteen compartments; they are each enriched with plaster ornaments, and an

elegant centre piece. A highly decorated cornice extends all around the room. The floor of this story is laid with diamond-pattern white and black marble pavement, set in concrete, and supported by brick fire-proof arches. The interior dressings, surbase, architraves, &c., are finished in black walnut. The counter, of elaborate design, is also of polished walnut, and is continued around three sides of the room, completely inclosing the vaults. The offices of the president, cashier and directors, situated at the west end of the banking-room, are all of ample dimensions; and, although the ground on which the bank is erected forms an irregular parallelogram, are perfectly symmetrical in shape. Offices for the assistant-cashier, discount clerk, &c., with retiring rooms, and two specie and book vaults, occupy a portion of the north side of the room. The construction of the building throughout is substantial and fire-proof. The basement and upper stories of the building are devoted to offices, the latter approached from Nassau-street by a noble flight of marble stairs, eight feet six inches wide, and from a rear staircase at the extreme west on Cedar-street. These apartments have fire-proof vaults, and are all well lighted and ventilated. They have a spacious hall of communication, seven feet wide on each story, and are provided with every modern convenience. The entire cost of the building and ground is in the neighborhood of \$400,000. John W. Ritch is the architect.

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## II. THE BANK OF NEW YORK,

Now in process of erection, is situated on the site of the old building, extending 38 feet on Wall-street and 127 feet on William-street. It is being built in the Italian style, with Little Falls brown stone, inlaid with Philadelphia brick. The banking room and accompanying offices will occupy part of the first and second stories. The banking room will be 58 feet long, 35 feet wide and 26 feet high, occupying two stories in the central and rear portions of the building. The ceiling, walls, and the whole fitting-up of the interior will correspond with the elegance of the exterior, and the room will be lighted on the east side, where it adjoins the present American Exchange Bank, by glazed panels in the ceiling. The front portion of the building—Wall-street—and the upper stories are intended for offices, and the whole is constructed with iron beams, and concrete, so as to be completely fire-proof. The edifice will be ready for occupation in November next, and is estimated to cost \$125,000. Calvert Vaux is the architect.

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## III. THE CONTINENTAL BANK.

The new edifice, adjoining Duncan & Sherman's Banking House in Nassau-street, which has been in course of erection for some time past for the Continental Bank, was opened June 15th for the transaction of business. This building is constructed of the New Brunswick stone, of the Dorchester Company, and is four stories in height. The front measures fifty feet, and the main building is sixty feet in depth. There is an extension in the rear of thirty feet, which will, in common with

the upper stories of the main building, be appropriated to the use of offices, until such time as the business of the bank will require increased accommodation. The Gothic style has been adopted by Mr. Leopold Eidlitz, the architect, in the plan of the building, and a very pleasing effect has been produced by the innumerable tiny pillars which are clustered about each window of the exterior; and were the material white marble, it would present almost as airy an appearance as the Leaning Tower of Pisa. The banking room is 60 feet in length, and 38 feet wide, occupying, with the president and cashier's offices, the first story of the building. The lofty ceiling is richly and tastefully frescoed, and supported by ornamental iron pillars. The walls are of a kind of French stone, resembling Caen stone, but harder, and the floor is of narrow pine plank. The desks and panelling are of dark oak, elaborately carved and moulded. The dusky brown hue of the floor contrasts unfavorably with the richly painted ceiling; and the neutral tint of the walls, for the same reason, produces a cold and chilling effect. With this exception, the Continental Bank is not inferior in architectural beauty to any of the elegant structures of a like nature which have recently been erected. The building is, of course, fire-proof, and cost in the neighborhood of \$100,000.

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#### IV. THE UNION BANK

Building, at 34 Wall-street, which is now open for the transaction of business, is an elegant marble-front building, constructed interiorly of iron and other fire-proof materials, and costing about \$80,000. The banking room—which is 52 feet long, 34 feet wide and 25 feet high, and which is so arranged as to occupy the rear portion of the edifice—thus allowing the entire front, which is five stories high, to be used for offices—has a very lofty ceiling, covered by a dome of glass and iron, from which a “dim religious light” is diffused through every part. The ceiling is tastefully ornamented. In the rear, elevated by a kind of inclosed gallery, are the president's room and other private offices, separated by a handsome partition of iron and ground glass. The distance which these departments are removed from the street prevents disturbance from without. The counters are all of black walnut, heavily built, and are inclosed at the top by plate glass, set in walnut frames, and the floors are covered with marble tiles. The entrance to the banking room is through a corridor seven feet wide. Thomas R. Jackson is the architect.

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#### V. THE FULTON BANK,

Situated on the N. E. corner of Fulton and Pearl streets, is a substantial edifice, about 50 feet square. The first story is built of Connecticut brown stone, and the two stories above of Baltimore brick, with heavy brown stone trimmings. The banking room, which is spacious, well lighted and characterized by an absence of gaudy ornament, in keeping with the rest of the building, occupies, together with the president's and cashier's offices, the whole of the first story. The basement and

upper stories are arranged for offices. The building is constructed throughout with iron beams, and corrugated sheet iron for the floors to rest on, so as to be fire-proof, and the roof is of slate. The entire cost is \$40,000. Thomas R. Jackson is the architect.

#### VI. THE AMERICAN EXCHANGE BANK

Has commenced, on the corner of Broadway and Cedar-street, the erection of one of the finest edifices in the lower part of the city. It will extend 45 feet on Broadway and 100 feet on Cedar-street. The fronts on both streets will be of New Brunswick freestone, and the beams will be of iron, arched with brick, and the building thoroughly fire-proof. The banking room will be of stone, and the roof of iron. The cost is estimated at \$150,000. Leopold Eidlitz is the architect.

### BANK STATISTICS.

#### CANADA.

*General Statement of the affairs of the Commercial Bank of Canada, on 20th June, 1857.*

Capital stock paid up—		LIABILITIES.			
Canada register,.....	£711,100	0	0		
London register,.....	161,100	0	0		
				£872,200	0 0
Bank notes in circulation,.....					816,867 15 0
Dividend No. 48, payable 1st July, 1857,.....	33,106	3	5		
Former dividends not called for,.....	1,356	13	0		
				34,462	16 5
Balances due to other banks and foreign agents,					19,313 19 2
Reserve fund,.....	150,000	0	0		
Profit and loss account,.....	5,107	11	2		
				155,107	11 2
Deposits,.....					407,770 7 3
				£1,805,722	9 0
ASSETS.					
Gold, silver and copper coins in the vaults of the bank and its offices,.....	£107,940	1	10		
Notes and checks of other banks,.....	40,431	1	8		
Government securities,.....	91,250	0	0		
				£239,621	3 6
Balances due by other banks and foreign agents,					181,852 7 4
Real estate,.....					37,224 12 6
Notes discounted and all other debts due to the bank, not included under the foregoing heads,					1,347,024 5 8
				£1,805,722	9 0

C. S. Ross, *Cashier.*

COMMERCIAL BANK OF CANADA, *Kingston, 20th June, 1857.*



The annual general meeting of the shareholders of the Commercial Bank of Canada was held at the bank in Kingston, on Thursday, the 25th day of June, 1857, in conformity with the charter.

The meeting having been organized by the appointment of John Watkins, Esq., as chairman, the Hon. John Hamilton, president of the board of directors for the past year, submitted the general statement of the affairs of the bank on 20th June, and thereafter read the following report :

Mr. Chairman and Gentlemen, I beg to submit to the meeting a copy of the general statement of the bank as on the 20th instant :

The profits, including premium on new stock issued since last meeting, and after deducting expenses of management, bad debts, &c., have been..... £101,814 8 8

Which amount has been appropriated as follows :

To payment of dividend No. 47, in January last, 4 per cent.,.....	£29,936 11 1		
To payment of dividend No. 48, payable 1st July, 4 per cent.,.....	83,106 8 5		
To payment of dividend government tax on cir- culation,.....	1,927 5 6		
To annual reduction of real estate account,.....	2,000 0 0	68,970 0 0	

Leaving a balance of..... £34,844 8 8

Of this amount, the sum of £29,736 17s. 6d. has been added to the reserve fund, making it now £150,000, or equal to 15 per cent. on the full capital of £1,000,000. The residue, £5,107 11s. 2d., remains at credit of profit and loss account, and includes usual reserves required to meet interest accrued on deposits bearing interest, and other similar items.

The increase in real estate account arose from purchase of a suitable house at Galt, on advantageous terms ; but although the property of the bank has not deteriorated in value, the directors considered it well to continue the usual annual reduction of the account.

The general expenses of the bank for the past year have been more than usually heavy, owing, in part, to cost of a new issue of notes bearing the present title of the bank. The quantity required, in view of testing the circulation of each of the branches, has been large, and it was also necessary to adopt modern improvements to guard against counterfeiting. These things have caused delay with the new notes, and the whole are not yet ready, but it is intended to use them generally after 1st proximo, for nearly all the denominations required. I need scarcely remind you, however, that the charter gives authority to use the notes bearing former title of the bank, so long as it may be necessary to do so.

The arrangements for a stock register and transfers in London, alluded to in last report, have been further perfected in some of the details ; and the facilities thereby afforded to European shareholders have not only given satisfaction to them, but have been attended with the best results otherwise. You will observe by the statement that a considerable amount of the remaining capital has been taken up in Great

Britain, of which the greater part has been paid in full. The issue in Canada has been closed, and only 1,421 shares remain unallotted. These, as desired, are reserved for issue to desirable parties in Europe. From last advices we doubt not they will be placed within a short time; and thus this matter may be considered as practically disposed of.

To facilitate transfers of stock by shareholders residing in Lower Canada, where a large amount is held, the directors have resolved to avail themselves of the power given in the charter to establish a supplementary register at Montreal branch, under regulations, which, while they give perfect security to the shareholders and to the bank, as regards transfers, will doubtless prove to be a convenient arrangement for shareholders resident in Lower Canada. These regulations and other particulars may be ascertained on application to the local manager at Montreal, on and after 1st proximo.

The duties of the cashier having become too onerous to admit of his discharging them to his own satisfaction, from the extended operations of the bank and increased correspondence at head office, the directors, in September last, appointed Mr. Campbell, formerly manager at Montreal branch, to the office of inspector; and this arrangement has already proved to be in every way conducive to the interest of the bank. For, while the advance of the province generally, for the past few years, has been important and satisfactory, it was stimulated by a large expenditure on public works, of late temporarily suspended, and it has been evident to the directors, that from the large transactions made in real estate, many of which were based upon prospective profits, and yielding no immediate return, more than ordinary care and constant daily supervision of the affairs of the bank at all points were required. All bills connected with such transactions have been studiously avoided; but the consequences of their number and extent, and the withdrawal of money from other ordinary channels and uses, have, in conjunction with other causes, affected all the banks. The reaction and the present state of money matters generally will check these operations in real estate, and temporarily restrict importations of merchandise; but, as in former years, we doubt not business will soon resume its usual healthy and active state—the elements of prosperity in Canada being as certain and numerous as before. During the past year the directors have steadily followed the settled policy of the institution, viz., to keep the bank always in a position to fulfil arrangements with regular customers, whatever might be the state of money matters; and to afford to the public facilities to the fullest extent compatible with prudent management.

I beg to submit, also, for confirmation by the shareholders, as required by the charter, a code of by-laws as passed by the board. They have been compiled with care, and with reference to what is now required in this respect, as well as to the experience of many years past.

I have only further to observe that the directors have every reason to be satisfied with the zeal and attention to duty shown by the officers of the bank.

JOHN HAMILTON, *President.*

The cashier having read the by-laws passed by the board, it was moved by George Baxter, Esq., seconded by Rybert Kent, Esq., and *Resolved*, That the general statement of the affairs of the bank and report of the president, now submitted, be received, adopted and printed for the information of the shareholders. Passed unanimously.

It was then moved by Dr. Robert Stewart, seconded by J. R. J. Fourre, Esq., and *Resolved*, That this meeting approves of and confirms the by-laws passed by the board, and now read by the cashier. Passed unanimously.

It was then moved by J. R. J. Fourre, Esq., seconded by Peter Davy, Esq., and *Resolved*, That the thanks of the shareholders are hereby given to the president and directors for their attention to the interests of the bank during the past year. Passed unanimously.

The meeting then proceeded to the election of directors, when the scrutineers reported that the following gentlemen were duly elected directors for the ensuing year :

JOSEPH BRUCE, Esq.,	HON. JOHN A. MACDONALD,
HON. JOHN HILLYARD CAMERON,	ARCHD. JOHN MACDONELL, Esq.,
HON. JOHN HAMILTON,	DOUGLASS PRENTISS, Esq.,
FRANCIS A. HARPER, Esq.,	THOMAS W. ROBISON, Esq.,
LUTHER H. HOLTON, Esq.,	MAXWELL W. STRANGE, Esq.

The chairman having been requested to leave the chair, and Peter Davy, Esq., having been called thereto, it was moved by the Hon. John Hamilton, seconded by John Paton, Esq., and *Resolved*, That the thanks of the meeting be given to John Watkins, Esq., for his efficient conduct in the chair.

JOHN WATKINS, *Chairman*.

#### NEW YORK CITY BANKS.

The condition of the New York City Banks at five several periods is shown in the following summary, compiled from official sources :

<i>Liabilities.</i>	<i>Sept., 1851.</i>	<i>Sept. 1, 1852.</i>	<i>June 11, 1853.</i>	<i>Sept. 29, 1855.</i>	<i>March, 1857.</i>
Capital,.....	\$34,608,100	\$36,791,750	\$44,196,798	\$48,688,750	\$59,708,588
Profits,.....	5,348,666	5,464,511	5,674,828	6,087,517	6,611,258
Circulation,.....	572,680	256,834	999,481	177,228	} 8,588,951
Circulation Registered,.....	7,108,294	8,421,880	8,087,675	7,411,128	
Due Treasurer State of N. Y.,	221,840	197,200	218,111	527,992	227,561
Due Depositors,.....	86,957,870	49,608,800	59,078,171	58,657,480	70,760,939
Due Banks, &c.,.....	10,777,040	22,434,214	24,961,981	18,525,760	22,888,578
Miscellaneous,.....	241,547	382,096	971,874	974,160	490,293
<b>Total Liabilities,.....</b>	<b>\$95,526,177</b>	<b>\$123,497,285</b>	<b>\$144,180,809</b>	<b>\$141,294,875</b>	<b>\$169,221,102</b>
<i>Resources.</i>	<i>Sept., 1851.</i>	<i>Sept. 1, 1852.</i>	<i>June 11, 1853.</i>	<i>Sept. 29, 1855.</i>	<i>Mar., 1857.</i>
Loans,.....	\$65,426,358	\$68,815,464	\$97,580,656	\$99,865,168	\$118,818,017
Real Estate,.....	2,297,980	2,702,410	3,457,544	4,159,080	5,254,401
Bonds and Stocks,.....	5,090,158	5,589,815	7,188,925	6,559,288	8,977,507
Loss and Expense,.....	892,827	404,950	433,459	518,676	835,898
Overdrafts,.....	42,040	41,210	63,965	66,356	74,849
Specie,.....	6,082,468	8,702,595	12,174,509	9,747,808	10,786,875
Cash Items,.....	10,900,185	11,866,284	16,853,916	16,581,856	22,968,887
Bank Notes,.....	1,065,842	1,195,842	2,080,214	1,879,568	1,590,406
Due from Banks,.....	14,178,879	4,228,210	6,372,121	4,919,833	5,419,834
<b>Total Resources,.....</b>	<b>\$95,526,177</b>	<b>\$123,497,285</b>	<b>\$144,180,809</b>	<b>\$141,294,875</b>	<b>\$169,221,102</b>

## BANK FRAUDS IN ENGLAND.

It may have happened to some among our readers to travel along the weary high roads of France in the old days of diligences. On such a road there was no rest for the eye—no loop-hole for the imagination. A long, straight line was produced, for all practical purposes, to infinity, and this line was of rough pavement, with, on each side of it, a ditch, and between the ditches and the pavements two long rows of poplars. The poplars near Chalons were like the poplars near Lyons. You would have sworn, again, that the poplars near Lyons had passed the diligence in the night, and had popped themselves down nearer Geneva, as you gazed with lack-lustre eye upon the tall vegetable productions which flanked your path on your approach to the sub-Alpine regions. Poplar—poplar—poplar—one who knows what it is to be sick of perpetual arguers—of perpetual punsters—of the ticking of Dutch clocks—of feminine exhortations—of the monotony of a sea voyage; but there is no perpetuity worse than a perpetuity of poplars, as any lady or gentleman who has ever been whirled over 500 miles of French *chaussée* must be well aware. It was Cowper who wrote :

“ The poplars are felled, farewell to the shade  
And the musical sound of the cool colonnade!”

And he actually got sentimental upon the subject. Had he ever travelled in the diligence from Marseilles to Paris he would have found other employment for his melancholy muse. Now, just as in travelling through France you meet with nothing but poplar—poplar—poplar, so in the investigation of the affairs of the Royal British Bank 'tis nothing but rogue—rogue—rogue. According to the time-honored Irish phrase, “One is so like both you cannot tell the other from which.” Each steps forward in turn and blandly offers his neck to Mr. Linklater's not very gentle grasp. Each gives his evidence with a degree of complacency which would be the most amazing thing in the world were it not that the acts of rascality which are narrated in the evidence are more amazing still. Is not that yonder smiling gentleman, who is giving his answers with a kind of benevolent reluctance, acknowledging unwillingly the struggles and triumphs of a well-spent life? Not a bit of it; he is testifying to his own share in a series of rascalities almost unequalled in the chronicles of commercial rascaldom. He is telling the court how he helped to rig the market, to steal the money of the shareholders, or to connive at the theft. He is explaining the mysteries of paying dividends, not out of the capital of the shareholders, but out of the deposits of the depositors. He and his accomplices were aware all the while that the till had been robbed of the last farthing available for the purposes of theft—and still they went on. Every additional day the bank was kept open, a fresh crime was perpetrated—still they went on. And in such a case can any substantial distinction be made between the persons who actually committed these series of

atrocious robberies and the man who stood by—who saw it all—who knew it all—who, as far as in him lay, helped to impose upon the public—and who held his peace? If a man strike another with a deadly weapon the law will imply malice; and what is the fair inference of intention from the conduct of the man who acts as the accomplice of thieves and makes no sign?

Before, then, touching at all upon the examination of Mr. Humphrey Brown, whose statements were received by the Bankruptcy Court on Wednesday last, we would call attention to a document quoted in the examination of Craufurd, last Monday. We beg exact attention to the date of the subjoined circular. All was ruin around them—hopeless, irremediable ruin—when the chairman, the deputy chairman and the directors did not shrink from making this further application to their shareholders:

ROYAL BRITISH BANK, Threadneedle street,  
*London, August 11, 1856.*

Sir,—In addressing you as a shareholder in this corporation, and therefore interested in its welfare, I am desirous, as far as I possibly can, to induce you to co-operate in improving the business of the bank, and in raising it to the level of similar institutions.

The progress of the bank has been considerably retarded by the want of exertion on the part of the proprietors in not keeping their own accounts with the bank, and in failing to induce their friends and connections still further to do so. On this principle the older joint-stock banks have based their great success, by urging on each proprietor the importance of an active canvass to bring fresh accounts, and to add to the bank's business and popularity.

The directors have, by every means in their power, acted on this principle, but without the co-operation of each individual proprietor our efforts must be only partially successful.

*Let me, therefore, beg you at once (if you have not already done so) to bring your own account and that of every friend you can influence to your own bank, where we fully believe the business facilities afforded are equal to any other joint-stock bank, and the benefits which will thus directly accrue to yourself as a shareholder must be most apparent.*

I am, sir, your obedient servant,

THOS. CRAUFURD, General Manager.

We should like to know who among the members of the board was a stranger to this most atrocious proceeding? It was, we presume, in consequence of this appeal that a poor woman, as was stated yesterday, deposited £300—her all—and within a day or two of the final closing of the bank. A protracted enjoyment of all the benefits arising from sea air at Portland would be the appropriate recompense for all persons engaged in so deliberate a swindle.

With regard to Mr. Humphrey Brown, the history of his connection with the bank is briefly told. He became a director on the 4th of February, 1853. In order to entitle himself to this honorable distinction it was necessary that the then M. P. for Tewkesbury should be a holder of ten shares of fifty pounds each. This little difficulty, however,

which might have thrown a temporary obstacle in the way of any man of less soaring genius, was nothing to Mr. H. Brown. He gave his note for the amount, and that note has not yet been paid. He commenced his dealings with the bank by paying in to his credit the sum of £18 14s. This account, which began with £18 14s. to his credit, ended in a debt of £77,000. The very same day that Mr. Brown paid in the large deposit above named with one hand, with the other he contrived to borrow from the concern £2,000 upon his note-of-hand. On the 12th of March he obtained an advance of £3,000, on the 2d of May of £4,000 more, on the 16th June of £7,000. By the 4th of September he had become liable to the bank for bills discounted to the amount of £22,000.

It is obvious that even Mr. Linklater, with all his ingenuity and all his pertinacity, has not succeeded in plumbing the depths of this black pool. Why, for example, were all these advances made to Brown? Who benefited by the transaction besides himself? It is merely childish to suppose that Brown, a perfect stranger, knocked at the door of the British Bank, gave his note-of-hand for £500, became director, and then obtained what advances he chose, simply as a question of general philanthropy and good feeling. There is far more behind of which we have not yet any idea, and which never will be got at, we fear, by any process now known to the law. There has, we cannot help believing, been a division of the spoil of which we have heard nothing.—*London Times, May 1st.*

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**BANK OF FRANCE—NEW CHARTER.**—According to the advices from Paris to-day, it appears that the amended measure for prolonging the privileges of the Bank of France, provides that the prices at which the bank are to take the £4,000,000 of three per cent. rentes that are to be issued from time to time to represent their new capital, is to be regulated by the average quotations of the month preceding the delivery of the stock, instead of being fixed at 75, as was at first contemplated. In no case, however, is the price to be below 75. Another modification, and one of a satisfactory character, is that the bank are to be allowed, under certain circumstances, to advance their rate of discount beyond 6 per cent. in a direct manner, instead of by charging a commission.

It is also stipulated that the bank shall establish branches in all the departments where they do not already exist, and that the rate for advances to the treasury is not to exceed 3 per cent. Finally, the most important among the new arrangements is the privilege of issuing 50f. notes. The professed aim of this step is to economise specie, and cause it "to find its way back to the coffers of the bank," so that it may "increase indirectly the quantity of specie which is necessary for circulation." By setting free a certain amount at present in use in France, it will increase the quantity of specie available throughout the world; but if the French financiers imagine it will permanently increase the supply in France relatively to other countries, they are under a delusion.

It is true that the first effect of the issue will be to augment the circulation, but this augmentation will be followed by a rise in prices which will operate on the exchanges by attracting foreign commodities, and result in a proportionate drain of bullion. This drain must continue until the aggregate note and specie circulation is brought back to its former limit, and then the only difference will consist in the circumstances of this aggregate being composed of a larger amount of paper and a smaller amount of bullion than is at present the case. The resolution, however, is not necessarily dangerous or unsound, since if the population prefer 50f. notes to gold, a diminished supply of the latter will suffice.—*London Times.*

## THE BANK OF ENGLAND.

THE Bank of England was first incorporated in the year 1694 upon a capital stock raised of £1,200,000, the whole of which was lent to the government of the day for the prosecution of the war with France, and in respect to which loan an annual payment of £100,000 was provided by act of parliament to be divided among the proprietors, so long as it remained unpaid. The charter of incorporation was to continue so long as this loan remained unpaid; but parliament reserved a right to liquidate it at any time upon *twelve months'* notice, after the 1st of August, 1705; and upon such repayment being made, the annual payment, as well as the corporation, was to cease and determine. This same condition has, we believe, been imported into every subsequent loan to the government, which, on their aggregate amount, reached £14,553,000—the precise amount of the capital stock of the corporation at this moment—so that in point of fact the whole stock of the Bank of England raised as capital, was so raised, not for the purpose of conducting its trade, but as loans advanced to the government. The charter of the Bank of England, therefore, does not rest upon what are usually termed the bank charter acts, renewed from period to period, but fundamentally upon the condition of certain loans to the government, upon the repayment of which alone could the charter be annulled. But there are certain privileges enjoyed by the Bank of England as a bank of issue, and as bankers to the government, which are not included in the original charter of incorporation; and it is in respect to these that the acts passed periodically chiefly refer, and with which parliament has a right to deal. The functions of the Bank of England in relation to the management of the public debt and the payment of the dividends rest upon the various loan acts under which the debt has been created. The Bank of England, therefore, exists as a corporation, and it exercises its functions in relation to the public debt, altogether independent of the act of 1844, which might be at once repealed without affecting it in those capacities.

In 1833, a sum equal to one-fourth of the capital stock of the debt due to the bank was liquidated, and it was accordingly reduced to £11,015,100, at which it now stands in the weekly returns of the bank. The sum thus repaid, £3,537,900, was kept by the bank as so much working capital, retaining the amount of the stock at £14,553,000, as shown in the weekly returns. But besides this, there is a reserved fund accumulated from the undivided profits, called "Rest," amounting to £3,300,000. The entire actual capital, therefore, employed by the bank and belonging to the corporation is £17,853,000, of which, £11,015,100 is advanced to the government, and £6,837,900 is employed in the business of the bank—the profits of the whole being divisible, however, among the holders of bank stock to the amount of £14,553,000—the value of a bank share thus including a participation in the large fund of £3,300,000 of "Rest."

The following table gives a clear view of the successive changes in the rate of discount by the Bank of England, subsequent to the amendment of the charter in 1844, to the close of the year 1856; showing, also, the condition of the bank at the respective dates, when a change was ordered.

I. As to circulation. II. Public deposits. III. Other deposits. IV. Loans on public securities. V. Other securities. VI. Bullion on hand. VII. Reserve of notes.

Date.	Circulation.	Public Deposits.	Other Deposits.	Public Securities.	Other Securities.	Bullion.	Reserve of Notes.	Rate of Disc't.
	£	£	£	£	£	£	£	Per cent.
1844.								
Sept. 7,	21,206,624	8,680,809	8,644,848	14,554,834	7,885,616	15,909,060	8,175,025	4
" 14,	20,863,880	4,417,067	8,475,101	14,554,834	8,146,689	15,907,771	8,620,220	2½
1845.								
Nov. 1,	23,153,745	4,487,058	9,099,787	13,208,188	13,429,813	13,885,043	5,219,775	3½
1846.								
Aug. 29,	21,311,811	7,142,312	9,161,863	12,961,785	13,295,457	16,366,068	9,449,760	3
1847.								
Jan. 16,	21,678,920	5,084,189	10,889,736	12,757,826	14,450,711	18,948,681	6,545,965	3½
" 23,	21,551,874	4,668,489	10,856,885	12,757,826	14,489,657	18,442,850	6,167,170	4
April 10,	21,890,957	4,984,875	11,257,744	13,574,444	18,184,877	9,887,068	2,882,915	5
Aug. 7,	19,504,577	5,570,606	7,985,597	11,643,230	16,302,175	9,352,820	3,946,245	5½
Oct. 23,	21,265,158	4,766,394	8,890,509	10,899,707	19,467,128	8,812,691	1,547,370	8
Nov. 30,	20,179,074	7,219,302	7,866,489	10,633,607	13,791,117	10,016,967	4,228,095	7
Dec. 4,	19,668,782	7,799,527	8,441,289	10,946,594	18,070,409	11,092,599	5,583,020	6
" 25,	18,680,098	9,285,973	8,223,208	11,065,267	16,979,060	12,286,526	7,766,180	5
1848.								
Jan. 22,	20,015,153	4,082,448	10,774,870	11,464,665	14,510,268	12,176,819	7,447,885	4
June 10,	18,631,480	5,638,828	9,056,842	12,097,257	11,283,651	18,889,925	9,505,815	3½
Oct. 28,	19,630,744	9,619,440	10,921,199	12,950,019	10,889,094	13,973,142	8,018,165	3
1849.								
Nov. 17,	19,212,250	7,245,920	9,912,504	14,322,067	9,730,592	16,087,620	11,027,655	2½
1850.								
Dec. 21,	19,715,187	10,788,903	9,201,634	14,263,269	13,762,797	15,859,876	10,288,710	3
1851.								
Dec. 27,	19,767,164	9,620,146	9,361,391	13,291,987	11,746,905	17,819,544	12,024,350	2½
1852.								
June 26,	22,610,653	7,596,979	12,684,026	13,874,526	10,755,295	22,042,668	14,244,620	2
1853.								
Jan. 8,	24,849,789	5,771,914	14,210,648	13,870,796	15,025,558	19,765,621	9,809,480	2½
" 22,	24,912,474	4,998,754	13,737,637	13,830,407	14,170,745	19,404,919	9,444,265	3
June 4,	24,813,459	4,635,454	12,302,839	13,124,638	14,632,359	18,258,984	8,366,970	3½
Sept. 3,	23,913,004	4,701,598	11,017,818	12,778,176	14,544,194	16,500,083	7,696,695	4
" 17,	23,557,902	6,007,583	11,053,973	12,527,893	16,740,663	16,593,399	6,977,155	4½
Oct. 1,	24,317,011	6,738,755	11,585,565	13,339,068	19,124,799	15,612,562	6,258,520	5
1854.								
May 6,	23,183,931	2,883,822	10,683,531	12,566,607	14,749,460	12,608,079	3,900,480	5½
July 29,	21,264,440	2,302,861	11,124,260	11,775,888	13,610,098	12,484,824	6,257,060	5
1855.								
April 7,	20,717,199	6,008,895	11,396,875	13,026,749	13,655,995	15,078,818	8,590,140	4½
May 5,	21,258,966	4,327,590	12,645,651	13,591,373	12,731,050	16,619,219	6,742,600	4
June 16,	20,870,995	5,586,754	13,307,714	12,681,068	12,399,704	13,060,716	11,814,900	3½
Sept. 8,	21,183,671	7,591,337	10,970,863	13,081,088	16,687,327	14,217,376	7,525,900	4
" 15,	20,768,610	7,386,531	11,146,703	12,799,369	17,388,784	18,093,465	7,896,600	4½
" 22,	21,174,423	8,144,309	11,487,955	12,126,026	19,915,763	12,883,929	6,195,670	5
Oct. 6,	21,804,102	7,106,524	10,537,643	11,413,143	19,791,298	12,379,281	5,473,470	5½
" 20,	21,261,384	8,625,021	11,764,060	10,636,859	18,789,512	11,280,207	4,810,435	6 & 7



Date.	Circulation.	Public Deposits.	Other Deposits.	Public Securities.	Other Securities.	Bullion.	Reserve of Notes.	Rate of Disc't.
1856.	£	£	£	£	£	£	£	Per ct.
May 24,	20,074,819	3,535,208	11,473,451	12,479,416	15,377,046	10,558,804	5,081,960	6
" 31,	20,829,208	3,686,524	10,745,271	12,612,119	14,042,418	11,884,656	5,686,640	5
June 23,	20,812,901	5,704,670	9,810,045	11,276,155	14,808,968	13,073,758	7,348,715	4½
Sept. 27,	21,151,029	8,409,551	9,956,818	11,964,953	19,616,384	11,769,873	5,879,710	5
Oct. 11,	21,501,901	8,001,501	9,848,919	11,378,905	21,049,117	10,140,067	2,381,690	6 & 7
Nov. 15,	20,825,251	4,924,785	10,113,268	10,467,969	19,054,017	9,694,167	3,008,515	7
Dec. 6,	20,755,142	5,570,709	9,297,193	10,640,867	17,389,715	10,484,193	5,151,830	6½
" 20,	19,385,293	6,891,949	9,493,093	10,870,421	17,654,460	10,513,822	5,263,590	6

The Bank of England has eleven branches, viz., Manchester, Swansea, Birmingham, Liverpool, Bristol, Leeds, Newcastle, Hull, Plymouth, Portsmouth and Leicester. All these branches issue notes of their own, and it is understood that the proportion of the whole of the Bank of England circulation, as between the bank in London and the branches, is, that two-thirds are issued from London, and one-third from the branches. Thus, out of a circulation of £21,000,000, the London notes would be £14,000,000, and the branch bank notes, £7,000,000. The notes of each branch only are payable in coin at the branch from which they are issued; but the whole, town and country notes equally, are payable in coin at the bank in London. Otherwise Bank of England notes are a legal tender in England, but *not* in Scotland or Ireland—provisions having been inserted in the acts of 1844–5 to make that clear.

From the time that the act of 1819 took effect, the whole question of the condition and operations of the Bank of England became changed. The circulation was no longer expanded or contracted in accordance with the will of the directors or the advances which they made. The principle of convertibility from that time insured that no more notes could be kept in circulation than were required for the public necessities. The bank might make advances in notes one day; but if they were in excess of the true quantity required for the transaction of business, they were instantly returned upon them for payment. From that time forward, excessive and imprudent advances by the bank, by which speculation has been encouraged, if not engendered, resulted not in an increase of issues, as has been so often assumed, but by a decrease in the amount of bullion. The first great period of financial interest that happened after the resumption of cash payments was in 1825, which terminated in a crisis at the close of that year, of greater intensity than any that has been known in the present century, if we except that of 1847. The crisis of 1825 was more severe as regarded bankers; that of 1847 was more severe as related to merchants and the public generally. From 1821, for some years, the accounts of the circulation are somewhat disturbed by the discontinuance of the issue of *one-pound* notes; and they are also imperfect from the fact that there is no account, that we are aware of, of the amount of country issues. With regard, however, to the Bank of England, we may safely take the aggregate amount of the notes as circulation of whatever denomination they are, for whether they were notes for sums under £5, or above £5, the

means which their issue furnished to the bank of affording accommodation, or of making advances, and the effect which they must have had upon speculation or trading transactions, or according to the theory of some in affecting prices, must have been precisely the same. No one will pretend that it is the denomination of the notes that are in circulation, but their amount only, that can produce any of the consequences adverted to. On the 21st of August, 1821, the aggregate circulation of the Bank of England was £20,295,000; in 1822 it fell to £17,464,000; in 1823 it rose to £19,231,000, notwithstanding the great depression of trade; in 1824 it rose to £20,132,000; and in 1825, in the midst of the wildest speculation and excitement almost ever witnessed, it stood at £20,753,000 in February, and at £19,398,000 in August. But what in the mean time was the case with regard to the advance of capital by the bank, as shown by the increase of securities and the decrease of bullion? In August, 1821, the amount of private securities was £2,722,000, and of all securities, £18,475,000. In August, 1825, the advance upon private securities amounted to £7,691,000, and upon all securities to £25,106,000, being an increase in capital advanced—lent to the public—of nearly £7,000,000. Was that increase of loans rendered possible by the issue of paper? The above figures show that it could not be. What, then, was it? Turn to the column which shows the amount of bullion; there we find that in August, 1821, it stood at £11,233,000, in 1825 at £3,634,000. While, therefore, there was an increase of securities of nearly £7,000,000, a decrease of bullion had taken place exceeding that sum. Was it excessive issues of notes, then, or was it excessive advances of capital in the shape of bullion, that formed the excessive loans which stimulated the speculation of 1825? Whatever may have been the state of the circulation of country banks, and no doubt it was bad enough, it is yet certain that it could not affect *advances* made by the Bank of England; and therefore that it could not affect the question in hand. In the beginning of 1820, the sudden issue of £1,000,000 of one-pound notes, and the extensive advances made by the bank to replace the country circulation which then became discredited, caused a great increase in the circulation of the bank, which quickly subsided with a restoration of confidence.

The next period, which is always referred to as being remarkable for the lesson it teaches in monetary science, was the great American panic of 1837, following the year of extremely excited speculation of 1836, and the prosperous year of 1835. Fortunately, with regard to this period, we have materials far more complete to guide us in our investigation as to its real causes. That crisis, again, has always been attributed to "*excessive issues.*" Well, in the first table which we publish, there is given the monthly circulation, not of the Bank of England only, but also of all the issuing banks in the United Kingdom. From the beginning of 1834 was a period of deep depression; so much so as to have been the subject of parliamentary debates. There was no excitement, no speculation in that year. If we turn to the tables we find that the circulation of the Bank of England was £19,234,000, and the aggregate circulation of the United Kingdom, £37,855,000 in January. Now let the reader carefully cast his eye down the columns which lead

him from the cool depression of 1834, with the prevailing commercial and agricultural distress, through the reviving and prosperous year of 1835, into the excited, highly stimulated and speculative year of 1836, and the first three months of 1837, when the great American bubbles burst, and when all the country was panic-stricken. To his astonishment he will find that during the whole of that period that change from deep depression to high excitement, without any law, but the self-working of the act of 1819, to regulate it, the circulation of the Bank of England and of the United Kingdom continued, month after month, with the slightest fluctuations, and that upon the whole it was as high in 1834 as in 1835 or 1836. The year of 1836 began with a circulation of £37,779,000, and closed with £36,753,000, as nearly as possible the same as in 1834. If the circulation of the Bank of England is taken by itself, we find an actual and large reduction in 1836 as compared with 1834. But if we turn again to the table at page 8, we find, as in 1825, the true explanation. In the month of February, 1834, the amount which the Bank of England had advanced upon private securities was £8,524,000. It rapidly increased, and in February, 1837, stood at £15,000,000. Here we have the elements which furnished the increased means for speculation; but was the Bank of England enabled to make these large advances by increased issues? On the contrary, the issues of the bank in February, 1834, amounted to £19,452,000, and in February, 1837, to £18,535,000; the advances had increased by £6,500,000; the circulation had diminished by nearly £1,000,000. Was it, then, excessive *issues* that furnished the means for speculation in 1836? Turn to the bullion column again, and the whole matter is explained. In February, 1834, the average amount of bullion was £9,556,000; in the month of February, 1837, it was £3,938,000. Speculation had been fed by undue advances of capital in the shape of bullion; and it is quite clear that the same thing might have happened, and probably would have happened, had the bank issued no notes at all, and if the circulation had been purely metallic.

During the last four years the bank directors have shown that they have grown wise by experience. The true principle of banking has at last been admitted and acted upon. The provisions of the bank act of 1844 have been disregarded as regulating influences, and the question of the circulation has been entirely lost sight of. The sole points that in reality have been kept in view are, the demand upon the bank for accommodation as indicated by the amount of securities, and the reserve of bullion in the bank. What is termed the reserve of notes is only another means of arithmetically stating the bullion. In 1853 a demand for money arose; they raised the rate of discount from 2 to 3, to 3½, to 4, to 4½ and to 5 per cent., while yet the bullion had not fallen below £15,612,000 on the 1st of October. In May, 1854, they raised it to 5½. Again, in 1855, when the same symptoms appeared, they raised the rate of discount to 5 per cent., then to 5½ per cent., then to the rates of 6 and 7 per cent., according to the date of the bills; and at those rates stood the minimum of bank discount from October, 1855, to May, 1856. Again, in the last autumn, acting upon the same principle, the rate of discount was raised from 4½ to 5 per cent., then to 6 and 7

per cent., according to the date of the bills, and then to 7 per cent. for all bills; before the close of the year they reduced it again to 6 per cent. But during all these changes let the reader examine, is there any connection with the amount of notes in circulation? Compared with these real vital elements of the bank returns, the circulation for the entire period looks like a fixed quantity. But while the advocates of the bill of 1844 have placed a most undue importance upon the restriction which was placed upon the circulation, those who expect relief in periods of pressure from a larger issue of notes are equally, if not more, at fault. Bank notes will never supply the place of capital, and it is capital only that is deficient at such times; but the supporters of the bank act cannot be surprised if, after the importance they attach to circulation, the public should attribute to it qualities which it does not possess.

The result of these observations, therefore, is, that without good management and wise discretion on the part of the directors of the bank, the act of 1844 is entirely powerless to prevent mischief, as has been seen by the events of 1847; that with good management and the exercise of a wise discretion, such as have prevailed in the councils of the bank parlor during the last four years, the monetary affairs of the country are safe; but not by the adoption of any theory in connection with the circulation, but by the plain and intelligible course of regulating the rate of discount in accordance with the demand, and of taking the earliest precaution against an inconvenient reduction of the reserve of bullion. We cannot repeat too often that the two great points for practical men of business to watch are, the advances upon private securities and the amount of bullion. These are the two alone which must determine the value of money—the rate of discount.

We cannot conclude these observations without calling attention to what must be regarded as a very striking and significant feature in the present state of the money market, and which is indicated by these returns, and the importance of which will be more plain when taken in connection with the foregoing observations. It is the amount of bullion held by the Bank of England. This will be observed more strikingly by referring to the first table of monthly returns, then the last one of weekly returns. It will be seen that in no year since 1842, not even excepting 1847, has the bullion stood so uniformly low throughout the year as in 1856—and that notwithstanding the large importations during the year.

We have only further, in respect to the foregoing tables, to call attention to the extraordinary progress which has been made in the commerce and navigation since we adopted a policy of entire freedom from all restrictions, and relied only upon individual energy and freedom, unfettered by parliamentary regulations. But it must never be lost sight of, that an increase of trade means an increased employment of capital, an increased demand for accommodation, and a high rate of interest. In twelve years the trade and navigation of the country have both more than doubled—a fact which is quite sufficient to account for the discount of bills being at the present time 6 per cent.—*London Economist.*

## THE LAW OF INDORSEMENT.

## OF THE RIGHTS AND DUTIES OF AN INDORSER.

[From PARSONS' Elements of Mercantile Law.]

ONLY a note or bill payable to a payee or order is, strictly speaking, subject to indorsement. Those who write their names on the back of any note or bill, are indorsers in one sense, and are sometimes called so. The payee of a negotiable bill or note—whether he be also maker or not—may indorse it, and afterwards any person, or any number of persons, may indorse it. The maker promises to pay to the payee or his order; and the indorsement is an order to pay to the indorsee, and the maker's promise is then to him. But if the original promise was to the payee or order, this "or order," which is a negotiable element, passes over to the indorsee, and he may indorse, and so may his indorsee, indefinitely. Each indorser, by his indorsement, does two things; first, he orders the antecedent parties to pay to his indorsee; and next, he engages with his indorsee that if they do not pay, he will. What effect an indorsement of a negotiable note or bill, by one not payee, before the indorsement by payee, should have, is not quite certain. Upon the whole, however, we should hold, with some reason and authority, that, where such a name appears, as it may be made to have the place of a second indorser whenever the payee chooses to write his name over it, it shall be held to be so intended, in the absence of evidence; and then, of course, it gives the payee no claim against such a party, because a first indorser can have none against a second, but the second may have a claim against the first. But evidence is receivable to prove that the party put his name on the note for the purpose of adding to its security, by becoming responsible for it to the payee. And then, if he indorse the note before it was received by the payee, the consideration of the note attaches to him, and he may be held either as surety for consideration or as a maker. If he wrote his name on the note after it was made, and, at the request of the payee or other holder, he is bound only as guarantor or surety, and the consideration of the note being exhausted, he is bound only by showing some new and independent consideration. No one who thus indorses a note not negotiable can be treated or considered precisely as a second indorser, whatever be the names on the paper before his own; but any indorser of such a note or bill may be held to be a new maker or drawer, or a guarantor or surety, as the circumstances of the case indicate or require; but either the original consideration or a new one must attach to him to affect him with a legal obligation.

If the words "to order," or "to bearer," are omitted accidentally and by mistake, it seems they may be afterwards inserted without injury to the bill or note; and whether a bill or note is negotiable or not, is held to be a question of law. By the law-merchant, bills and notes which are payable to order, can be effectually and fully transferred only by indorsement. This indorsement may be *in blank* or *in full*. The

writing of the name of the payee—either the original payee or an indorsee—with nothing more, is an indorsement in blank, and a blank indorsement makes the bill or note transferable by delivery, in like manner as if it had originally been paid to bearer. If the indorsement consists not only of the name, but of an order above the name, to pay the note to some specified person, then it is an indorsement in full, and the note can be paid to no one else; nor can the property in it be fully transferred, except by the indorsement of such indorsee; and he may again indorse it in blank or in full. If the indorsement is paid to A. B. *only*, or its equivalent words, A. B. is indorsee, but cannot indorse it over.

Any holder for value of a bill or note indorsed in blank, whether he be the first indorsee or one to whom it has come through many hands, may write over any name indorsed an order to pay the contents to himself, and this makes it a special indorsement, or an indorsement in full. This is often done for security, that is to guard against the loss of the note by accident or theft. For the rule of the law is, that negotiable paper transferable by delivery, (whether payable to bearer or indorsed in blank,) is, like money, the property of whoever receives it in good faith. The same rule has been extended, in England, to exchequer bills; to public bonds payable to bearer; and to East India bonds; and we think it would extend here to our rail-road and other corporation bonds; and, perhaps, to all such instruments as are payable to bearer, whether sealed or not, and whatever they may be called. If one has such an instrument, and it be stolen, and the thief passes it for consideration to a *bona fide* holder, this holder acquires a legal right to it, because the property and possession go together. But if the bill or note be specially indorsed, no person can acquire any property in it, except by the indorsement of the special indorsee. It is said, however, that this precaution protects only the party who has thus made himself a special indorsee, and that the former parties remain liable in the same way as if the indorsement continued blank.

At one time this acquirement of property in negotiable paper was defeasible by want of proof or care; that is, if a holder lost his note, and a thief or finder passed it off to a *bona fide* holder, the property did not pass, if the circumstances were such as to show negligence on the part of the purchaser, or a want of due inquiry. But this question of negligence seems now to be at an end, and nothing less than fraud defeats the title of the purchaser.

The written transfer of negotiable paper is called an indorsement, because it is almost always written on the back of the note; but it has its full legal effect if written on the face. Joint payees of a bill or note, who are not partners, must all indorse. An indorser may always prevent his own responsibility by writing "without recourse," or other equivalent words over his endorsement; and any bargain between the indorser and indorsee, written or oral, that the indorser shall not be sued, is available against that indorsee, but not against subsequent indorsees without notice. A bill or note may be indorsed conditionally, and an acceptor of a bill so indorsed, who paid it before such

condition is satisfied or complied with, has been held to pay it again after the condition is performed.

Every indorsement and acceptance admits conclusively the signature of every party who has put his name upon the bill previously in fact, and is also previous in order. Thus an acceptance admits the signature of the drawer, but not the signature of one who actually indorses before acceptance, because *acceptance* is in its nature prior to indorsement. If a holder strike out an indorsement by mistake, he may restore it; if on purpose, the indorser is permanently discharged. If the plaintiff, in his declaration, derives his title through all the previous indorsements, all must be there, and proved. But a holder may bring his action against any prior indorser, and fill any blank indorsement, specially to himself, and sue accordingly; but then he invalidates subsequent indorsements. The reason is, that he takes from them all right to indorse; thus, for example, if A. makes a note to B., and B., C., D., E. and F. indorse it in blank, and G., the holder, writes over C.'s name, "pay to G.," it is as if C. had written this himself, and then G. only could indorse, and, of course, D., E. and F. could not, as they were mere strangers. And a holder precludes himself from taking advantage of the title of any party whose indorsement is thus avoided. Nor can he strike out the name of any indorser prior to that one whom he makes defendant; for, by so doing, he deprives the defendant of his right to look to the party whose name is stricken out, and this discharges the defendant.

One may make a note or bill payable to his own order, and indorse it in blank; and this is now very common in our commercial cities, because the holder of such a bill or note can transfer it by delivery, and it needs not his indorsement to make it negotiable further.

A transfer by delivery, without indorsement, of a bill or note payable to bearer, or indorsed in blank, does not generally make the transferer responsible to the transferee, for the payment of the instrument. Nor has the transferee a right to fall back, in case of non-payment, upon the transferer for the original consideration of the transfer, if the bill were transferred in good faith, in exchange for money or goods; for such transfer would be held to be a sale of the bill or note, and the purchaser takes it with all risks. But it seems not to be so where such a note is delivered either in payment or by way of security for a previously existing debt. Then if the transferer has lost nothing by the reception of the note by the transferee—because if he had continued to hold the note, he would have lost it—there seems to be no reason why the transferee should lose it. We have no doubt that such a transferer may make himself liable, without indorsement, by express contract; and that circumstances might warrant and require the implication that the bill or note so transferred remained, by the agreement and understanding of both parties, at the risk of the transferer. And every such transferer warrants that the bill or note (or bank-note) is not forged or fictitious.

An indorsement may be made on the paper before the bill or note is drawn; and such indorsement, says Lord Mansfield, "is a letter of credit for an indefinite sum, and it will not lie in the indorser's mouth to say that the indorsements were not regular." The same rule applies to an acceptance on blank paper. So, an indorsement may be made after or

before acceptance. If made after a refusal of acceptance, which is known to the indorsee, he takes only the title of the indorser, and is subject to all defences available against him. A bill or note once paid at or after maturity ceases to be negotiable, in reference to all who could be prejudiced by its transfer. So, where a bill drawn payable to a third person, by whom it is indorsed, is dishonored and taken up by the drawer, it ceases to be a negotiable instrument; for the drawer has no title to indorse it. But if one draw a bill payable to *his own order*, and indorse it over, and, upon the bill being dishonored, take it up, he may indorse it again, and this last indorsee can recover against the acceptor. And if a bill or note is paid before it is due, it is valid in the hands of a subsequent *bona fide* indorsee.

A portion of a negotiable bill or note cannot be transferred so as to give the transferee a right of action for that portion in his own name. But if the bill or note be partly paid, it may be indorsed over for the balance. If an action be brought on the bill or note, no transfer during the pendency of such action gives to the transferee a right of action, unless he was ignorant of the action; then the transfer is valid.

After a holder's death his personal representative should transfer. But it seems that if a note needing indorsement was indorsed by the holder, but not delivered, the executor cannot complete the transfer by delivery. The husband who acquires a right to a bill or note given to the wife, either before or after marriage, may indorse. One who may claim payment of a bill or note, and of whom payment may also be demanded, or one who is liable to contribute for the payment of a note, cannot sue upon it. But if only the technical rule—that the same party cannot be plaintiff and defendant—prevents the action, it may be avoided by indorsement over to another before maturity.

*Parsons' Elements of Mercantile Law*, ch. ix.; see article *Bills of Exchange*; *Story on Bills*; *Kent's Commentaries on American Law*.

**BANK OF IRELAND.**—At the December meeting of the proprietors of Bank of Ireland stock, a dividend of 4½ per cent. for the half year, (at the rate of 9 per cent. per annum,) free of income tax, was declared; and the Governor, Mr. John Ennis, stated that there would remain £12,090, out of the half-year's profits, to be added to the "rest" fund, which now amounts to £1,040,000. The Irish Banks generally continue to make large profits, owing to the activity of trade, the soundness of credit and the prosperity of agriculture.

**THE OPIUM TRADE.**—The first of a series of tracts about to be published by the London Society for the Suppression of Opium Smuggling, contains the following:

"The opium trade has interfered with the legitimate trade to an unusual extent since the opening of the Northern ports. Silk, in particular, has been taken in barter for opium to a very large extent. Before the treaty, the shipments of raw silk to Great Britain were from 3,000 to 5,000 bales annually. It has increased more than five-fold. This would have operated favorably upon the import of manufactured goods; but the silk taken in barter for opium was shipped to England, and sold at a profit, whilst Lancashire and Yorkshire goods, the legitimate articles of exchange, would have rotted in the stores at Shanghai, had the factors not pushed them off for what they would fetch."



## NORTH AMERICAN TRUST AND BANKING COMPANY.

THIS case has been before the courts of this State for several years, involving a large sum of money. The case, as brought before the Supreme Court of New York, was contained in our No. for November, 1854, pp. 349, 354. The Court of Appeals closed its term on Friday, July 3, 1857. Among other decisions rendered are the following propositions adopted by the court in the decision of the North American Trust and Banking Company cases. The cases were argued in January term last by Messrs. Beardsley, Hall and Bronson, for the Receiver, and Messrs. Kent, O'Connor, Butler and W. C. Noyes, for the Trustees and foreign creditors.

The import of the ruling in these cases is, that the claims of foreign creditors are established with slight modifications, and the million trust, also the first half million trust, which secured these foreign creditors, are declared valid. The following resolutions were adopted by the court:

## RESOLUTIONS.

1. The million and half million trusts sanctioned in the pleadings and proofs, are not void under the 8th section of the statute "to prevent the insolvency of moneyed corporations." (1 R. S. 591.)

2. The said trusts are not void under the 9th section of the said statute, it being the opinion of the court that they were not made with intent to give a preference to particular creditors over other creditors.

3. The trusts are not void under the statute, (2 R. S. 135, sec. 1,) on the ground that they were made for the use of the North American Trust and Banking Company, it being the opinion of the court that the statute applies only to conveyances, &c., primarily for the use of the grantor, and not to instruments for other and active purposes, where the reservations to the grantor are incidental and partial.

4. The said trusts were not made with intent to hinder, delay or defraud creditors, and therefore they are not void on that ground.

5. The North American Trust and Banking Company had power to borrow money, and prior to the 3d day of June, 1840, banking associations could lawfully issue time paper to secure a debt for moneys loaned, with or without the corporate seal; provided such paper was not intended or calculated to circulate as money; and the trust bonds in the two trusts were not of a description falling within this proviso.

6. Prior to the said 3d of June, 1840, the said trust bonds were issued and pledged to Palmers, McKillop, Dent & Co., in London, to secure their debt and future advances, with power to sell the same according to the original design of the trust. Such pledge was valid and it entitles the Palmers, &c., still holding 377 of the million, and 180 of the half million bonds, under the same, to the benefit of the two trusts along with other bondholders.

7. The said bonds, when so issued and pledged, and when portions of the same were sold, were English contracts, and the loans or advances

procured on the sale of 499 of them belonging to the million trust were not usurious by the then existing law of England, being exempted from the usury laws of that country, by statute of 2d and 3d Victoria, chap. 37.

8. Even if said loans upon the 499 bonds were usurious, the appellant, as receiver, representing as he does the corporation, is prohibited by the statute of this State, passed in 1850, chap. 172, from setting up the usury in these cases in any stage thereof.

9. The holders of the said 499 bonds are therefore entitled to share in the benefit of the million trust.

10. The loan nominally of \$250,000 procured from the Philadelphia banks was a Pennsylvania contract, and although it may have been usurious, nevertheless, by the law of that State, the contract was imperative only for the excess of interest over six per cent., the lawful interest.

11. The pledge of the 270 half million bonds to said banks was valid, although the twelve certificates of deposit, amounting to \$250,000, issued by said company, were prohibited by the statute of May 14, 1840, which took effect June 3, 1840, it being the opinion of the court that the intention and legal effect of the pledge were to secure the payment of the money loaned, and it being also the opinion of the court that the alleged voidness of the certificates of deposit issued for the re-payment of said loan does not affect anything else in the contract.

12. The assignees of the said Philadelphia banks have, therefore, a right to share in the benefit of the half million trust, as holders of the said 270 bonds.

13. The Messrs. Holfords & Co. have a right to share in the million trust as pledges and holders of 24 of the bonds in that trust.

14. The general account of Palmers, McKillop, Dent & Co., against the North American Trust and Banking Company, including the advances made by them to take up the Davis Bills, so called, constitutes a legal and valid debt, to be reduced, however, by computing interest at five per cent. only, instead of seven per cent., and by striking out the commissions on the sale of so many of the million bonds as they themselves purchased.

The decision given a few days since in the New York Court of Appeals, in the great North American Trust and Banking Company suit, will create a great sensation in the financial circles of England, where a very large proportion of the bonds of the Trust Company were owned. The suit was begun fifteen years ago, and involved no less than two millions of dollars. It grew out of certain trust deeds made by the North American Trust and Banking Company, previous to its failure, to Richard M. Blatchford and others, trustees, to secure a large indebtedness, principally due to Palmers, McKillop, Dent & Co., of London, and the Bank of the United States and Girard Bank, in Philadelphia. David Leavitt, on the failure of the company, was appointed receiver. He desired to set aside these two trust deeds, and plead their invalidity. This plea was carried to the courts, and has been pushed from that time to this, through all the tribunals having jurisdiction. The Supreme

Court decided against the receiver, and in favor of the validity of the bonds. This decision was carried up, and the entire of the January term of the Court of Appeals was occupied by eminent counsel in arguing the appeal. The decision just now made public, fully sustains the unanimous conclusions of the Supreme Court, and irrevocably establishes the validity of the bonds. The decision now made involves a greater amount of money than any one cause ever decided in the courts of New York; and we have heard it stated that the costs and counsel fees amount to more than one hundred and thirty thousand dollars. The order of payments directed by the court is such that there is little prospect, from present appearances, of enough being left to reimburse Mr. Leavitt's expenses for counsel. Since the decision of the Supreme Court, pronouncing the trusts valid, the stock of the North American Trust and Banking Company has not been seen in the market; but previous to that it was one of the favorite Wall-street fancies, much speculation having been got up in it on the faith that the loans would be declared illegal. The court has decided otherwise. As high as four per cent. was paid for the stock by speculators alluded to, who will lose it all.

The following is a summary of the propositions deducible from the decision given in the case of *Tracy vs. Talmadge*, President of the North American Trust and Banking Company, by the Supreme Court of New York, Judges Roosevelt and Clarke presiding, 1854.

1. The free banks, under the unlimited power expressly given to them to "discount," not only bills and notes, but all other "evidence of debt," may lawfully discount, or buy at a discount, the bonds or sealed notes or other evidences not only of the private debt of individuals but of the public debt of a State, and that it matters not whether the discount be made with a view to their general banking operations or for the specific purpose of depositing the bonds or notes so discounted with the Comptroller, as security for their circulating medium.

2. The free banks, until the act of 1840, were not prohibited from issuing time paper, whether adapted to circulate as a currency or not.

3. By the act of 1840 the free banks were not prohibited from giving, in fulfillment of their lawful contracts, their promissory engagements on time, provided such engagements, in form and substance, were not adapted and were not in fact intended "to circulate as money."

4. At all events, the contract in question, made as it was long prior to the act of 1840, and stipulating for a payment, by instalments, none of them less in amount than twenty-four thousand seven hundred and fifty dollars, was not a violation of any statute in relation to the currency existing at the time, either in letter or spirit.

5. The free banks, although possessed of certain corporate attributes, and subject to certain corporate liabilities, are not "bodies corporate," within the meaning of the framers either of the constitution or of the general banking law.

6. At all events, penal regulations, involving forfeiture or imprisonment, enacted in reference to corporations proper, cannot, by mere implication, and especially if contrary to the known intention of the legislature, be extended to the free banking associations, even admitting them, in other respects, to be *quasi* corporations.

## JUDGMENT OF THE COURT OF APPEALS.

*Richard M. Blatchford and others, Trustees, vs. David Leavitt, Receiver, &c.*—Original suit. *David Leavitt, Receiver, &c., vs. Richard M. Blatchford and others, Trustees.*—Cross suit. Ordered that the decree of the Supreme Court in these cases be modified as follows:

1. The London firm of Palmers, McKillop, Dent & Co., are entitled to only five instead of seven per cent. on the advances which constituted the debt against the North American Trust and Banking Company, and they are not entitled to commissions on the sale of so many of the million trust bonds as they purchased themselves; their account to be stated with these deductions only; and unless the parties agree upon the sum due to said firm, so as to insert the same in the decree of this court, to be settled before one of the judges thereof, then such decree to provide for a reference in the Supreme Court, for the purpose of re-stating such account.

2. So much of the decree of the Supreme Court as declares the twelve certificates of deposit issued by the North American Trust and Banking Company to the Bank of the State of New York and the Girard Bank to be legal and valid is reversed, but without any prejudice to the contract of the loan upon which said certificates were issued, or to the pledge of two hundred and seventy half million trust bonds as security for such loan.

Ordered further, that the said judgments or decree of the Supreme Court, except as herein modified, be affirmed; but the court not intending in this affirmance to establish that the 1,350 trust bonds were sealed obligations according to the laws of the State of New York, as declared in said decree, or that either of the trust deeds were made in virtue of or authorized in fact by any previous resolution of the Board of Directors of the North American Trust and Banking Company as also declared in said decree:

Ordered further, that the taxable costs and counsel fees of the respondents, the trustees, Blatchford and others, be first paid out of the funds embraced in the two trusts mentioned in the pleadings, and judgment in this cause; that the taxable costs of the other respondents be next paid out of the same funds, and that after said costs and counsel fees of the trustees, and said taxable costs of the other respondents are paid, and the claims of the bondholders are satisfied, then that the taxable costs, disbursements and counsel fees on this appeal of the appellant, the receiver, be paid out of the same funds as aforesaid. If said funds are insufficient to pay said costs and counsel fees of the trustees, and the taxable costs of the other respondents and the claims of the bondholders, then a sum equal to the taxable costs of all the respondents is to be paid to the special receiver, by the said appellant, for the benefit of the bondholders, out of any funds in his hands, or which may come to his hands as receiver, after satisfying, however, any allowances which may be made to him by competent authority, out of such funds for his said costs and counsel fees.

Ordered further, that the decree to be entered hereon be settled and approved by Judge Comstock.

## BANK STATISTICS.

## MASSACHUSETTS.

[From the Circular of Mr. J. G. Martin, No. 10 State-street, Boston.]

THE following statement, from the official returns, shows the condition of the banks in Boston, weekly, for the year past, and also a like exhibit of the New York City banks. The totals and averages for the previous two years are also given, for comparison with the one included in the table :

## BANKS IN BOSTON.

*Capital Stock.*—This item has remained without change at \$31,960,000, since December 3, 1855. The legislature recently chartered, with a capital of \$1,000,000, the "Hide and Leather Bank," which will probably go into operation without delay. This is all the capital allotted to Boston, though two other new banks, and considerable increase of capital among the existing banks, was petitioned for.

The Merchants' Bank has the right to further increase its capital \$1,000,000, under the general banking law, (\$4,000,000 to \$5,000,000,) and may avail itself of the privilege during the present season. \$1,000,000 of its present capital is under the general law.

*Loans and Discounts.*—The highest point of the loans the year past was \$53,962,536, February 9, 1857, and the lowest, \$51,054,304, December 1, 1856. The year previous they stood highest, \$54,343,166, October 15, 1855, and lowest, \$48,794,226, December 3—at the time of the failure of the Grocers' Bank—the week following, \$49,421,017; and with these two exceptions, were not below \$50,000,000, for the year ending May 26, 1856. Since which, the extreme fluctuations have been only \$2,908,232. Opening at \$52,305,398, the loans held very even for a number of weeks, and then gradually increased, until reaching \$53,733,488, September 15, from which the falling off was gradual to \$51,054,304, the lowest point, December 1. The increase was quite rapid for a few weeks, and then more gradual until the *maximum* of \$53,962,536, February 9, 1857. Since then there has been very little change from week to week—the extreme variation being \$1,369,355. It will be seen that the *average* of loans for the year ending May 25, 1857, was \$145,060 larger than for the year previous.

*Specie in Bank.*—This item shows its highest point at the close of the year given, (\$4,038,782, May 25,) having exceeded four millions the first time for just a year. Opening at \$3,976,721 on a declining average, it gradually fell off, with some slight "ups and downs," until touching \$2,791,454, December 1, 1856, the lowest point. From this depression it immediately rallied, however, and steadily increased to \$3,922,859, February 2, 1857; then falling off again to \$2,879,160, March 9. Since which a very gradual increase has been maintained weekly to the

present time. For the year previous to that of the table, the lowest point was \$2,127,544, (November 12, 1855,) and highest, \$4,631,919, (April 21, 1856,) with large and sudden fluctuations, while the past year has run more even, and *averaged* \$140,650 more than the previous one.

*Actual Deposits.*—These, also, were highest at the close of the year, (\$18,269,681, May 25,) and lowest, \$14,889,428, on the 9th of March. The variations have not been marked at any period of the year, scarcely changing more than half a million in any one week, and in most cases not near so much. Since the lowest point (March 9) the increase has been steady and very gradual, excepting \$1,297,727 for the week ending April 6. The highest for the year ending May 26, 1856, was \$17,382,004, May 5, and lowest, \$13,051,782, Nov. 26, 1855—the *average* of that year being \$999,742 less than the present one.

*Circulation.*—The highest point of circulation, \$7,972,580, was touched September 15, 1856, and lowest, \$6,423,018, March 30, 1857, the extreme variation being only \$1,549,562. The highest in the year previous was \$8,651,938, November 12, 1855; and lowest, \$6,800,947, May 31, 1856—the *average* of that year being \$462,500 larger than the present year—which shows an opposite result in comparison with all the other items.

#### MASSACHUSETTS BANKS OUT OF BOSTON.

When the first monthly return was made, July 1, 1854, the number of banks in Massachusetts, out of Boston, was 115, with a capital of \$22,659,760. These have since increased to 137, and a present capital of \$26,885,000. The details of figures below will show their aggregate movements for the year past:

#### MONTHLY STATEMENT FOOTINGS.

<i>Date of Returns.</i>	<i>Capital Stock.</i>	<i>Loans &amp; Discounts.</i>	<i>Specie in Bank.</i>	<i>Due from other Banks.</i>	<i>Due to other Banks.</i>	<i>Deposits.</i>	<i>Circul'n.</i>
July 5, '56..	\$26,510,000	\$47,068,487	\$1,092,468	\$4,022,110	\$401,291	\$6,801,180	\$16,726,887
Aug. 2,....	26,510,000	47,290,764	1,108,861	4,086,347	428,389	6,789,695	16,557,655
" 30,....	26,510,000	47,829,758	1,100,007	4,155,807	415,961	6,755,678	16,549,928
Oct. 4,.....	26,510,000	48,027,144	1,089,568	4,538,900	428,077	7,008,904	17,292,229
Nov. 1,.....	26,639,263	48,254,709	1,106,008	4,664,860	467,164	7,258,875	17,948,447
" 29,.....	26,645,900	47,982,742	1,098,679	4,054,846	462,688	6,902,684	17,823,234
Jan. 8, '57..	26,611,980	46,954,842	1,051,770	8,907,945	408,869	6,687,518	16,168,812
" 31,....	26,568,763	46,558,488	1,070,383	4,268,388	453,058	6,721,584	15,977,269
Feb. 28,....	26,881,656	47,199,814	1,078,951	4,061,249	459,176	6,716,267	15,881,940
April 4,....	26,884,375	47,697,489	1,063,008	4,237,065	429,698	6,748,861	16,407,562
May 2,....	26,847,500	48,002,185	1,068,365	4,675,750	408,508	7,214,080	17,468,816
" 30,....	26,885,000	47,279,719	1,089,814	4,166,501	396,270	6,944,926	16,896,506
Tot. '56, '57.	\$319,902,485	\$599,615,535	\$12,997,321	\$50,726,118	\$5,154,578	\$22,383,549	\$200,698,658
Average,...	26,669,540	47,467,961	1,099,277	4,237,176	429,548	6,965,712	16,794,888
Tot. '55, '56.	\$18,512,618	\$58,740,885	\$2,658,941	\$9,570,515	\$,820,969	\$7,405,048	\$95,756,078
Average,...	36,126,062	46,145,074	1,054,995	4,180,876	455,062	6,450,421	16,218,006
Tot. '54, '55.	\$29,764,666	\$12,085,705	\$1,688,964	\$7,993,791	\$,124,627	\$7,908,579	\$84,933,245
Average,...	24,480,889	42,673,809	969,918	3,999,896	427,062	5,653,682	15,415,687

## BANKS IN BOSTON.—WEEKLY STATEMENT FOOTINGS.

Date.	Loans and Discounts.	Specie in Bank.	Actual Deposits.	Circuln.
June 2, 1856.....	\$52,906,293	\$3,976,731	\$16,126,488	\$4,877,537
“ 9.....	52,245,595	3,502,546	15,859,376	7,180,766
“ 16.....	52,906,508	3,739,140	15,596,896	6,963,901
“ 23.....	52,231,264	3,780,500	15,723,361	6,896,390
“ 30.....	52,237,180	3,640,316	15,452,360	6,623,922
July 7.....	52,458,058	3,546,596	16,091,404	7,114,423
“ 14.....	52,313,586	3,679,237	15,292,268	7,210,930
“ 21.....	52,467,573	3,679,263	15,927,963	7,310,433
“ 28.....	52,506,495	3,660,057	16,224,117	6,763,466
Aug. 4.....	52,600,315	3,327,617	16,500,373	6,660,337
“ 11.....	52,007,866	3,561,591	16,342,452	7,090,342
“ 18.....	52,180,786	3,325,892	16,021,909	6,790,022
“ 25.....	52,172,923	3,948,790	15,732,209	6,751,304
Sept. 1.....	52,160,952	3,737,065	15,613,629	6,833,044
“ 8.....	52,617,342	3,629,170	15,941,013	7,121,437
“ 15.....	52,733,483	3,519,049	15,703,137	7,972,530
“ 22.....	52,253,902	3,479,425	15,637,606	7,450,355
“ 29.....	52,092,304	3,392,731	15,863,523	7,063,513
Oct. 6.....	52,333,230	3,436,696	16,337,424	7,756,013
“ 13.....	52,523,650	3,490,253	16,439,524	7,672,633
“ 20.....	52,599,333	3,437,041	16,339,390	7,607,471
“ 27.....	51,415,327	3,506,390	16,749,417	7,371,133
Nov. 3.....	52,221,942	3,447,699	16,569,964	7,233,644
“ 10.....	52,142,607	3,313,633	16,446,569	7,469,522
“ 17.....	51,752,340	3,992,796	16,099,337	7,337,340
“ 24.....	51,251,413	2,373,007	15,751,733	7,235,734
Dec. 1.....	51,054,304	2,791,454	15,469,033	7,359,254
“ 8.....	51,304,622	2,963,390	15,650,163	7,663,733
“ 15.....	51,233,957	3,230,317	15,626,771	7,173,377
“ 22.....	51,497,933	3,525,141	15,764,312	7,233,296
“ 29.....	51,371,057	3,744,492	15,910,237	7,232,217
Jan. 5, 1857.....	52,770,319	3,623,966	16,975,533	7,216,249
“ 12.....	52,440,359	3,549,416	16,433,751	7,533,633
“ 19.....	52,713,180	3,337,966	16,324,931	7,261,236
“ 26.....	52,404,033	3,904,765	15,974,636	6,533,314
Feb. 2.....	52,543,356	3,322,359	16,091,703	6,314,169
“ 9.....	52,962,536	3,340,501	15,963,613	6,993,337
“ 16.....	52,362,115	3,519,763	15,375,430	6,741,914
“ 23.....	52,273,442	3,110,529	15,033,229	6,370,322
Mar. 2.....	52,766,624	2,904,133	15,027,091	6,604,522
“ 9.....	52,796,404	2,379,160	14,339,422	7,160,064
“ 16.....	52,593,191	3,042,247	15,237,394	6,623,152
“ 23.....	52,715,164	3,239,232	15,537,773	6,577,904
“ 30.....	52,372,232	3,329,139	15,356,390	6,423,013
Apr. 6.....	52,344,730	3,573,932	17,154,617	7,011,561
“ 13.....	52,374,532	3,637,323	17,116,331	7,263,322
“ 20.....	52,450,927	3,633,439	17,390,116	7,554,341
“ 27.....	52,093,637	3,699,510	17,237,067	6,341,471
May 4.....	52,970,335	3,730,435	17,643,733	6,934,141
“ 11.....	52,341,506	3,932,217	17,712,652	7,166,043
“ 18.....	52,106,759	3,933,390	17,336,319	6,339,391
“ 25.....	52,004,909	4,033,732	18,239,631	6,779,176
Total, 1857.....	\$3,741,723,904	\$134,073,915	\$341,379,552	\$370,223,767
Average.....	52,725,556	3,559,114	16,139,997	7,119,734
Total, 1856.....	2,734,133,730	179,760,141	739,333,235	294,273,745
Average.....	52,580,496	3,413,464	15,190,255	7,262,234
Total, 1855.....	3,640,253,946	154,636,710	695,631,903	409,413,312
Average.....	50,774,114	2,974,744	13,377,537	7,373,344

## MISCELLANEOUS.

**IMPORTANT DECISION ON COUNTY BONDS.**—The Indianapolis *Journal* publishes the decision of the Circuit Court of the United States of Indiana, in the case of David C. Wallace against the Commissioners of Knox County, in that State. The board, before the adoption of the present constitution of Indiana, in 1851, in pursuance of the terms of a statute authorizing the same, subscribed \$200,000 to the capital stock of the Ohio and Mississippi Rail-Road Company, and, after the constitution took effect, issued their bonds, with coupons, for the payment of the stock, in the usual form. The county failed to pay the interest on the coupons when they became due, and this suit was brought to recover the amount of the coupons held by the plaintiff as the bearer. The defence rested substantially on the following grounds:

1. That the subscription was void, the county having no right to make it for rail-road purposes.

2. That the bonds were void, having been issued after the taking effect of the constitution of 1851.

3. That the coupons were void, for the want of power to issue them, even if the bonds were valid.

4. That the law of the State, submitting the question to the people of Knox County whether the commissioners shall subscribe the stock, was unconstitutional and void.

Judge McLean decided:

“That the action could be maintained upon the coupons; that each of the points raised in the defence was unsustainable in point of law; that the subscription was valid and binding upon the county of Knox; that the court would have compelled by mandamus the issue of the bonds, had the commissioners refused to issue them; that the subscription, having been made before the constitution of Indiana of 1851 was in force, could not be affected by that instrument; that the issue of bonds is not inhibited by the State constitution, which only applies to subscriptions made after the constitution took effect; nor could the constitution affect those bonds, even if bonds were named in its prohibition, as they were not a new contract, but merely a consummation of the previous contract of subscription that was made before the adoption of the constitution; therefore, both the subscriptions and the bonds were protected by the constitution of the United States; that the coupons were merely incident to the bonds, and derived all the legal effect from the bonds, and were clearly authorized to be attached to the bonds as a matter of convenience, and to facilitate the payment of the interest; that the law submitting the question of the subscription to the people of the counties was a valid and binding enactment.”

**SPANISH COINS.**—The Philadelphia Board of Trade, at its recent meeting, presented a report, recommending to the various business associations and individual merchants, traders and manufacturers, to adapt their prices to the legal currency of the country, the decimal coinage of the United States. The board also suggests a petition to the President, to instruct the representatives abroad of our government to bring the advantages of the decimal system to the attention of foreign governments, so that one uniform system of coins, weights and measures shall regulate the commerce of the world. The action of the board in this matter will, we hope, tend towards the currency reform among ourselves, which the new cent coin has contributed so much to produce. The small Spanish coins being nearly banished, there is no longer any reason why we should continue to fix our prices in sixteenths and eighths of a dollar. The dime and half dime are far more convenient to count, and prices should be adapted to the existing coins. This reform could be effected just as easily as was the banishment of the Spanish coins, if every body would at once resolve to sell and buy in prices fixed decimally. If every one would make the experiment, he would not only be contributing to general local convenience, but he would be taking a step aiding that still greater reform, a universal system of uniform coins, weights and measures.—*Ledger.*



## BANK ITEMS.

**BANK HOURS IN NEW YORK.**—It has been suggested that a change should be made in bank hours, for the accommodation of the public, by opening at 9 and closing at 4 P. M. This, if adopted, while it would furnish very slight accommodations to the merchant, would add greatly to the already heavy labors of bank officers. It would seem to any rational person, that five hours are enough in which to transact ordinary banking business. The clerks require an hour at least, in quiet, early in the morning, in order to prepare their books for the daily business, and to prepare the exchange lists; which latter now embrace daily over twenty-five millions of dollars. The magnitude of such sums, the short time claimed or allowed for their exchange, and the obvious necessity for accuracy in preparing them, show the need of at least one hour's quiet before the bank opens.

Again, the increasing rents demanded in this city for dwelling houses have driven many bank officers into the country, and they cannot conveniently reach Wall-street before 9 or 9½ o'clock A. M. Some of these gentlemen reside at Tarrytown, Hastings, Yonkers, Fort Washington and other points on the rail-road—others in neighboring towns of New Jersey. Under these circumstances and the unavoidable appropriation of at least one hour daily after the banks close, in order to examine entries, it would be manifest injustice, if not impracticable, to enlarge the number of bank hours here, although easily accomplished in a small town or village.

**MAINE.**—The Atlantic Bank has resumed active business at Portland.

At a special meeting of the stockholders, held at their banking room on Saturday the 27th of June, it was voted unanimously to accept the extension of the charter granted by the legislature last winter; and also to resume business on the above day.

For the past two years this bank has been reducing its capital, under a privilege granted to wind up its affairs. The capital having been reduced to one hundred thousand dollars, the bank will hereafter do business on that amount.

Hon. John M. Wood is President, and Geo. D. Willis, Esq., Cashier, of the institution.

**RHODE ISLAND.**—The Supreme Court of Rhode Island has decided that a bank could not be taxed on its capital stock, if the shares thereof were taxed as the personal property of the holders, because it would be a double tax. The suit on which this decision was made was brought by the American Bank and the Providence Institution for Savings, against the city of Providence, to recover certain taxes alleged to have been illegally assessed upon and collected of these corporations in the years 1855 and 1856. Under this decision the city of Providence will have to refund to the various banks and savings institutions more than \$20,000, with interest upon the whole sum from the time of payment. It is altogether the largest amount for which judgment has ever been rendered against that city. This decision also strikes from the assessed value of the city nearly a million and a half of dollars.

**General Banking Law of Rhode Island.**—The provisions which have for a few years past been adopted in bank charters, respecting the mode of organization of banks, subscription to the capital stock and payment of instalments, have been embodied into the general law relating to banks. Three bank commissioners are to be appointed by the Governor, one each year, and to hold his office for three years. They are to perform like duties as heretofore have been required of special commissioners appointed to superintend the organization of banks; and in addition, to visit, at least once in each year, every bank and savings bank, to have free access to their vaults, books and papers, and to make thorough inspection into the affairs of the corporation, and have the other powers heretofore exercised by special commissioners appointed by the Governor or General Assembly. They are to be paid four dollars per day and travelling

expenses, by the bank visited. Banks are to be allowed one-quarter of one per cent. on drafts and bills of exchange, payable in any place within this State.

PENNSYLVANIA.—We copy the following from the Harrisburgh *Telegraph*, being a correct list of the applications for new banks and extensions to charters already granted, to the next legislature of the State of Pennsylvania:

NEW BANKS.	CAPITAL.
Keystone Bank, Philadelphia.....	\$150,000
Bradford County Bank, Towanda.....	200,000
Union Bank, Tremont.....	100,000
Coal and Lumber Dealers' Bank, Erie.....	200,000
Commercial Bank, Erie.....	200,000
Donegal Bank, Marietta.....	200,000
Commercial Bank, Pittsburgh.....	150,000
Dimes Savings Institution, York.....	25,000
Luzerne County Bank, Wilkesbarre.....	300,000
Accommodation Bank, Columbia.....	250,000
Farmers' Bank, Harrisburgh.....	100,000
State Bank, Harrisburgh.....	200,000
Mineral Region Bank, Lykenstown.....	200,000
Farmers and Manufacturers' Bank, Bellefonte.....	200,000
Conestoga Bank, Lancaster.....	250,000
Mifflin County Bank, Lewistown.....	200,000
Bank of Western Pennsylvania, New Castle.....	100,000
Frankford Bank, 23d Ward, Philadelphia.....	150,000
Bank of Hanover, Hanover.....	200,000
North Pennsylvania Bank, Erie.....	250,000
Ashland Bank, Ashland, Schuylkill County.....	100,000
State Savings Bank, Pittsburgh.....	50,000
Swatara Bank, Middletown.....	100,000
Butchers and Drovers' Bank, Philadelphia.....	250,000
Norristown Bank, Norristown.....	500,000
Coal Bank of Schuylkill Haven, Schuylkill Haven.....	200,000
Central Bank of Philadelphia, Philadelphia.....	300,000
Carlisle Deposit Bank, change of name to Carlisle Bank..	300,000
Bedford County Bank, Bedford.....	250,000
Keystone Bank, Danville.....	200,000
Bloomsburgh Bank, Bloomsburgh.....	200,000
Swedeland Bank, Bridgeport.....	500,000
Bank of Johnstown, Johnstown.....	100,000
Merchants' Bank, Pottsville.....	100,000
Bank of Mifflintown.....	100,000
Minersville Bank, Minersville.....	200,000
Duquesne Bank, Pittsburgh.....	300,000
Bank of Selinsgrove.....	50,000
Media Bank, Media.....	100,000
Bank of Commerce, Pittsburgh.....	300,000
Bank of Gold, Philadelphia.....	100,000
INCREASE OF CAPITAL.	
Tradesmen's Bank, Philadelphia.....	150,000
Southwark Bank, Philadelphia.....	150,000
Mechanics' Savings Bank, Harrisburgh.....	150,000
Bank of Danville, Danville.....	100,000
Bank of Commerce, Philadelphia.....	250,000
Hanover Saving Fund Society, change of name to "Bank of Hanover,".....	200,000
Mt. Joy Savings Institution, Mt. Joy, change of name to "The Bank of Mt. Joy,".....	25,000

#### RENEWAL OF CHARTERS.

Columbia Bank, Columbia; Merchants and Manufacturers' Bank, Pittsburgh.

**Pittsburgh.**—The Citizens' Deposit Bank has, by a late act of the legislature, become one of circulation as well as deposit, under the title of the Citizens' Bank, with an authorized capital of \$500,000.

**CONNECTICUT.**—The following nine banks have been recently chartered by the legislature. The stock of those in Hartford was promptly subscribed. 1. Etna Bank, Hartford. 2. Manufacturers and Mechanics' Bank, Hartford. 3. Old Lyme Bank, Lyme. 4. Clifton Bank, Milltown. 5. Norwalk Bank, Norwalk. 6. Pequot Bank, Norwich. 7. Putnam Bank, Putnam. 8. Granite Bank, Voluntown. 9. ——— Bank, Pawcatuc.

**MARYLAND.**—John H. Longwell has been elected president of the Bank of Westminster, in place of Isaac Shriver, Esq., deceased.

**Westminster.**—Doctor J. L. Warfield has been elected president of the Farmers' and Mechanics' Bank of Carroll County, Westminster, in place of Jacob Mathias, Esq., who was accidentally killed on the Northern Central Rail-Road in Maryland.

**GEORGIA.**—The following banks have been recently chartered and established in Georgia:

Location.	Name.	President.	Cashier.
Bainbridge,	Southern Bank,	N. L. Cloud,	B. H. Gee.
Brunswick,	Commercial Bank,	P. J. Phillips,	T. G. Moffitt.
Griffin,	Exchange Bank,	P. R. Bearden,	H. L. M'Clung.
Greensboro,	Bank of Greensboro,	F. H. Cone,	J. L. Thompson.
Ringgold,	North Western Bank,	W. H. Inman,	A. B. Cowan.
Rome,	Bank of Empire State,	A. R. Smith,	C. J. Cunningham.

**MISSOURI.**—The stockholders of the Bank of the State of Missouri, having accepted the new charter on the 23d May last, the instalments on the new stock are required to be paid as follows: 10 per cent. on 1st August, 1st September, 1st October, 1st November, 1st December, 1857; 1st April and 1st May, 1858; and 20 per cent. on 1st June, 1858. The gross capital of the bank will be \$3,500,000, of which \$1,000,000 will be held by the State. The parent bank at St. Louis will have \$2,100,000 capital, and the branches not over \$1,400,000, (two-fifths,) viz :

Palmyra, Marion County, . . . . .	capital, . . . . .	\$125,000
Fayette, Howard County, . . . . .	" . . . . .	125,000
Springfield, Green County, . . . . .	" . . . . .	200,000
Chillicothe, Livingston County, . . . . .	" . . . . .	150,000
Cape Girardeau, Cape Girardeau County, . . . . .	" . . . . .	300,000
City of Jefferson, Cole County, . . . . .	" . . . . .	200,000
Louisiana, Pike County, . . . . .	" . . . . .	300,000

The old Branch Bank at Lexington will be discontinued, the Farmers Bank at that place having been chartered. (See *Bankers' Magazine*, April, 1857, p. 822.) The new banks at St. Louis have been organized as follows:

	President.	Cashier.	Capital.
Bank of St. Louis,	John J. Anderson,	John Brown,	\$1,000,000
Merchants' Bank,	John A. Brownlee,	R. F. Barry,	2,000,000
City Bank,	John Simonds,	.....	2,000,000
Exchange Bank,	Louis V. Bogy,	Joseph S. Pease,	1,000,000
Mechanics' Bank,	Joseph Charles,	.....	1,500,000
Southern Bank,	James S. Watson,	James H. Briton,	1,000,000
Bank State of Mo.,	.....	A. S. Robinson,	3,500,000

**LOUISIANA.**—Books of subscription have been opened in New Orleans to the stock of the Crescent City Bank. The capital propose dis \$2,000,000: of this increase the *N. O. Delta*, says:

"There is no question whatever but what an increase of banking capital will be productive of the highest results to our city and State, and no better investment offers at the present moment than bank stocks, which is confirmed by the fact that the stocks of the banks, now organized under the general banking law, are paying 10 per cent. per annum, and selling from 7½ to 12½ per cent. advance.

Is any further proof necessary of the profitableness of bank stocks? We think not, other than the fact that stock of the old chartered banks ranges from 22 to 80 per cent. premium. We think this is conclusive, and commends the new bank to the attention of the community.

*New Orleans.*—Bank of America—Notice is hereby given, that the capital stock of this bank has been fixed at \$500,000 for a commencement of business, and to be increased to \$1,000,000.

Books are now open under the superintendence of the undersigned commissioners, at the office of the New Orleans, Opelousas and Great Western Rail-Road Company, corner of Levee and St. Peter streets, at the notarial offices of Edw. Barnet, No. 77 and of Edw. G. Gottschalk, No. 87 Royal street, for receiving subscriptions in addition to list heretofore circulated for this purpose; which books will be kept open until 31st July next, unless the full capital of one million of dollars shall have been sooner subscribed.

JOHN HUGHES,  
J. VIOSCA,  
GEO. EUSTIS, Jr.

*INDIANA.*—The Louisville *Journal* says, that a meeting of the free bankers of Indiana was held in Indianapolis on the 25th June. Its purpose was the taking of steps towards the establishing in Indianapolis of a Union Bank, in which all the free banks in the State are to be stockholders, with a capital of \$500,000. The object of this is the protection of Indiana free bank currency, by driving out Ohio, Virginia and all other foreign bank notes, to put down the rate of exchange, and to further the adoption of such policy as shall, with reference to foreign bankers, be promotive of the interests of those concerned.

*Free Banks.*—The following is the official monthly statement of the free banks of Indiana, which have complied with the amended General Banking Law, which requires a deposit of at least fifty thousand dollars worth of securities, and to an amount equal to 10 per cent. above the circulation:

	<i>Market value of Securities.</i>	<i>Circulation.</i>
Bank of Goshen,.....	\$61,836	\$56,222
Bank of Gosport,.....	67,533	47,260
Bank of Indiana,.....	52,000	20,998
Bank of Mt. Vernon,.....	52,900	49,025
Bank of Paoli,.....	65,695	59,719
Bank of Rockville,.....	59,570	54,150
Bank of Salem, New Albany,.....	50,050	45,600
Bank of Salem, Salem,.....	79,120	71,921
Bloomington Bank,.....	90,000	81,830
Cambridge City Bank,.....	67,058	60,950
Central Bank,.....	36,250	32,828
Canal Bank,.....	50,608	46,000
Crescent City Bank,.....	54,458	49,496
Exchange Bank,.....	52,166	47,421
Farmers' Bank, Westfield,.....	53,374	46,798
Indiana Bank,.....	100,167	90,524
Indiana Farmers' Bank,.....	50,390	45,810
Kentucky Stock Bank,.....	107,773	83,990
La Grange Bank,.....	66,027	60,026
Parke County Bank,.....	83,882	76,245
Prairie City Bank,.....	86,250	77,008
Salem Bank, Goshen,.....	52,706	47,914
Southern Bank of Indiana,.....	130,895	118,995
Tippecanoe Bank,.....	51,740	47,040
Total Securities,.....		1,621,439
Total Circulation,.....	1,419,198	
Add 10 per cent.,.....	141,919	
	<hr/>	1,561,117
Excess of securities,.....		\$60,312

CANADA.—The legislature of Canada having passed an act requiring all the accounts of the government to be kept in dollars and cents, from the first of January next, and it being considered desirable that the same system of accounting should be generally adopted throughout the Province, the officers of the Bank of Montreal, Bank of British North America, Commercial Bank of Canada, Bank of Upper Canada, City Bank, Quebec Bank, Gore Bank, Banque du Peuple, Molson's Bank, Bank of Toronto and Niagara District Bank, have therefore resolved to make a similar change, to take effect at the above mentioned period; and they have united in publishing a notice, requesting that parties transacting business with them will have the amount of all bills or notes intended for discount or collection, and falling due on and after the first of January next, expressed in dollars and cents; and that all checks and other forms in use for banking purposes, be adapted to the decimal system.

BANK ROBBERIES.—The *Portland State of Maine* gives the following account of the robbery of the Central Bank of New Brunswick:—"On Sunday, June 23th, the Central Bank of New Brunswick, Fredericton, was robbed of a large amount of gold and five pound notes. The amount is not stated, but we presume from \$15,000 to \$20,000 in gold, and a still larger sum in bank bills. It was one of the boldest and ablest planned robberies we have heard of for many a day. The city of Fredericton has about 5,000 people, and as quiet as Augusta or Brunswick in this State. The robbers got into the basement of the building, dug through the masonry, and got access to the lock, an old-fashioned one, bolted to the door by screws. They cut off the heads of the screw bolts, and left the lock hanging in its place, and forced the door. They selected their gold and bills, and left their silver on the floor of the banking room, apparently intending to return for it. No one connected with the bank visited it from Saturday afternoon to Monday morning, so that they had ample time for arrangements." The robbers took the precaution to cut the telegraph lines on both sides of Fredericton, about twenty miles distant each way, so that they had a good start. The bank is abundantly able to bear the loss. Robberies of this kind can be effectually prevented by the use of Bacon's Burglar Proof Safes and the Fire Proof Safes.

These defy the inventive powers of the burglar as well as the force of fire. These articles are manufactured by W. W. Bacon, New Haven, Conn., and are used by about four hundred banks and bankers. Among these we may name the Bank of the Republic and Ocean Bank, New York; McKim & Co., Baltimore; James Robb & Co., bankers, New Orleans; State Bank of Ohio and all its branches; State Bank of Indiana and branches; Union Bank of Tennessee and branches; Planters' Bank of Tennessee and branches; R. K. Smith & Co., Chicago, and the leading bankers at St. Louis, Cincinnati, Chicago, Louisville, Detroit, New Haven, Hartford. (*For particulars refer to cards on the second and last pages of cover of the Bankers' Magazine; or to circulars in detail, issued by the manufacturer, New Haven, Conn.*)

VALUABLE WORK FOR BANKERS, published at the office of the *Bankers' Magazine*.—*The Bankers' Common Place Book*, new edition, 200 pp. duodecimo, price \$1, containing:—1. A Treatise on Banking. By A. B. JOHNSON, Esq., President Ontario Bank, Utica. 2. Ten Minutes' Advice on Keeping a Banker. By J. W. GILBERT, Esq., of the London and Westminster Bank. 3. BYLES on the Law of Bills of Exchange and Promissory Notes. 4. Remarks on Bills of Exchange. By J. RAMSAY McCULLOCH, Esq. 5. Forms of Bills of Exchange, in eight European languages. 6. Forms of Notice of Protest of Bills and Notes, with Remarks. 7. Synopsis of the Bank Laws of Massachusetts, in force January, 1851. 8. Decisions of the Supreme Judicial Court of Massachusetts, in reference to Banking. 9. On the Duties, Omissions and Misdoings of Bank Directors. By A. B. JOHNSON, Esq., Utica. 10. A Prize Essay on Banking. "Suggestions to Young Cashiers, on the Duties of their Profession." By LORENZO SABINE. [*This Essay obtained the premium of one hundred dollars, offered by the editor of the Bankers' Magazine for the best contribution on the subject.*] 11. A Numismatic Dictionary; or, List of all the Coins known in all Ages.

MARKET VALUES OF RAIL-ROAD BONDS AT NEW YORK, JULY 21, 1887.

NAME OF COMPANY.	AMOUNT OF LOAN.	DESCRIPTION OF BONDS.	RATE INT.	INTEREST PAYABLE	WHERE PAID.	DET.	OFF'g.	ASKED.
Alabama & Tennessee River, .....	\$888,000	1st Mortgage, convertible, .....	7	1 Jan. 1 July, .....	N. Y.	1872	....	85
Buffalo & State Line, .....	500,000	1st Mortgage, inconvertible, .....	7	April, October, .....	"	1866	....	97½
Central Ohio, .....	1,250,000	1st Mortgage, conv. east. sect., .....	7	Divrs., .....	"	1861-64	....	75
do, .....	800,000	2d Mortgage, inconvertible, .....	7	March, Sept., .....	"	1865	....	....
Cincinnati, Hamilton & Dayton, .....	500,000	1st Mortgage, inconvertible, .....	7	20 Jan., 20 July, .....	"	1867	85	90
Cincinnati & Marietta, .....	2,500,000	1st Mortgage, conv. till 1862, .....	7	January, July, .....	"	1868	70	75
Cincinnati, Wilmington & Zanesville, .....	1,300,000	1st Mortgage, convertible, .....	7	May, November, .....	"	1862	....	75
Cleveland, Painesville & Ashtabula, .....	567,000	1st Mortgage, inconvertible, .....	7	February, Aug., .....	"	1861	....	95
Cleveland & Toledo, .....	800,000	1st Mortgage, convertible, .....	7	February, Aug., .....	"	1860	....	93
Cleveland & Toledo, .....	525,000	1st Mortgage, inconvertible, .....	7	February, Aug., .....	"	1863	83	86½
Chicago & Mississippi, .....	1,000,000	1st Mortgage, conv. till 1867, .....	7	April, October, .....	"	1862-72	50	65
Covington & Lexington, .....	400,000	1st Mortgage, inconvertible, .....	6	March, Sept., .....	"	1867	....	70
Delaware, Lackawanna & Western, .....	1,500,000	1st Mortgage, convertible, .....	7	April, October, .....	"	1875	78	80
Fort Wayne & Chicago, .....	1,250,000	1st Mortgage, conv. till 1863, .....	7	January, July, .....	"	1873	78	80
Galena & Chicago, .....	2,000,000	1st Mortgage, inconvertible, .....	7	February, Aug., .....	"	1868	90	91
do, .....	2,000,000	2d Mortgage, inconvertible, .....	8	May, November, .....	"	1875	79½	80
Green Bay, Milwaukee & Chicago, .....	400,000	1st Mortgage, convertible, .....	7	10 April, 10 Oct., .....	"	1868	90	95
Indiana Central, .....	600,000	1st Mortgage, convertible, .....	7	May, November, .....	"	1866	....	90
Indianapolis and Bellefontaine, .....	450,000	1st Mortgage, convertible, .....	7	January, July, .....	"	1860-61	78	80
Indianapo. & Cin. (form. Lawb. & U. M.) .....	500,000	1st Mortgage, conv. till 1857, .....	7	March, Sept., .....	"	1866	....	90
La Crosse & Milwaukee, .....	450,000	1st Mort., 1st sec. conv. till 1864, .....	8	May, November, .....	"	1874	....	80
do, .....	500,000	1st Mort., 1st sec. conv. till 1864, .....	8	May, November, .....	"	1877	....	86
do, Sinking Fund, .....	3,400,000	1st Mortgage, conv. till 1859, .....	7	February, Aug., .....	"	1865	43	44
Lake Erie, Wabash & St. Louis, .....	1,500,000	No Mortgage, inconvertible, .....	6	2 May, 2 Nov., .....	"	1863	80	81
Little Miami, .....	1,000,000	No Mortgage, convertible, .....	8	April, October, .....	Boet.	1860	100	101
Michigan Central, .....	600,000	No Mortgage, convertible, .....	8	March, Sept., .....	"	1869	98	100
do, .....	600,000	No Mortgage, convertible, .....	8	March, Sept., .....	"	1863	....	98
Milwaukee & Mississippi, .....	650,000	1st Mort., 1st sec. conv. till 1857, .....	8	January, July, .....	N. Y.	1863	....	90
do, .....	1,250,000	1st Mort., 2d sec. conv. till 1858, .....	8	April, October, .....	"	1863	....	85
do, .....	1,200,000	1st Mort., 3d sec. conv. till 1860, .....	8	June, December, .....	"	1877	....	85
Northern Cross, .....	1,200,000	1st Mortgage, convertible, .....	8	January, July, .....	"	1873	90	92½
Ohio & Indiana, .....	1,000,000	1st Mortgage, convertible, .....	7	February, Aug., .....	"	1867	....	90



U. S. GOVERNMENT SECURITIES.			INT. PAYABLE.	OFFERED PER CENT.	ASKED PER CENT.		
}	Loan, 6 per cent.,	X .....	1862..	January, July,	110½	.....	
	do. 6 do.	X .....	1867..	do.	116½	.....	
	do. 6 do.	X .....	1868..	do.	116½	.....	
	do. 6 do. Coupon Bonds,	X .....	1868..	do.	116½	.....	
	do. 5 do. Texas indem.,	X .....	1865..	do.	106½	.....	
STATE SECURITIES.							
}	New York, .....	6 per cent.,	1860-61-62..	Jan. Ap. Jul. Oct.	102½	105	
	do. ....	6 do.	1864-65..	do. do.	106	108½	
	do. ....	6 do.	1 66-67..	January, July,	107½	111	
	do. ....	6 do.	1872-73..	Jan. Ap. Jul. Oct.	110	112	
	do. ....	5½ do.	1880-81..	do. do.	100	101	
	do. ....	5½ do.	1885..	do. do.	100	103	
	do. ....	5 do.	1858-60..	do. do.	99	101	
	do. ....	5 do.	1866-74..	do. do.	101	103	
	do. ....	4½ do.	1858-59-64..	do. do.	.....	99	
	Ohio, .....	6 do.	X .....	1860..	January, July,	100	101
	do. ....	6 do.	X .....	1870..	do.	102	104
	do. ....	6 do.	X .....	1875..	do.	104	106
do. ....	6 do.	X .....	1886..	do.	104½	106	
do. ....	5 do.	X .....	1865..	do.	94	96	
Pennsylvania, .....	5 do.	.....	.....	February, Aug.	85	85½	
do. ....	5 do.	.....	Coupon, 1877..	do.	89	91	
Massachusetts, .....	5 do.	.....	.....	.....	.....	.....	
Kentucky, ... Bonds,	6 do.	.....	1869-72..	January, July,	100	101	
Illinois, Int. Imp. ....	6 do.	.....	1847..	do.	116	120	
do. ....	6 do.	.....	Interest..	do.	92	95	
Indiana State, .....	5 do.	X .....	.....	do.	88½	89½	
do. ....	2½ do.	X .....	.....	do.	53½	56	
do. Canal Loan,	6 do.	.....	.....	do.	.....	.....	
do. Canal Pref.,	5 do.	.....	.....	.....	.....	.....	
Maryland, .....	6 do.	.....	.....	Jan. Ap. Jul. Oct.	103½	105	
do. ....	5 do.	.....	.....	do. do.	.....	.....	
Alabama, ... Bonds,	5 do.	.....	.....	May, Novem'r,	82	90	
Louisiana, ... Bonds,	6 do.	.....	Divers..	January, July,	83	85	
Tennessee, ... Bonds,	5 do.	.....	.....	do.	75	78	
do. ... Bonds,	6 do.	.....	Divers..	do.	83	83½	
Virginia, ... Bonds,	6 do.	.....	1885-1890..	do.	91½	92	
Missouri, ... Bonds,	6 do.	.....	1872..	do.	79	79½	
North Carolina, B'ds,	6 do.	.....	1873..	do.	93½	95½	
Georgia, ... Bonds,	6 do.	.....	1872..	do.	100	.....	
California, ... Bonds,	7 do.	.....	1870..	do.	60	62	
do. ... Bonds,	7 do.	.....	1875..	do.	60	60½	
CITY SECURITIES.							
}	New York, .....	5 per cent. ....	1858-60 )	Feb'y, May, }	94	96	
	do. ....	5 do. ....	1870-75 )	August, Nov. }	89	92	
	do. ....	5 do. ....	1890-98 )	..... }	90	94	
Albany, ... Bonds,	6 do.	X .....	1871-81..	February, Aug	100	102½	
Alleghany, ... Bonds,	6 do.	X .....	1875-77..	January, July,	.....	75	
Baltimore, .....	6 do.	.....	1870-90..	Jan. Ap. Jul. Oct	95½	98	
Boston, ... Bonds,	5 do.	X .....	.....	April, October,	97½	100	
Brooklyn, ... Bonds,	6 do.	X .....	long.	January, July,	96	98	
Cleveland, WW B'ds,	7 do.	X .....	1879..	do.	100	103	
Cincinnati, ... Bonds,	6 do.	X .....	Divers..	Divers, .....	.....	88	
Chicago, ... Bonds,	6 do.	X .....	1873-80..	January, July,	80	85	
do. ... Bonds,	7 do.	X .....	.....	do.	94	97½	
Detroit, WW Bonds,	7 do.	X .....	1873-78-83..	Feb'y, August,	103	104	
Jersey City, ... Bonds,	6 do.	X .....	1877..	March, Sept'r,	99½	101	
Louisville, ... Bonds,	6 do.	X .....	1880-83..	Divers, .....	.....	80½	
Memphis, ... Bonds,	6 do.	X .....	1882..	January, July,	64	67½	



CITY BONDS.			INT. PAYABLE.	OFFERED PER CENT.	ASKED PER CENT.
Milwaukie,...	Bonds, 7 per cent. X.	1873-74-75..	March, Sept'r,	77½	80
New Orleans,...	B'ds, 6 do. X	R.R.1872-74..	January, July,	....	74
do. Municipal,	6 do. X	.....1892..	do.	....	84
Philadelphia,.....	6 do. ....	1876-90..	do.	89½	89½
Pittsburgh,...	Bonds, 6 do. X	1869-78-83..	Divers,.....	67½	70
Peoria, (Ill.)...	Bonds, 7 do. X	.....1873..	Divers,.....	90½	93
Quincy,.....	Coup, 8 do. X	.....1868..	January, July..	....	88
Racine, (Wis.)	Bonds, 7 do. X	.....1873..	Feb'y 10, Aug.	....	80
Rochester,...	Bonds, 6 do. X	.....long..	Divers,.....	....	96½
St. Louis R. R.	B'ds, 6 do. X	.....Divers..	Divers,.....	80	84
do. B'ds, 6	do. X	.....Municipal..	Divers,.....	80	84
Sacramento, Bonds,	10 do. X	.....1862-78..	Divers,.....	66	70
San Francisco, B'ds,	10 do. X	.....1871..	May, Novem'r,	....	90
do. B'ds, 10	do. X	pa'ble N. Y...	January, July,	....	....
do. B'ds, 6	do. X	do. 1873..	do.	50	53
Wheeling, Mp. B'ds,	6 do. X	Sink. F'd, 1874	March, Sept'r,	....	81
do. R. R., B'ds,	6 do. X	.....Divers..	Divers,.....	....	67
Zanesville,...	Coup, 7 do. X	.....	April, October,	....	97
COUNTY BONDS.					
St. Louis, (Missouri),	6 per cent. X	.....	January, July,	75	78
Alleghany, (Penn.),	6 do. X	divers issues..	Divers,.....	....	70
Fayette, (Kent'y),	6 do. X	.....1881-83..	January, July,	75	82
Bourbon,...	6 do. X	.....1881-82..	do.	....	80
Mason,....	6 do. X	.....1881-83..	do.	....	80
Boyle,....	6 do. X	.....	.....	....	75
Clark,....	6 do. X	.....1883..	Ap. 15, Oct. 15,	....	73
Montgomery, do.	6 do. X	.....1883..	do. do.	....	70
Bath,....	6 do. X	.....1883..	do. do.	....	68
Ross,..... (Ohio)	7 do. X	.....Divers,	Divers,.....	....	95½
Belmont,....	7 do. X	.....1862..	January, July,	....	93
Shelby, .... (Tenn.)	6 do. X	.....1884..	April, Novem'r,	....	70
Des Moines, (Iowa)	8 do. X	.....1874-75..	Divers,.....	97	100
Henry,....	8 do. X	.....1871-75..	Divers,.....	97	100
RAIL-ROAD COMPANIES.					
Baltimore & Ohio,.....	100..	3	April, October,	61	61½
Chicago & Rock Island,.....	100..	5	do.	91½	92
Cincinnati, Hamilton & Dayton,.....	100..	..	do.	67	70
Cleveland, Columbus & Cin.,.....	100..	5	January, July,	95	96
Cleveland & Pittsburgh,.....	50..	5	do.	34½	40
Cleveland & Toledo,.....	50..	4	March, Sept'r,	59½	59½
Erie,.....	100..	..	April, October,	35½	35½
Galena & Chicago,.....	100..	5	February, Aug.	96	96½
Harlem,.....	50..	..	do.	10½	11
do. Preferred,.....	50..	..	January, July,	22½	24
Hudson River,.....	100..	..	May, Novem'r,	19	21
Illinois Central,.....	100..	3½	January, July,	118½	120
Little Miami,.....	50..	5	June, Decem'r,	88	91
Macon & Western,.....	100..	5	February, Aug.	88	90
Michigan Central,.....	100..	5	December,....	83	84
Michigan South'n & North'n Ind.,.....	100..	5	January, July,	49½	50
Milwaukie & Mississippi,.....	100..	5	do.	55	56
New Jersey,.....	50..	5	February, Aug.	126	128
New Haven & Hartford,.....	100..	5	April, October,	119	120
New York Central,.....	100..	4	February, Aug.	84½	84½
Ohio & Pennsylvania,.....	50..	..	January, July,	....	....
Panama,.....	100..	6	do.	91½	92
Pennsylvania,.....	50..	4	May 15, Nov'r,	93	93½
Reading,.....	50..	4	January, July,	78	79

## Notes on the Money Market.

NEW YORK, JULY 25, 1857.

*Exchange on London, at Sixty days' sight, 9¼ a 9½ premium.*

THE Money Market, since our last monthly report, has essentially improved. At that time there were several millions of dollars held by the banks for disbursement in July, in the shape of dividends on bank, rail-road and other shares, and the semi-annual interest on State, city and rail-road bonds. This large sum has now been duly distributed, and has contributed to the relief of the market. We find a material advance has taken place in stocks and bonds, and money is more readily obtained on business paper and on stock collaterals. The prompt payment of interest on State loans (with one exception only) is satisfactory to bondholders. The default in the payment of California interest was somewhat anticipated, after the decision of the Supreme Court of the State, to the effect that a portion of the funded debt is unconstitutional. The lamentable default of the Treasurers of California and Ohio have already had a bad effect upon State credit, and must lead to more stringent measures for the preservation of the public funds from private speculation. The distrust is accompanied with less confidence in rail-road securities—the market values of which have recently ruled lower than at any previous period. Capitalists have thus been induced to turn their attention to other investments. At this time, bank shares are more in favor, although they yield a less rate of interest than rail-road, city or county bonds. Confidence is, however, the main consideration with capitalists; and safety is generally preferred to a larger rate of profit where the risk is greater. Banking has, of late years, been found profitable when pursued upon legitimate grounds; hence the increasing inquiry for bank shares at a liberal premium. Those yielding eight per cent. per annum are sought at six to twenty per cent. premium; and those yielding seven per cent. dividends are in demand at par, to five per cent. advance. Foreign exchange is quiet, but nominally firm. We quote: bills at 60 days on London, 109¼ a 109¾; ditto, at sight, 110¾; Paris and Antwerp, 5.18¼ a 5.16¼; Amsterdam, 40¼ a 41¼; Frankfurt, 41¼ a 41¾; Hamburg, 86¼ a 86¾; Bremen, 76¼ a 78¼; Prussian Thalers, 72 a 72¼.

United States six per cents are offered only occasionally in this market. The premium offered by the Treasury Department on the bonds due in 1867-'68, (sixteen per cent. and accrued interest,) induces some holders to part with these securities, in order that the proceeds may be invested in State loans, which are now quoted at a discount. Missouri, Louisiana and Tennessee six per cents are extremely low at this period, although there are no fresh circumstances that are calculated to create distrust in the future payment of regular interest. The debt of these States is amply provided for, principal and interest.

The total debt of California, as reported January 1, 1857, is \$3,910,906 40, exclusive of \$218,020 91 of war debt, not yet provided for, to be paid by Congress as follows:

Outstanding bonds, 3 per cent., 1850, and interest, .....	\$6,888 95
“ “ 7 “ “ due 1860, .....	150,000 00
“ “ 7 “ 1852, due 1870, .....	1,880,800 00
“ “ 7 “ 1855, “ .....	700,000 00
“ “ 7 “ 1856, due 1875, .....	954,000 00
Balance war debt not assumed by the Federal Government, .....	218,020 91
School fund debt—amount due that fund by the State for school lands, appropriated, .....	464,000 00
Outstanding Comptroller's warrants, .....	404,447 19
Salaries due, for which warrants have not been issued, .....	24,474 60
Total, .....	\$4,841,333 58
Amount of cash in Treasury Jan. 1, 1857, .....	212,404 27
Total debt, .....	\$4,128,927 81

We annex the prices of State loans at the close of the past eight weeks :

	June 5th.	12th.	19th.	26th.	July 3d.	10th.	17th.	24th.
U. S. 6 per cents, 1867-8, .....	118½	118½	118½	119	119	116	116	116½
Ohio 6 per cents, 1886, .....	106½	106	106	104	104	104	106	104½
Kentucky 6 per cents, .....	109	109	109½	109½	109	101	100	100
Indiana 5 per cents, .....	83½	88	88	80	81	81	80½	83½
Pennsylvania 5 per cents, .....	82½	82½	82½	82½	88	88	88	88
Virginia 6 per cents, .....	93	91½	98½	99½	92½	89	91½	91½
Georgia 6 per cents, .....	98	98	98	94	98	90	100	100
California 7½, 1870, .....	64½	59	64½	60	55	54½	52½	60
North Carolina 6 per cents, .....	91	92½	92½	91½	95	88	90	93½
Missouri 6 per cents, .....	88	88½	88½	89½	81½	77½	79	79
Louisiana 6 per cents, .....	84½	85	85½	84	85½	85½	79½	88
Tennessee 6 per cents, .....	87½	87	87	87	87	82½	81½	88

The market for rail-road shares has ruled extremely low for some weeks. The depression was mainly in the shares of our Western roads—Michigan Southern having been sold as low as 85; Reading at 68; Erie at 25. The spirit of competition, during the past year, has reduced the profits to such an extent, that the leading roads have, with difficulty, paid their current expenses. This has been so clearly demonstrated, that nothing but a radical change in their management and policy will command public confidence and secure adequate compensation to their shareholders.

We annex the closing rates for leading rail-road shares for the past eight weeks :

	June 5th.	12th.	19th.	26th.	July 3d.	10th.	17th.	24th.
N. Y. Central R. R. shares, ....	84½	81½	84½	80½	78	80½	82½	84½
N. Y. & Erie R. R. shares, ....	85½	81½	80½	28	26½	27½	81½	84½
Harlem R. R. shares, .....	10½	11	9½	9½	9½	10	10½	10½
Reading R. R. shares, .....	79	77½	71½	71	71	77½	77½	74½
Hudson River R. R. shares, ....	19	19½	21	21	..	19½	19½	19½
Michigan Central R. R. shares, 88	91½	91	91	89½	80½	89	88	88
Michigan Southern R. R. shares, 50½	48½	45½	49½	49	48	47½	49½	49½
Panama R. R. shares, .....	95½	93	92½	93	91½	86½	90½	93
Baltimore & Ohio R. R. shares, 50½	50½	50½	50½	59½	51½	54½	59	61
Illinois Central R. R. shares, ...	188½	187	188½	126	116½	120	119	118
Clev. and Toledo R. R. shares, .	68½	57	57½	54½	54	58	58½	57½
Chicago and Rock Island R. R. 95	93½	93½	93	83	87	91	91½	91½
Milwaukee and Wis. R. R., ....	64½	62½	62½	50	45½	52	51	56

The reduced earnings of the rail-road companies have lessened public confidence in rail-road bonds, some of which have declined six to ten per cent. since the close of June. Judicious reforms in the financial management of these companies will secure renewed confidence on the part of the public, and a better appreciation of rail-road securities generally. This change will, we think, soon take place, and restore a better feeling in the market.

We annex the closing prices of rail-road bonds for the last eight weeks :

	June 5th.	12th.	19th.	26th.	July 3d.	10th.	17th.	24th.
Erie R. R. seven, 1850, .....	96	96	95	98	—	95	94	94
Erie R. R. bonds, 1875, .....	87½	87	86	88	85	75	75½	80
Erie Convertibles, 1871, .....	75	78½	73	69	87	55	60	68
Hudson River R. R. 1st mort., ...	98	98	98	98	99	98½	98½	98
Panama R. R. bonds, .....	99	96	98	98	97½	98	98	99
Illinois Central seven, .....	99½	97	97	95	97½	97½	97½	99½
New York Central six, .....	85	84	84	84½	84	86	86	86½
Canton Company shares, .....	19½	18½	19	18	18½	19½	19	20½
Pennsylvania Coal Company, ...	94	92½	92	92½	90½	92	95½	93
Cumberland Coal Company, ....	18	17	17½	16	16	16½	17½	17
Del. and Hudson Canal Co., ....	128½	115	116	115½	114½	115½	119	119½

The movement of the banks of this city, during the month of July, indicates full confidence in the stability of our financial and commercial relations. The importations of the month have not been as great as were anticipated, and the Sub-Treasury accumulations give no uneasiness. The

imports are still largely in excess of the exports, and of the demand for the interior markets. The following are the changes since April last :

Date.	Loans.	Specie.	Circulation.	Deposits.
April 11, .....	\$115,874,717	\$10,834,490	\$3,787,844	\$96,518,908
May 2, .....	114,409,375	12,009,911	9,006,566	93,159,473
June 6, .....	115,893,592	18,134,715	8,888,573	96,594,391
July 8, .....	115,044,808	12,837,846	8,901,590	93,584,558
July 10, .....	116,028,618	12,666,146	8,698,578	94,824,478
July 18, .....	117,365,821	18,594,606	8,443,383	94,446,798

The capital now exceeds sixty millions of dollars, and a large increase is expected for the next six months.

The New York bank dividends payable in July, 1857, compared with 1856, are as follows :

	1856		1857	
	Jan.	July.	Jan.	July.
Bank of America,.....	4	4	4	4
Bank of Commerce,.....	4	4	4	4
Bank of New York,.....	4	4	4	4
Bank of North America,.....	3½	3½	3½	4
Bank of the Commonwealth,.....	.	.	4	4
Butchers & Drovers' Bank,.....	5	5	5	5
Chemical Bank,.....	6	6	6	6
Continental Bank,.....	4	4	4	4
East River Bank,.....	.	.	3½	3½
Grocers' Bank,.....	5	10	4	4
Hanover Bank,.....	3½	3½	3½	3½
Irving Bank,.....	3½	4	4	4
Market Bank,.....	4	4	4	4
Mechanics' Bank,.....	4	4	4	4
Mercantile Bank,.....	5	5	5	5
Merchants' Exchange Bank,.....	4	4	4	4
Metropolitan Bank,.....	4	4	4	4
Nassau Bank,.....	4	4	4	4
New York County Bank,.....	4	4	4	4
North River Bank,.....	4	4	4	4
New York Dry Dock Bank,.....	4	4	4	4
New York Exchange Bank,.....	4	.	8	5
People's Bank,.....	4	4	4	4
Phoenix Bank,.....	4	4	4	4
Seventh Ward Bank,.....	5	5	5	5
Tradesmen's Bank,.....	5	5	5	5
Island City Bank,.....	3½	3½	3½	3½
Broadway Bank,.....	5	5	5	5
Importers and Traders' Bank,.....	.	.	.	4
Park Bank,.....	.	.	4	4

Of the English money market, the European *Times* of the 11th inst. says :

"The recent heavy arrivals of gold had led to the expectation on the minds of many parties well versed in monetary and commercial affairs, that the directors would be enabled to declare a reduction of ¼ per cent. in the minimum rate of the Bank of England, and some feeling of disappointment was expressed at the breaking up of their weekly board yesterday without announcing any change. The heavy disbursements required from the bank to meet the engagements falling due on the 4th, no doubt induced a feeling of caution on the minds of the directors, and some anxiety is also felt as to the next news from India, which is daily expected per overland mail. Should it prove unfavorable, the effect upon the money market will, it is feared, be extremely prejudicial, and delay for some time any easier state. On the contrary, should it prove more satisfactory, the directors of the Bank of England cannot long abstain from further reduction. Money continues in quiet demand, no pressure is felt, and in some exceptional transactions "out of doors," 5½ per cent. was taken on good short dated paper. Very heavy payments have been made at the bank in discharge of advances on bills and government securities, and the rate for short loans on the latter range from 5¼ to 6 per cent. The arrivals of specie have been considerable, including parcels of gold from the United States, Australia, Russia and the West Indies. Sovereigns also continue to return from Ireland and Scotland."

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES. SEPTEMBER, 1857.

No. 3.

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BANKING IN THE UNITED STATES.

AN HISTORICAL SKETCH OF BANKING IN THE STATE OF INDIANA.

BY (THE LATE) HENRY F. BAKER, OF CINCINNATI.

WE have selected this State, because its past history presents a most apt illustration of two anomalous systems of banking, upon which we shall freely comment, after we have given in detail its statistical records. Indiana was originally, in 1786, a part of "the territory northwest of the Ohio," under the government of General Arthur St. Clair, but in 1800 it had a separate territorial government, and Gen. Wm. H. Harrison was, in 1801, appointed its governor, who was succeeded in 1812 by Governor Thomas Posey. Under his administration, in 1814, the Bank of Vincennes was established, with a capital not to exceed \$500,000, and also the Farmers and Mechanics' Bank of Indiana, with a capital of \$750,000, the charters of both of which were limited to 1st January, 1835; but both, in common with a multitude of other banks in the Ohio Valley, expired for lack of means to pay their debts, long before their charters terminated. At the close of the war, in 1815, there were two banks in Kentucky, the "Insurance Company" and the State Bank and Branches; and from 1815 to 1818, not only chartered banks in Ohio, Indiana, Tennessee and North Carolina, but unincorporated companies issued a large amount of bills, as a circulating medium. Even individuals issued their tickets of "promise to pay," and the country was flooded with irredeemable paper.

So much apprehension was excited in the minds of the people, and so much of this worthless trash was imposed upon them, that the convention which assembled in 1816, to form a Constitution for Indiana, restricted the banking system of the new State to a single State Bank, with branches. In December, 1816, Indiana was admitted into the Union, but the State Bank was not incorporated until eighteen years afterwards. In 1832, the Wabash and Erie Canal (375 miles in Indiana) was commenced, and this construction called into requisition all the financial credit of the State, and, above all, the establishment of a State Bank. Accordingly, in 1834, the "State Bank of Indiana" was chartered, with a capital of \$1,600,000, having ten branches, to each of which \$160,000 were assigned as the capital; the parent bank at Indianapolis neither issuing nor paying notes. One-half of the capital was subscribed for and owned by the State; the other half was taken by individuals and corporations. The branches were jointly liable for each other's debts, but divided their own profits. The State authorized the issue of \$1,300,000 5 per cent. bonds for realizing their quota of the capital, \$800,000, and the bank has always provided for the interest on these bonds. Each share was liable to a specific annual tax of 12½ cents for educational purposes, payable out of the dividends, and in lieu of all other taxes; but in case of an *ad valorem* system of taxation in the State, then the stock was liable the same as other capital, not exceeding, however, one per cent. altogether. This tax was afterwards raised to 25 cents on each \$100. No note under \$5 was allowed to be issued, and the legislature reserved the right to restrict the issues to \$10 within ten years. Subsequent authorization was granted to the branches to issue notes of smaller denominations, not exceeding in the aggregate one million of dollars, on the payment of one per cent. for the privilege, and accordingly \$610,000 were issued under this arrangement, in 1850, and \$650,000 in 1854, or about one sixth part of the entire amount of circulation. The directors of the parent bank had charge of the bank note plates and the bank notes, and were empowered to deliver to the branches any amount of paper, not exceeding twice the amount of the stock subscribed for. By an amendment to the charter, in 1836, the branches were allowed to increase their capitals to \$250,000, and to extend their line of discounts to twice and a half the amount of their capitals paid in. There are now [1856] thirteen branches, and only four of them have over \$200,000 capital, the highest being \$225,000.

We have a great repugnance to the dry details of tabular statements, but cannot conveniently place before our readers, in a more condensed form, a clear exhibit of banking operations without an occasional use of these abstracts. The following synopsis shows the condition of the "State Bank of Indiana" at the specified dates :

	No. Bks. and Branches.	Capital.	Deposits.	Circulation.	Specta.	Loans.
1835,.....	9	\$800,000	\$127,236	\$456,065	\$751,083	\$531,848
1837,.....	10	1,846,921	1,898,061	2,516,790	1,196,187	4,208,956
1840,.....	12	2,671,618	472,748	2,865,568	1,076,551	3,689,595
1841,.....	12	2,743,191	317,890	2,871,689	1,127,901	4,419,104

At this point we will linger a while, and analyze the true condition of this State Bank, and suggest a few considerations, which might have terminated its existence in the same inglorious result which befel other banking institutions in other States. We have already stated that one-half of the capital of this bank was predicated on State bonds for \$1,300,000. Now let us suppose that the resumption of specie payments in 1838 had been a permanent one, what would then have been the fate of this bank? Its circulation was more than two millions and a half of dollars, its specie about one million, and its loans about four millions, on which it could not probably have relied for prompt payment at all; certainly not for more than would pay off its depositors. To what resources, then, could the directors have looked for relief, except the sale of the State bonds, pledged as capital? What these would have brought, subsequent events have left on record. The names of Indiana and Illinois bonds are not yet forgotten in the New York Stock Market—where they were sold in 1842-43, at 20 to 80 per cent. discount. But it is not on this point that we deem it so important to dwell, as upon the fact, that the act creating the bank was a violation of the Constitution of the United States, illegal in its origin and based upon false principles. "No State can emit bills of credit," says the first article of our confederation; and what were these State bonds of \$1,300,000 but the representative of \$800,000 bank stock, against which \$1,600,000 in bank notes were authorized to be issued? Now this was an expeditious way of making money easy and facilitating the construction of the great canal, but unfortunately it was *unconstitutional*. A similar act of incorporation by the legislature of Tennessee was denounced by General Jackson in 1820; and in the Senate of the United States, in 1832, Daniel Webster uttered his opinion in the following language; "Congress can alone coin money; Congress can alone fix the value of foreign coins. No State can coin money; no State (nor even Congress itself) can make any thing a tender but gold and silver. '*No State can emit bills of credit.*' The States cannot issue bills of credit: not that they cannot make them a legal tender, but that they cannot issue them at all. Is not this a clear indication of the intent of the Constitution to restrain the States, as well from establishing a paper circulation as from interfering with the metallic circulation? Banks have been granted by States with no capital whatever, their notes being put into circulation simply on the credit of the State or the State law. What are the issues of such banks but bills of credit, issued by the State? I confess, Mr. President, the more I reflect on this subject, the more clearly does my mind approach the conclusion that the creation of State banks for the purpose, and with the power of circulating paper, is not consistent with the grants and prohibitions of the Constitution." Notwithstanding these well-known views of the construction of the Constitution, Indiana issued her bonds, and, overleaping the barriers of the strict constructionists and expounders, she has, by upwards of twenty years' banking, made a more profitable use of her bonds than any other holder of them has ever realized.

It was fortunate for the Indiana banks that the suspension of specie payments continued in the West and South, and the directors were

thereby enabled to collect their scattered forces, and gradually prepare for the demands of the bill-holders, when the actual resumption took place in 1841. They had, during the three years, 1838-41, partially resumed specie payments, and when a full resumption took place, the bank held \$1,127,518 specie, to redeem a circulation of \$2,960,414, and deposits amounting to \$317,890. After this period the following statement gives the condition of the banks at the specified periods :

	<i>Bl. &amp; Drs.</i>	<i>Capital.</i>	<i>Deposits.</i>	<i>Circulation.</i>	<i>Specie.</i>	<i>Loans.</i>
1842,.....	13	\$2,727,532	\$212,463	\$1,828,371	\$811,234	\$2,866,629
1845,.....	13	2,087,894	402,067	3,527,351	1,079,368	3,721,805
1848,.....	13	2,089,908	556,050	3,708,031	1,273,895	3,551,644
1850,.....	14	2,082,950	556,432	3,548,267	1,197,880	4,124,886
1853,.....	14	2,150,107	716,048	3,949,280	1,377,804	5,037,394

The return of the present year [1856] is as follows :

Capital,.....	\$2,150,107	Eastern Funds,.....	\$707,634
Circulation,.....	3,478,925	Surplus Funds,.....	1,228,302
Deposits,.....	603,150	Loans,.....	4,678,781
Specie,.....	1,223,200		

The estimated loss on the circulation is given at \$14,308, which is not regarded as over-rated, considering the large amount which has been issued, and the long series of years during which it has been in use. [The charter expired 31st December, 1856.]

By these abstracts, and the final results of the bank operations, we perceive how well the directors and executive officers of the branches have discharged their duties ; and we know that prior to the incorporation of the new bank, the sentiment was universal throughout the valley of the Ohio, that the extinction of such an institution was an evil of dire import to the financial operations of the trading community. Happily wiser counsels have prevailed, and the new institution, with additional safeguards and many of the old and experienced officers of the present bank, will soon be organized to resist the insidious and pernicious influences of the Free Bank system, which has already injured the characters, fortunes and prospects of many reckless adventurers.

Since the expiration of the charter of the United States Bank, public opinion has become more unanimous in regard to the inexpediency of having any connection between bank and State. During the existence of that institution, the community were nearly equally divided on the subject, but the present generation appears to have acquiesced in the justice of the decision which doomed it to extinction. In all the States where there yet remains any connection between the banks and the State, the general sentiment is, that there should be no union between the State and banks any more than between Church and State. "Cut the State loose from all banks ; give their management to those who have a direct interest in them ; take from the legislature a fruitful source of mischief and corruption, and induce a wholesome competition wherever banks may be located."

In almost every instance, where the banks have been wholly or partly owned by the States which chartered them, and where the direc-



tion has been under legislative control, imprudent and reckless loans have been granted, resulting in severe losses to the banks, and in some cases, the partial or entire absorption of their capitals. These have been occasioned, not only by injudicious discounts, but, worse than all, by political favoritism, intrigue and corruption; and the long array of suspended debts which can be pointed out in the returns of the State Banks of Illinois, Tennessee, Georgia, Mississippi, Arkansas, &c., confirm the correctness of our remarks. When a bank comes into possession of large means of discounting, which are not the contributions of individual stockholders, nor the result of its own earnings, directors are seized with an impatient desire to accommodate all their needy friends and customers; and in their haste to use the funds for the profit of the bank, they are not accustomed to scrutinize the proffered paper so closely when the supplies are redundant, as they would do if their resources were limited and straitened. Some of the "pet banks" were ruined by the possession of government funds, which, in the frenzy of a partisan triumph, they either mistook for their own, or else lost all discretion in the management of their trust; and the banks among whom the "surplus revenue" was distributed can trace many a bad debt to the possession of these unexpected deposits, and which some of the more prudent banks had the caution and sagacity to decline.

In November, 1851, the new constitution of Indiana went into operation, and contained the following provision: "No bank shall be established, except under a general law, and the stockholders shall be individually responsible for the debts of the corporation, in addition to their stock, to an amount equal thereto. Every bank must close banking operations within *twenty years* from its organization, and promptly close its business." And on the 28th May, 1852, a general banking law was passed in conformity thereto. This "Act to authorize and regulate the business of banking" provides, "that whenever any person or association shall deposit in the hands of the auditor, in trust, any of the stocks of the United States, or of any of the individual States, which pay interest semi-annually, and an amount which produces six per cent. per annum, or Indiana five per cent. stock, or double the amount of two and a half per cent. stock, (the Indiana State Stocks chargeable upon the canal being excluded,) such person or association may receive from the auditor an equal amount in bank notes to be used for banking purposes, of the usual denominations, of which one-fourth part may be under five dollars. The parties then possessing the usual free banking powers, limited to twenty years' duration of existence, are required to pay specie on the presentation of their bills, and are liable in their individual capacity for an amount equal to that of the stock they hold in payment of all debts incurred. The capital of each bank must be at least \$50,000, which may, however, be indefinitely enlarged. No bank shall at any time, for the space of twenty days, have on hand, at their place of business, less than twelve and a half per cent., in specie, of the bills or notes in circulation as money." No directors are required for the management of these banks, nor are the stockholders required to be citizens of the State. Thus, it will be perceived, that this banking law was a shrewd financial measure on the part of the State to

enhance their bonds, which only bore five per cent interest—as for banking purposes they were made equal to United States Stocks—whereas their market value is 25 per cent. below United States five per cent. stocks, the former being worth 82 and the latter 107. In 1842, Indiana State bonds were sold in New York at 19, but this banking law run them up to 92; yet, since the failure of these free banks, their value in New York has declined about ten per cent. Under this law, ninety-four banks have been organized, with a nominal capital of over *thirty-five millions of dollars*, and have been entrusted with bills for circulation amounting to more than *nine millions of dollars*. The securities lodged with the auditor consisted in part of \$2,400,000 of Indiana five per cent. stocks, and \$408,000 two and a half per cent. canal stocks, the residue being made up of Virginia, Michigan, Georgia, Louisiana, Missouri and other State stocks. Fifty-one of these banks have *failed*, and are now in the process of liquidation, [1856.] and their bills are selling at various rates of discount, from *five to eighty per cent. discount*, in Cincinnati, of which seventeen banks are quoted at 75 per cent. discount; four at 80 per cent.; five no sale, and thence running up the scale to only five per cent., at which rate there are but two banks.

This disastrous result was clearly predicted in 1854, but it has been vastly more ruinous than the worst anticipation could have foreshadowed. We take no pleasure, however, in surveying the gloomy retrospect of any subject, unless it resembles the receding mists of a thunder cloud, which has left no ruined hopes in its course, and bequeathed only a scene of joy and brightness.

When the free banking system was first introduced into Indiana, we apprehended that its practical operations would disappoint the expectations of its advocates. We foresaw that the pretended security of the community was a delusion, and that the promised accommodations to the trading interest would be found to be too costly for frequent use. The mere fact that “a board of directors” was not a necessary appendage to a bank, was enough to encourage brokers and bankers from other States to avail themselves of its facilities for supplying rail-roads and pork-packers with a convenient currency, and receive in payment therefor their bills of exchange on New York. Individuals from Ohio and other States, by depositing \$50,000 of Indiana 5 per cent. stocks, were authorized to receive an equal amount of bank notes; and by the aid of these, the means of increasing these “banking operations” were at their command. When the circulation of one bank had attained its point of availability, a second bank was established by the same parties, and its stock temporarily furnished by the use of the bills of the first bank. By these cunning operations, three or four banks could be organized, in four widely-separated corners of the State, *inaccessible* during the winter season; and by the use of each other’s bills, at the remotest point, they easily managed to keep in circulation a large amount of currency. This system of establishing banks was, however, in vogue in the Western country many years before this period. The “Western Annals” says, “One general feature existed in most of the earlier banks of the West, that pretended to be instituted on a specie basis. The term used in this country, at the time, expresses the idea: they were

'shingled' over the country. One bank was made the basis of another, and that of a third, and that of a fourth; consequently, when the foundation gave way, the whole went with a crash. The modern policy of hauling boxes of specie from one bank to another was not then invented; or, more correctly, they had not specie enough to bear transportation. Two or three shrewd agents and directors would gather up a few thousand dollars in specie, for stock honestly paid in; while the 'knowing ones' would bring their 'shingles' from a neighboring bank, the bills or stock of which was counted as so much capital paid in."

Much has been written and said about the superiority of the free banking system over all others, and many elaborate essays have been published to prove the security of the bills of these banks, in any contingency of financial pressure. Let us now examine the practical result of this delusive scheme, by its operation in Indiana, and we shall find that this mine of gold is converted into "moonshine." "Shadows we are, and shadows we pursue."

We have already stated that of the 94 free banks organized in Indiana, 51 had failed, suspended or gone into liquidation; and we now proceed to specify them by name, amount of circulation and the kind of securities lodged with the auditor, together with the rates of discount at which their bills are quoted in Cincinnati:

Name of Bank.	Place.	Circulation, October, 1854.	Securities.	Rate of Discount, October, 1854.
Bank of Connersville, . . . . .	Connersville,	\$517,691	Indiana 5's,	20 per cent.
State Stock Bank, . . . . .	Peru,	189,119	Do. and 2½'s,	50 "
Government Stock Bank, . . . . .	Lafayette,	87,210	Do. 5's,	85 "
Merchants' Bank, . . . . .	Lafayette,	50,000	Do. 5's,	85 "
Wabash Valley Bank, . . . . .	Logansport,	208,000	Louis'a, Virg'a, Ind'a, Ten.	25 "
State Stock Bank, . . . . .	Logansport,	177,759	Indiana, Michig'n, Penn'a,	80 "
Plymouth Bank, . . . . .	Plymouth,	50,500	Indiana 5's, Virginia,	75 "
Drovers' Bank, . . . . .	Rome,	49,798	Indiana 5's,	75 "
Public Stock Bank, . . . . .	Newport,	109,314	Indiana 5's and 2½'s,	75 "
Bank of North America, . . . . .	Newport,	60,000	Indiana 5's,	50 "
State Stock Security Bank, . . . . .	Newport,	100,000	Indiana, Pennsylv'a, Virg'a,	80 "
Western Bank, . . . . .	Plymouth,	100,000	Indiana 5's, Virginia,	80 "
Northern Indiana Bank, . . . . .	Logansport,	100,000	Indiana 5's, Missouri,	75 "
New York Stock Bank, . . . . .	Vincennes,	119,000	Virginia 6's,	80 "
Elkhart County Bank, . . . . .	Goahen,	820,000	North Carolina, Louisiana,	75 "
Steuben County Bank, . . . . .	Angola,	150,000	Indiana, Louisiana,	75 "
Bank of Albany, . . . . .	New Albany,	68,512	Indiana 5 and 2½. Virg'a,	50 "
State Stock Bank, . . . . .	Jamestown,	887,000	Virginia and Ohio 6's,	25 "
Bank of Covington, . . . . .	Covington,	155,000	Indiana, Virginia, Louis'a,	25 "
Great Western Bank, . . . . .	Terre Haute,	189,000	Virginia,	20 "
Bank of Rochester, . . . . .	Rochester,	170,000	Misso'l, Vir'a, Louis'a, Ten.	20 "
Bank of Rensselaer, . . . . .	Rensselaer,	114,000	Pennsylv'a 5's, Louisiana,	75 "
Wayne Bank, . . . . .	Logansport,	120,000	Virginia, Ohio,	5 "
Wayne Bank, . . . . .	Richmond,	100,000	Virginia,	5 "
Bank of Attica, . . . . .	Attica,	144,479	Indiana 5's, Virginia,	50 "
Delaware County Bank, . . . . .	Muncie,	90,000	Indiana 5's and 2½'s,	5 "
Upper Wabash Bank, . . . . .	Wabash,	198,000	Virginia,	75 "
Perry County Bank, . . . . .	Cannelton,	78,000	Indiana 5's, Pennsylvania,	80 "
Traders' Bank, . . . . .	Terre Haute,	49,999	Indiana 5's,	85 "
State Stock Bank, . . . . .	Marion,	75,000	Louisiana, Virginia,	80 "
Laurel Bank, . . . . .	Laurel,	57,000	Indiana 5's,	50 "
Kalamazoo Bank, . . . . .	Albion,	50,000	N. Carolina and Virginia,	50 "

Name of Bank.	Place.	Circulation, October, 1854.	Securities.	Rates of Discount, October, 1854.
Farmers' Bank, .....	Jasper,	\$42,500	Pennsylvania 5's,	75 per cent.
Bank of Albion, .....	Albion,	41,300	Pennsylvania,	40 "
Wabash River Bank, .....	Jasper,	300,000	Virginia,	75 "
Traders' Bank, .....	Nashville,	75,400	Indiana 2½'s,	50 "
Bank of Fort Wayne, .....	Fort Wayne,	124,995	Indiana 5 and 2½, Virginia,	70 "
North Western Bank, . . . .	Bloomfield,	300,000	Virginia,	50 "
Bank of America, .....	Morocco,	42,213	Pennsyl'a 5's, Indiana 5's,	50 "
Wabash River Bank, .....	Newville,	105,000	Virginia,	75 "
Farmers & Mechanics' Bk.,	Besseleer,	52,000	Louisiana,	75 "
Atlantic Bank, .....	Jackson,	No returns.		75 "
Bank of Perrysville, .....	Perrysville,	do.		5 "
Bank of T. Wadsworth, .....	Michigan City,	do.		No sale.
People's Bank of Lima, .....	Lima,	do.		75 "
Bank of Bridgeport, .....	Bridgeport,	do.		25 "
Green County Bank, .....	Bloomfield,	do.		75 "
Merchants' Bank, .....	Springfield,	do.		85 "
Orange Bank, .....	Poseyville,	do.		25 "
Stark County Bank, .....	Knox,	do.		25 "
Wabash River Bank, .....	New Corydon,	do.		75 "

These returns are copied from the auditor's report in October, 1854, with the exception of the last nine banks, which were not included by him, as well as a few others, not specified in our tabular statement. The rates of discount are taken from one of the latest "Bank Note Reporters" published in Cincinnati. We have no means of ascertaining what amount of this "secured" currency is now in the pockets of the people, but we would modestly inquire what property the stockholders of these banks have remaining, after plundering the community at this rate, if the unredeemed bills are now worth only 25 to 50 per cent. of their nominal value? It surely must be conceded, that the clause in the general banking law which provides, that "the stockholders shall be individually responsible for the debts of the corporation, in addition to their stock, to an amount equal thereto," is either inoperative, or has been most strangely overlooked or neglected. It may be said, that the stockholders are not residents in Indiana, and are therefore inaccessible, and not amenable to the laws of the State which incorporated them; the greater, then, is the absurdity of the law, which granted them the power to defraud the community, and delude them with their specious promises; and still greater the folly of those who relied upon these pictorial notes as the representatives of coin. It was long since ascertained in New York, that "the general banking law of that State was subject to frauds and evasions by the establishment of mere banks of circulation, in remote points in the State. It was proved that such banking concerns possessed little *bona fide* capital, were frequently controlled by irresponsible men, and at times with fraudulent intent. The requisites of the law, to the effect that each bank should have a locality and a *bona fide* business, have been frequently evaded; creating thereby a spurious system of banking operations, and a currency that may be termed illegitimate, inasmuch as it was intended to be circulated any where else than near its own counter. For some years after the adoption of the general law, this species of illegitimate banking became general, and likewise profitable, the bills being bought up at a rate of

discount varying from  $\frac{1}{4}$  to 1 per cent., and being immediately afterwards re-circulated at par among the needy. Thus the better and more solid currency became superseded by that of an inferior character." From a late report to the Secretary of the Treasury, on the operations of the Sub-Treasury, we take the following extract on the subject of the "security" of free banks, and then pursue our remarks :

"There is but one way in which we can detain in the country a just proportion of the gold of California, and that is by creating an active demand for it. There is but one way in which this active demand can be created, and that is by prohibiting the issues of notes of small denominations. The policy of many of the State governments has, of late years, been the very reverse of this. It has encouraged the issue of small notes, by sanctioning the establishment of what are popularly called 'free banks,' with deposits of stocks and mortgages for the 'ultimate security' of their issues. This 'ultimate security' is, it may be admitted, better than no security at all. The mischief is, that it is *least available when most wanted*. The very causes which prevent the banks from redeeming their issues promptly, produce a fall in the value of the stocks and mortgages, on the 'ultimate security' of which their notes have been issued. The 'ultimate security' may avail something to the broker, who buys them at a discount, and can hold on to them for months or years; but the laboring man, who has notes of these 'State security banks' in possession, finds, when they stop payment, that the 'ultimate security' for their redemption does not prevent his losing *twenty-five cents, fifty cents, or even seventy-five cents* in the dollar. In a circulating medium, we want something more than 'ultimate security.' We want, also, *immediate* 'security;' we want security that is good to day, and will be good to-morrow and the next day, and for ever thereafter. The security is found in gold and silver, and in these only. If the State governments will persist in encouraging the establishment of banks *in places where, as the people have no money* to deposit and no business notes to offer for discount, there is no room for legitimate banking; if they will encourage the establishment of banks, even in commercial places, solely that their founders may get the profits of small note circulation, the United States government, however it may regret the evil, cannot prevent it, and the laboring classes in these States must continue subject to all the losses and disadvantages to which they are exposed under such a system."

But our objections to the free-bank system are not confined to the inadequacy of the security for redemption in specie. Our banks are theoretically founded upon the contribution of the surplus capital of individuals, for the double purpose of *granting facilities* to those engaged in trade, and furnishing to the community a safe and convenient currency to those who prefer bank notes to the inconvenience and weight of coin. By the supply of these desiderata, the contributors to the funds are remunerated by the profits of the operations, and all the parties are satisfied; but when no *facilities* are granted, and the currency furnished is of doubtful character, the institution engaged in the operation becomes a curse to any community. Such was the case with nearly all the long array of banks which we have specified in the pre-

ceding pages. They had no funds to loan, for they were all invested in State stocks; they had no deposits to discount upon, for they were principally located in small towns and villages, where notes were rarely given, and every man was his own banker. Many of them had no directors, but only a manager, whose sole employment was "shaving," not discounting; signing bank notes, and sending them forth to the remotest points for distribution, among the ignorant and those "in need." Every possible avenue of circulation was surcharged—every opportunity of substitution and exchange for other notes improved—brokers were employed to scatter them on rail-roads and steamboats, until the travelling community found nothing but Indiana notes in their pockets. The law, indeed, says, that "nothing contained therein shall be construed to empower any person or association to conduct or carry on the business of banking, at any other than the place of business of such individual banker or banking association; which place of business shall, in every instance, be the same at which their small bank bills respectively are made payable." Probably the business of issuing and redeeming the circulation may be regarded as a strict compliance with the law; but the business of distributing these notes was managed quite beyond the limits of the State, and the constituents of the law makers derived little or no benefit from their general banking law. On the contrary, it is probable that most of the floating currency of Indiana was subjected to the discount which the run upon the banks occasioned in 1854-55, although the residents probably avoided the extreme rates which the suspension finally occasioned.

Another objection which we have to the free banking system is, that its privileges are open to every individual who can furnish the requisite security, no matter what may be his reputation, or wherever he may reside; so that a resident in California or Texas could be the owner of a bank in Indiana as well as a citizen of Indianapolis. Each can establish a bank, and enjoy all the privileges that acknowledged wealth, high reputation or perfect integrity can command. The individual may be a stranger from a distant region, without the slightest interest in the community where his bank is located, yet, with \$50,000 of the requisite stocks, he can require of the auditor the bank notes therefor, and commence his financial operations without hindrance. The bank itself may be located in some remote village out of the range of ordinary travel, and its manager a resident of some commercial city, devoting his energies to the circulation of his notes, and supplanting the issues of more substantial banks, who are transacting a legitimate business. By adroit management, a considerable amount of brokerage may be made on the redemption of these bills, which are again put into circulation at some distant point, and again redeemed, so long as money is abundant; and thus a large emolument may be derived from circulation and redemption, levying a continual discount upon the community, until a continued pressure comes; the currency is driven home for coin, the concern stops payment, and the community are compelled to await the sale of the securities for their partial reimbursement out of the scanty materials which the depreciated value of the deposited stocks may ultimately produce. As for the personal responsibility, his non-residence settles

for that without further trouble. Such operations have been accomplished and will continue to be practised as long as knaves exist in the world, or dupes who are willing to trust them.

There is still another objection to this law, which is, that it intrusts to the auditor a supreme power, which is anti-republican and despotic. He is the sole judge of the securities offered, and can withhold or dispense the bank notes as partiality, caprice or prejudice may dictate. Bribery may corrupt, or political animosity may influence his action, and his independent will can build up or destroy banks by favoritism or coercion. In a period of high political excitement, if his integrity could not be assailed, his partisan feelings would be swayed; and even in ordinary times a feud might arise between him and a portion of the banks, and he might exercise his power to harass and even to crush them. With him alone do the holders of dishonored or bankrupt notes have to deal, to obtain their *pro rata* of security, and on his integrity does the community rely for the soundness and value of the stocks for which he has supplied the banks with their notes of circulation. We need not describe how the law may be evaded, if he is so disposed; but it is sufficient to know that the temptations to violate and stretch it are innumerable and seductive. Besides this, however, there may be danger from an excess of confidence, either in his own opinions or in the integrity of others, the results of which might be disastrous.

A further objection to this free banking system is, that it allows *movable banks*—movable funds—which are transferred from one place to another, and with the removal a change of ownership effected. A select committee of the House of Representatives of Indiana, on the condition of the Bank of North America, at Newport, closed their report as follows: "The committee would respectfully suggest that *some very stringent provisions are necessary* in order to compel *foreign bankers* to carry on a legitimate business within the State. There are doubtless a number of institutions in the State similar to those which, in the State of New York, are denominated 'movable' banks. As subjects of taxation and offices for redemption, they will prove almost inaccessible to the people. The committee would respectfully recommend, that every bank be compelled to have a regular banking office; to keep said office open a certain number of hours *each day*, and to pay a *heavy forfeit*, or be subject to be put in a *state of liquidation* by the auditor, *upon every failure to redeem its paper.*" The bank of Newport referred to, opened its doors *but twice a week*, and on one of its working days had \$1,500 presented for redemption, which were dishonored and protested. This bank had \$80,000 in circulation, secured by Indiana five per cent. stocks, but its notes are worth now only 50 per cent. Where, we would again ask, is the "ultimate security" and the "personal responsibility of the stockholders?"

We will add one more objection to the system, and it is this: These "free banks" are under no other supervision than that of the auditor, who has been engaged night and day in signing the bills of these ninety-five banks, ever since the bill creating them was passed, up to the period of bankruptcy. What time, then, or opportunity could he have had during these three years to inspect *their condition*, or to ascertain if they com-

plied with the law, which required every bank to have on hand, *in specie*, twelve and a half per cent. of the amount of its circulation. The law was therefore defective, inasmuch as it did not provide for a Board of Commissioners to examine into the condition of these mushroom banks, and report the results to a dependent and confiding community. Even in Massachusetts, where the banking system is regarded as perfect, and stringent as human laws can make it, and bill-holders are protected in any emergency which can possibly occur, commissioners are appointed to examine every bank in the State, and ascertain its true condition in regard to the extent of all its liabilities and the value of its assets, and make a full report thereon. Independently of this supervision, every bank has a board of directors to manage its concerns, whose movements are carefully scrutinized by interested stockholders, and by the argus-eyed Suffolk Bank. But in Indiana, strangers from other States are permitted to establish free banks on their individual accounts, and conduct their operations to suit their own notions of expediency, without any apprehension of interference or supervision.

From McCulloch's Statistical Account of the British Empire, we extract the following remarks: "There is, in fact, but one measure that can give the public that guarantee to which they are entitled in dealing with country banks, and that is, to compel them to *give security for their issues*. Nothing short of this will do. Women, minors, and individuals of all descriptions, who, from their situations in life, are no wise qualified to judge of the stability of different banking companies, are dealers in money; and in point of fact it is found that the notes of the most worthless banks always obtain some circulation, and generally, indeed, find their way into the pockets of those who are least able to bear the loss when the fraud is discovered. *Government is bound to interfere to protect its subjects from such losses*, and to make sure that all notes intended to serve as *money*, be they issued by one individual or many, *shall be paid when presented*."

If, then, the free banking system is to be forced upon the country, *by the apathy of non-resistants*, let at least one effort be made by those who have suffered by the late disasters in Indiana. "It is never too late to mend." We apprehend that the only satisfactory plan upon which the free banking system can be adopted is to deprive it of the inducement so alluring to adventurers, namely, the issue of the full amount of bank notes for the nominal value of a five per cent. stock, which is 18 per cent. below par in the market of New York. For instance, if a scheming and visionary financier could purchase \$100,000 of Indiana 5 per cent. bonds for \$82,000, on sixty days credit in New York, within that period he could have had \$100,000 in Indiana free-bank notes, prepared, signed and delivered, ready for distribution. He might have disposed of them at one per cent. discount, and after deducting the cost of the bank-note plates, paper, printing, &c., he could, without any difficulty, have made twelve or fifteen thousand dollars by the operation. The redemption could have been left for the auditor to settle, and the "personal liability" *derided*. We do not say that this has been done, but something very much like it was, in more than one instance.



Rescind, then, this temptation to adventurers, and instead of issuing bank notes to the full amount of the par value of the stocks deposited, issue only 75 per cent. of their market value; require a board of at least five directors for each bank, who must be *permanent residents in the State*; a *permanent* office for business, *open daily at reasonable hours*, and require either the president or cashier, not only to be residents of the State, but to *attend personally* in the office, for the transaction of bank business, during the usual hours. The bank funds, if such they can be called, would then cease to be migratory and evanescent, and the banks could more readily be found, even in the rude settlements of Indiana, excepting in winter, when neither horse nor man can travel. We do not intend to speak disparagingly of the State—far from it—all the world knows that her internal improvements have cost millions of dollars, but the expenditure was for banks of canals, and not for avenues to banks of circulation. Nature designed it for agricultural wealth, and not as a sporting ground, where financial operators might disgrace the State with their schemes of pelf, and cheat the tillers of the soil out of the results of their hard labor and thrift. With the prerequisites which we have specified, and a board of bank commissioners, to examine annually the condition of these banking freebooters, some “ultimate security” may be obtained for the full redemption of the circulation.

We have devoted much time and space to the examination of this “free banking system,” because, in no other State but Indiana have its merits been so thoroughly tested as in this, and so speedily brought to a result which terminated in disaster and confusion. We simply ask its advocates to survey the ruins; we have appealed to facts to discredit the theory, and if we have convinced any unprejudiced mind of its defects, our labors will not have been in vain.

In the session of the Indiana legislature, and in less than three years after the general banking law was passed, it was found out that the law was injudicious and imperfect; and on the 3d of March, 1855, the following section of the amendments of that law was passed by the senate and general assembly, the governor’s objection thereto to the contrary notwithstanding:

SECTION 56. Inasmuch as the general banking law of this State is *insufficient* to afford the people a *sound circulating medium*, an emergency exists for the immediate taking effect of this act; it is, therefore, declared, that the same shall take effect and be in force from and after its passage. The amendments in this law were:

SEC. 2. That no fewer than *eleven* persons should be vested with banking powers.

SEC. 6. That only \$100 in bank notes should be delivered by the auditor for every \$110 of stock deposited with him, and no association should have more than \$200,000 in circulation, and the *entire* circulation shall not exceed \$6,000,000.

SEC. 7. All stock deposited must be made equal to a six per cent. stock.

SEC. 18. No bank to be located in any town where there were less than one thousand inhabitants.

SEC. 27. An annual statement of the condition of each bank is required to be furnished to the auditor for publication.

SEC. 29. A majority of all the stock to be owned by resident citizens of the State.

SEC. 40. Banks required to have regular banking houses and regular hours for business, daily from 10 to 3 o'clock.

SEC. 46. Banks required to have taxable unincumbered property, within the limits of the State, of the value of 25 per cent. of the amount of circulation, or a satisfactory bond to be given therefor, renewable annually.

SEC. 47. A bank commissioner to be appointed by the governor, treasurer, secretary and auditor, to examine annually the condition of each bank, and report to the legislature.

SEC. 54. All new banks to have an agent in Indianapolis, to redeem their circulation.

SEC. 55. A charge of one per cent. on the bills signed by the auditor, for remuneration to treasurer and auditor.

These are certainly important amendments to the primary law, but they do not go quite far enough to satisfy our notions of "*ultimate security*;" still it is a step forward, which future legislatures may advance upon, and possibly make less objectionable.

During the same session, and at the same date, the "act to establish a bank, with branches," was passed, abstracts of the prominent features of which are as follows:

SECTION 1. "The Bank of the State of Indiana" chartered for twenty years. Capital not to exceed \$6,000,000.

SEC. 2. Five commissioners appointed.

SEC. 3. State to be divided by commissioners into 15 or 20 districts, and one branch bank in each district.

SEC. 30. General Assembly to elect four directors, and each branch bank one director.

SEC. 36. Directors to have power to examine branches, &c., &c.

SEC. 38. Twice the amount of capital paid in to be issued for circulation, under the authority of the directors.

SEC. 79. No bank to have less than \$100,000 capital, and the shares to be \$50 each.

SEC. 86. Discounts not to exceed twice and a half the capital paid in. Each branch is required to have \$100,000 subscribed before it can be organized; and when a sufficient number of branches are established, each appoints a member of the board of directors, who manage the affairs of the whole. Each branch is mutually responsible for the liabilities of all the others, and the stockholders are also individually responsible for the liabilities of the branch to which they subscribe for an amount equal to their stock. After the central board is organized, it will authorize an increase of the capital of each branch to such an amount as may be deemed appropriate, within the limit prescribed by the charter, which authorizes an aggregate capital, not exceeding \$6,000,000, for all the branches. The legislature refused to loan to the new bank the amount of the State's share in the present bank, but a renewed effort will probably be made at the next session to effect this

object. The appointments of capitals to the branches of the new bank are, to

Indianapolis,.....	\$500,000	New Albany, .....	\$400,000
Jeffersonville,.....	500,000	Madison, .....	400,000
Laporte, .....	500,000	Lafayette,.....	400,000
Terre Haute,.....	850,000	Connersville, .....	250,000
Richmond,.....	250,000	Logansport, .....	200,000
South Bend, .....	250,000	Rushville, .....	200,000
Vincennes, .....	250,000	Bedford, .....	200,000
Fort Wayne,.....	250,000	Plymouth,.....	200,000
Lima,.....	100,000		
Making, in the aggregate, .....			\$5,200,000

By its act of incorporation, the late State Bank of Indiana is allowed the further time of two years to liquidate its concerns after the actual expiration of its charter ; and, meanwhile, the directors have adopted a resolution to call in 25 per cent. of all outstanding loans or accommodation notes, every four months, and confine discounting to strictly prompt paper, to be paid at maturity. Various branches of the bank have declared, during the past year, the following dividends, comprising both the semi-annual and extras :

Terre Haute,.....	28 per cent.	Madison,.....	13 per cent.
Indianapolis,.....	21 "	Lawrenceburg, .....	12 "
Fort Wayne,.....	21 "	Vincennes, .....	12 "
South Bend,.....	20 "	Evansville, .....	11 "
Michigan City,.....	17 "	Lafayette,.....	10 "
Richmond, .....	16 "	Bedford,.....	10 "
New Albany, .....	14 "		

Should the career of the new bank be equally successful, of which, from its *material*, we have no doubt it will amply repay the State for its recurrence to the first principles of banking, and disabuse the public mind of the fatuous notion, that "free banking" is the only antagonistical principle against "the chartered monopolies of a monied aristocracy." It is the rich man's *funds* which the community need, and not the devices of *financiers* or of beggars ; for every free bank is a *borrower*, and not a *lender* of money ; and we must beg leave to repeat the thrice-told tale. Every "free bank" invests its *whole capital* before it can issue a bank note or discount a dollar ; it then asks the community to *lend them* some money, to carry on their banking business, and for which they offer its printed promises to pay back the amount, on demand, in specie. Out of what funds ? Why, obviously, from funds which it has received on deposit, in trust ; or else out of some other funds, which it must either "beg, borrow or steal."

In the remarks on "free banking" in Indiana, we have withheld much that we know too familiarly to expose ; not through fear of offence, but because we denounce the *principle*, and do not choose to disclose many operations which might amuse our readers, but would degrade personal character. Politicians know what "log-rolling"

means, and free bankers know what "whiskey-rolling" effects. It has been often said that no man could reach a country bank for specie "if a barrel of Bourbon" had preceded him a few hours; or, at any rate, that he could bring nothing away with him of a material character, in the shape of gold. His purse was safe, but his errand was unavailing; his bank notes were untouched, because they were not worth stealing!

But the subject is of too serious importance to authorize either badinage or sarcasm. The States of our confederacy are independent sovereignties, and have exercised the undisputed right to enact any bank laws that may suit the people; to issue "shinplasters" for currency among themselves, if they think proper; yet they cannot make these *money*, nor a legal tender for the payment of debts, although even this project was once attempted in Kentucky. But the constitutions of all these States were established for the preservation of "property," as well as the "life and liberty" of their constituents, and for the promotion of their welfare. How, then, did the legislature of Indiana discharge this sacred trust, when they established this "free banking" system, and authorized "Wall-street financiers" to prey upon the hard earnings of the traders and agriculturists of that industrious and thrifty State? Was their welfare consulted, by driving home to their counters the circulating notes of the State Bank of Indiana, and substituting in their places the heterogeneous mass of inconvertible paper which the auditor so freely furnished to these foreign paper-mills? It is an unvarying law of currency, that when there are two circulating mediums of the same denomination, but of unequal intrinsic value, that which is the least valuable will displace the other. This is more particularly applicable to gold and silver in connection with paper, but it is also true in regard to the different grades of currency. As an evidence of this, the free-bank notes not only supplanted the circulation of the State Bank of Indiana, but also that of the State Bank of Ohio, and at one time, in Cincinnati, there was scarcely any other currency in circulation.

Among the leading business men, and all who have seriously reflected upon the matter, there has been, for many years, a decided opposition to the policy of issuing bank notes under the denomination of five dollars; not only as a safeguard against the counterfeit and altered bills, so universally scattered, but as the only method of introducing a metallic currency in the smaller transactions of daily traffic, so much more satisfactory to all parties interested. It is now generally conceded that the appropriate time has arrived, when the circulation of notes under the denomination of five dollars should be prohibited by all the States. In some of them the law now exists and is enforced; in others, it has been temporarily tried and repealed; and in some others it exists on the statute book, but only as a dead letter. Prior to the first suspension of specie payments, most of the banks restricted their circulation to \$5 and upwards; but, after that event, specie disappeared from circulation in all the States, (excepting those of New England, where the banks, coerced by efficient laws and public opinion combined, continued to fulfil their engagements,) and the place of specie was supplied by emission of notes from \$3 down to 25 cents—some with

the sanction of the law, and some without it—and by other emissions from all sorts of corporations, public officers, private institutions, and even by individuals who generously accommodated the public with their credits for sums as small as 5 cents, in the hope that the notes would be lost or worn out, and that they should never be troubled with a demand for payment. In 1817, Pennsylvania passed a law prohibiting the issue of any notes less than \$5; but New York, New Jersey and Delaware supplied them with small notes, and the only effect was the continued suppression of a specie circulation, and a supply of “rag currency” which was unknown, for a set which was known; and it was not until 1829 that Pennsylvania finally relieved herself of this trash, and silver was again restored to its channels of circulation. The success of this experiment emboldened other States to follow this example, and it would have been adopted by several more, but the second suspension in 1837 again deluged the country with small notes and tickets, and extinguished all the hopes of the friends of the measure. Subsequently, several of the States have receded from the stand they had taken, while others, on the other hand, have adopted it; still it is not in vogue in the older States; and until it is generally so, the object cannot be effected. It must be completed throughout, or, like the circuit of electric wires, the effect may be lost, by a want of continuity. The period is opportune for the adoption of the measure; there are now hoarded up ample means to redeem all the small notes in circulation, in gold and silver, which would remain in permanent use if it was the only legal currency. Independent of this supply of specie in the hands of the people, there is an annual out-pouring of gold from the public treasury, which, of itself, is enough to supply the place of all the small bills in the country; and, in addition to these sources, California is now pouring into the lap of the nation her liberal supplies of gold, and we thus have within our command all that we need to satisfy thousands and thousands of our countrymen, by giving gold for paper, substance for trash. Shall, then, a few paltry banks, who are mean enough to *calculate* upon the profits of *small note circulation*, be longer permitted to stand in the way of reform, and retard the introduction of this long-desired monetary measure? If there were no small bills in existence, the large mass of the community would not be affected by the rise and fall of banks, any more than by the fluctuation of stocks; and then the matter would be in the hands of those whose transactions involved thousands, instead of units, and who are better qualified to protect their own interests.

The history of the practical working of the Sub-Treasury scheme furnishes an apt illustration of the beneficial results of specie operations. It is now more than ten years since this fiscal scheme was adopted, and although its provisions were denounced by one party when it was ushered into being, it has survived the obloquy of its opponents, and attained a growth and favor almost amounting to general popularity. Sagacious and experienced men have admitted that they were prejudiced in their views, and that this scheme proves to be a “regulator,” not of a partisan government, but an “indicator” of political economy, without reference to which the commercial operations of our national enterprise could never be prudently conducted. By its restraining power the

banks have been prevented from any ruinous expansion, to which they are constantly prone, and our importations of foreign commodities kept down to a lower amount than would have been ordered, if the payment of duties in specie had not been required. Under its operations a stream of gold has been constantly flowing into the treasury, and fifty millions of gold and silver coin have been annually distributed among the people by the ordinary disbursements of the government. Each successive year the quantity of gold in the pockets of the people will be increased, and greatly facilitate the extinction of small notes, when there could be an immediate transition from a dissatisfied feeling of insecurity, to a well-grounded conviction of stability; frangibility would be converted into solidity, and the process would be imperceptible, rapid and facile, so that in a short time the wonder would be, why the change had not been sooner effected. Public sentiment would then require new concessions, and at last the smallest bank note in circulation would be ten dollars, and other currency below it *specie*. Here we might safely rest a while; but the ultimate point to be aimed at should be the denomination of our double eagle, beyond which it would not be expedient to go. The adoption of these measures in relation to our currency would thereby obviate many of the objections to our present banking system, and disarm our numerous small banks of the means of annoying the community with their petty notes of circulation. Had this system been adopted five years ago, we should probably never have heard of any free banks in Indiana nor in Illinois, where small notes are permitted to an indefinite extent.

We cannot close this article without adding the following extracts from the September number of the Journal of the Statistical Society of London: "A great deal has been written on the subject of the currency, and much pains taken to determine what forms of paper money are to be looked upon as of that character, and what are not. It would seem to be a more simple view of the matter to regard them all as no other than securities for the payment of that, which from its peculiar nature is most readily exchangeable, viz., the precious metal. For the most part they have no intrinsic value, but depend solely for that which they have on what they profess to do, and on the degree of certainty with which we may look for a performance of what they promise. Thus a Bank of England note, if the bullion in the issue department were sufficient to meet all the notes in circulation, would be as nearly as possible a *perfect security*. It professes that the specie which it represents may be had in undiminished quantity immediately it is required, and no doubt could exist, under such circumstances, that the promise would be always punctually performed. A bill of exchange is evidently a similar security, but one of an inferior kind; it professes less, for the payment of it is not usually to be immediate, and the performance of what it does promise depends, in the first instance, on the solvency of the drawer and acceptor, (although as the endorsements increase in number, its validity necessarily improves,) and on a strict adherence to certain legal forms. A check, although giving immediate power over the specie it is drawn for, is liable to be anticipated by the drawer, and to be rendered valueless by the failure of the banker, and so on, until we

arrive at those forms of security recommended by gentlemen of a certain school, which, so far as we can learn, are to promise nothing definitely, and which can only retain a semblance of value, under a system in which the precious metals are by common consent dispensed with as a medium of exchange. These and a variety of others are brought into existence in the operations of commerce, and so long as those only which are of a first class character are generated, and that to a limited extent, commerce will be on a sound and wholesome basis.

“The disorders which arise from time to time are simply evidences that these forms of security have been created in undue quantity or of inferior quality, and for the suppression of these the disorders themselves are absolutely necessary. Such periodical outbreaks are the inevitable concomitants of credit, and will never cease to arise so long as mankind continue to avail themselves of it, and are not content to carry on their transactions by means of commodities possessing intrinsic value, or of securities for realizing them, of unimpeachable validity.

“It is admitted on all hands that a banker is at liberty to use for his own advantage the moneys deposited with him; but it is a compact of almost a sacred kind, that such moneys shall be forthcoming on the instant they are required; it is, therefore, especially incumbent on him, above all things, to preserve intact the interests of his customers, and to resist, when absolutely necessary, the solicitations of borrowers, let the nature of their propositions be as tempting as they may. It must ever be borne in mind, too, that all bill-giving and all bill-discounting are no other than contrivances to make small capitals do the business of large ones; and that, although when kept within reasonable bounds, such contrivances are not unattended with advantage, there is yet a constant tendency in them to exceed their legitimate limits, and to entail distress and ruin on the mercantile community. It is true that they greatly accelerate our natural rate of progress, and enable us to anticipate by years the advantages for which we are continually laboring; but were it not for their introduction, the merchant, the tradesman and the manufacturer would pursue their less ambitious avocations in comparative freedom from anxiety, and the mercantile world would be unvisited by the panics and convulsions which now so frequently disturb its serenity.”

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ILLINOIS.—Yesterday morning the Bank of Commerce, of this city, owned by E. R. Hinckley & Co., did not open its doors, and of course it has “failed.” It has never been a very extensive “institution,” and its failure ought not to affect the credit of the Chicago bankers in the least. We are not informed as to the cause or the extent of the failure, but it is reported that the firm had been severely injured by some of the corn dealers, whose disappearance from ‘change we noticed a few days since. E. R. Hinckley & Co. have a bank at Platteville, Wis., whose bills, we learn, are secured by Missouri and Louisiana stocks, and if the auditor of Wisconsin has done his duty, they will be good beyond a contingency. —Chicago Press, July 11th.

## PROGRESS OF MARITIME LAW.

*An Historical Sketch of the Progress of Maritime Law, from the earliest dates to the present time.*

BY JOHN RAMSAY McCULLOCH, Esq.,

Author of "The Dictionary of Commerce and Commercial Navigation."

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"Nec erit alia lex Romæ, alia Athenis, alia nunc, alia posthac; sed et omnes gentes et omni tempore una lex et sempiterna, et immutabilis continebit."—Cicero.

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THE earliest system of maritime law of which we have any information was compiled by the Rhodians, several centuries before the Christian era. The most celebrated authors of antiquity have spoken in high terms of the wisdom of the Rhodian laws. Luckily, however, we are not wholly left, in forming our opinion upon them, to the vague though commendatory statements of Cicero and Strabo.\* The laws of Rhodes were adopted by Augustus into the legislation of Rome; and such was the estimation in which they were held, that the Emperor Antoninus, being solicited to decide a contested point with respect to shipping, is reported to have answered, that it ought to be decided by the Rhodian laws, which were of paramount authority in such cases, unless they happened to be directly at variance with some regulation of the Roman law. "*Ego quidem mundi dominus, lex autem maris legis id Rhodia, qua de rebus nauticus præscripta est, judicetur, quatenus nulla nostrarum legum adversatur. Hoc idem Divus quoque Augustus judicavit.*" The rule of the Rhodian law with respect to average contributions, in the event of a sacrifice being made at sea for the safety of the ship and cargo, is expressly laid down in the Digest;† and the most probable conclusion seems to be, that most part of the regulations in regard to maritime affairs embodied in the compilations of Justinian, have been derived from the same source. The regulations as to average adopted by all modern nations are borrowed, with hardly any alteration, from the Roman, and therefore, as now seen, from the Rhodian laws—a conclusive proof of the sagacity of those by whom they had been originally framed. The only authentic fragments of the Rhodian laws are those in the Digest. The collection entitled *Jus navale Rhodiorum*, published at Bâle, in 1561, is now generally admitted to be spurious.

The first modern code of maritime law is said to have been compiled at Amalphi, in Italy, a city at present in ruins; but which, besides being early distinguished for its commerce, is celebrated for the supposed invention of the mariner's compass. The Amalphan code is said to have

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\* Cicero pro Lege Manilia; Strab. lib. xiv.

† Lib. xiv. tit. 2.



been denominated *Tabula Amalphitana*. It is difficult, however, to suppose, had such a body of law really existed, that neither it, nor any extracts from it, should ever have been published, and that all traces and vestiges of it should have been obliterated. It has, indeed, been referred to by Giannone,\* Sismondi,† and other distinguished writers. But Pardessus has gone far to destroy the weight that would otherwise have been attached to the circumstance, by showing that these authorities have satisfied themselves with copying the statement of Freccia, in his book, "De Subfeudis," published in 1570.‡ And the presumption undoubtedly is, that the latter had mistaken a foreign code of maritime law, in force in Amalphi, for one of native origin. A code of this description appears to have been compiled at Trani, a town of Naples, on the Adriatic, as early as the 11th century (1063)§. And it seems infinitely more probable that it or some other, having been adopted by the Amalphitans, and disseminated by them, should have been supposed by Freccia to belong to that city, than that all traces of the native code, had it ever existed, should have been lost.

Besides Amalphi, Venice, Marseilles, Pisa, Genoa, Barcelona, Valencia, and other towns of the Mediterranean, were early distinguished by the extent to which they carried commerce and navigation. In the absence of any positive information on the subject, it seems reasonable to suppose that their maritime laws would be principally borrowed from those of Rome, with such alterations and modifications as might be deemed requisite to accommodate them to the particular views of each State. But whether in this or in some other way, it is certain that various conflicting regulations were established, which led to much confusion and uncertainty; and the inconveniences thence arising doubtless contributed to the universal adoption of the *Consolato del Mare* as a code of maritime law. Nothing certain is known of its origin. Capmany, in his very learned and excellent works on the commerce of Barcelona,|| and on its maritime laws and customs,¶ has endeavored to show that the *Consolato* was compiled in that city between the years 1258 and 1266; and that it is founded upon and embodies the principal rules, regulations and customs which the inhabitants of Barcelona, Venice, Pisa, Genoa and other commercial cities of the Mediterranean had adopted for their guidance in maritime affairs. Azuni contends, on the other hand, in opposition to Capmany, that Pisa is entitled to the glory of having compiled the *Consolato*. But, notwithstanding the ability displayed in his Dissertation,\*\* Pardessus and other able critics

\* Storia Civile del Regno di Napoli, lib. i. cap. 4.

† Républiques Italiennes, i. 264.

‡ Lois Maritimes, v. 223.

§ It is given by Pardessus, in his "Lois Maritimes," v. pp. 237-251.

|| Antigua Comercio de Barcelona, tome i. pp. 170-183.

¶ Código de las Costumbres Maritimas de Barcelona, 2 vols. 4to., Discurso Preliminar, pp. xii-xxv.

\*\* It is entitled "Des Lois du Consulat de la Mer," and is contained in his work on Maritime Law, "Droit Maritime de l'Europe," i. pp. 390-499. But though learned and able, it confers but little credit on Azuni, by whom it has been literally translated, without a word of acknowledgment, from a work by Jorio, a Neapolitan lawyer, in 4 vols. 4to., printed in 1781. (*Pardessus*, i. 9.) This work, of which the impression was limited to twenty-five copies, taken at

concur in thinking that he has not been able to shake the conclusions of Capmany. The Spanish origin of the *Consolato* is farther corroborated in a very striking manner by the fact, that it was first published in Catalan, at Barcelona, in 1502, and that the earlier French and Italian editions are, without any exception, translations from this.

Pardessus appears to have been sufficiently disposed, had there been any grounds to go upon, to set up a claim in favor of Marseilles, to the honor of being the birthplace of the *Consolato*. But he admits that no such pretension could be supported, and unwillingly adheres to Capmany's opinion. "Quoique Français," says he, "quoique portée par des sentimens de reconnoissance, qu'aucun événement ne sauroit affoiblir, à faire valoir tout ce qui est en faveur de Marseilles, je dois reconnoître franchement que les probabilités l'emportent en faveur de Barcelone."\*

But to which ever city the honor of compiling the *Consolato* may be due, its antiquity has been greatly exaggerated. It is affirmed, in a preface to the different editions, that it was solemnly accepted, subscribed and promulgated, as a body of maritime law, by the Holy See, in 1075, and by the kings of France and other potentates at different periods between 1075 and 1270. But Capmany, Jorio, and Pardessus, have shown, in the clearest and most satisfactory manner, that the circumstances alluded to in this preface could not possibly have taken place, and that it is unworthy of attention. The most probable opinion seems to be, that it was compiled, and began to be introduced about the end of the 13th or the beginning of the 14th century. And notwithstanding its prolixity, and its want of precision and clearness,† the correspondence of the greater number of its rules with the ascertained principles of justice and public utility, gradually led, without the intervention of any agreement, to its adoption as a system of maritime jurisprudence by the various nations contiguous to the Mediterranean. It is still of high authority. Casaregis says of it, though perhaps too strongly: "*Consulatus maris, in materiis maritimus, tanquam universalis consuetudo habens vim legis, inviolabiliter attendenda est apud omnes provincias et nationes.*"‡

The collection of sea laws next in celebrity, but anterior, perhaps, in point of time, is that denominated the *Roole des Jugemens d'Oleron*. There is as much diversity of opinion in regard to the origin of these laws as there is in regard to the origin of the *Consolato*. The prevailing opinion in Great Britain has been, that they were compiled by direction of Queen Eleanor, wife of Henry II., in her quality of Duchess of Guienne; and that they were afterwards enlarged and improved by her

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the expense of government, comprises a projected code of maritime law, with historical notices of the previous laws, &c. Jorio is also the author of a "History of Commerce and Navigation," (*Storia Del Commercio e Della Navigazione*.) in 4 vols. 4to., Napoli, 1778-83. It comprises only the commerce and navigation of the ancients; and, though learned, is tedious and uninteresting.

\* Tome ii. p. 24.

† Hubner, in his famous treatise, "De la Saisie Des Batimens Neutres, (2 vols. 12mo., 1759.) exaggerates these defects, and speaks much too depreciatingly of the *Consolato*, i. p. xi.

‡ Disc. 213, n. 12.

son, Richard I., at his return from the Holy Land. But this statement is now admitted to rest on no good foundation. The most probable theory seems to be, that they are a collection of the rules or practices followed at the principal French ports on the Atlantic, as Bordeaux, La Rochelle, St. Malo, &c. They contain, indeed, rules that are essential to all maritime transactions, wherever they may be carried on; but the references in the code sufficiently prove that it is of French origin.\* The circumstance of our monarchs having large possessions in France at the period when the rules of Oleron were collected, naturally facilitated their introduction into England; and they have long enjoyed a high degree of authority in this country. "I call them the laws of Oleron," said a great civilian,† "not but that they are peculiarly enough English, being long since incorporated into the customs and statutes of our admiralties, but the equity of them is so great, and the use and reason of them so general, that they are known and received all the world over by that rather than by any other name." Molloy, however, has more correctly, perhaps, said of the laws of Oleron, that "they never obtained any other or greater force than those of Rhodes formerly did; that is, they were esteemed for the reason and equity found in them, and applied to the case emergent."‡

A code of maritime law issued at Wisbuy, in the island of Gothland, in the Baltic, has long enjoyed a high reputation in the North. The date of its compilation is uncertain; but it is comparatively modern. Some northern jurists have, indeed, contended that the laws of Wisbuy are older than the rules of Oleron, and that the latter are chiefly copied from the former. But it has been repeatedly shown that there is no foundation for this statement.§ The laws of Wisbuy are not certainly older than the latter part of the 14th or the beginning of the 15th century; and have obviously been compiled from the "Consolato del Mare," the rules of Oleron, and other codes that were then in use. They have, however, been, and continue to be, of great authority in the North. Grotius says that the same deference is paid to them in the Baltic, which was formerly paid to the laws of Rhodes in the Mediterranean, and which continues to be paid to the rules of Oleron in France and other countries ||

Besides the codes now mentioned, the ordinances of the Hanse Towns, issued in 1597 and 1614, contain a system of laws relating to navigation that is of great authority. The judgments of Damme, the customs of Amsterdam, &c., are also often quoted.¶

\* The "Jugements d'Oleron" were published, with a learned commentary by Cleirac, in 1647, in the work entitled "Us et Coutumes de la Mer," reprinted in 1671.

† Sir Leoline Jenkins, "Charge to the Cinque Ports."

‡ De Jure Maritimo et Navali, Intro.

§ Pardessus, "Collection," &c., i. pp. 425-462.

|| De Jure Belli, lib. ii. cap. 3.

¶ A translation of the Laws of Oleron, Wisbuy and the Hanse Towns is given in the third addition of Malynes' "Lex Mercatoria." But it is discreditable to this country that we have no good or even respectable edition of these and other maritime laws. The collection of M. Pardessus is, both as regards completeness and critical accuracy, infinitely superior to every other.

But by far the most complete and well digested system of maritime jurisprudence which has ever appeared, is comprised in the famous "Ordonnance de la Marine," issued by Louis XIV., in 1681. This excellent code was compiled under the direction of Colbert, the celebrated minister, by individuals of great talent and learning, after a careful revision of all the ancient sea laws of France and other countries, and upon consultation with the different parliaments, the courts of admiralty and the chambers of commerce of the different towns. It combines whatever experience and the wisdom of ages had shown to be best in the Roman laws and in the institutions of the modern maritime States of Europe. In the preface to his treatise on the "Law of Shipping," Lord Tenterden says: "If the reader should be offended at the frequent references to this ordinance, I must request him to recollect that those references are made to the maritime code of a great commercial nation, which has attributed much of its national prosperity to that code; a code composed in the reign of a politic prince, under the auspices of a wise and enlightened minister, by laborious and learned persons, who selected the most valuable principles of all the maritime laws then existing; and which, in matter, method and style, is one of the most finished acts of legislation that ever was promulgated."

The ordinance of 1681 was published in 1760, with a detailed and elaborate commentary by Valin, in two volumes 4to.\* It is difficult which to admire most in this commentary, the learning or the sound good sense of the writer. Lord Mansfield was indebted for no inconsiderable portion of his superior knowledge of the principles of maritime jurisprudence to a careful study of Valin's work.

That part of the "Code de Commerce" which treats of maritime affairs, insurance, &c., is copied, with little alteration, from the ordinance of 1681. The few changes that have been made are not always improvements.

No system or code of maritime law has ever been issued by authority in Great Britain. The laws and practices that now obtain amongst us, in reference to maritime affairs, have been founded principally on the practices of merchants, the principles laid down in the civil law, the laws of Oleron and Wisbuy, the works of distinguished juriconsults, the judicial decisions of our own and foreign countries, &c. A law so constructed has necessarily been in a progressive state of improvement; and, though still susceptible of amendment, it corresponds, at this moment, more nearly, perhaps, than any other system of maritime law, with those universally recognised principles of justice and general convenience by which the transactions of merchants and navigators ought to be regulated.

The decisions of Lord Mansfield had the greatest influence in fixing the principles and improving and perfecting the maritime law of England. "In the reign of George II.," says Lord Campbell, "England had grown into the greatest manufacturing and commercial country in the world, while her jurisprudence had by no means been expanded or developed in the same proportion. The legislature had literally done

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\* But the best edition is that of La Rochelle, 1776, 2 vols. 4to.

nothing to supply the insufficiency of feudal law to regulate the concerns of a trading population; and the common law judges had, generally speaking, been too unenlightened and too timorous to be of much service in improving our code by judicial decisions. Hence, when questions necessarily arose respecting the buying and selling of goods—respecting the affreightment of ships—respecting marine insurances—and respecting bills of exchange and promissory notes—no one knew how they were to be determined. Not a treatise had been published upon any one of these subjects, and no cases respecting them were to be found in our books of reports. Mercantile questions were so ignorantly treated when they came into Westminster Hall, that they were usually settled by private arbitration among the merchants themselves. If an action turning upon a mercantile question was brought into a court of law, the judge submitted it to the jury, who determined it according to their own notions of what was fair, and no general rule was laid down which could afterwards be referred to for the purpose of settling similar disputes.”

“Lord Mansfield,” continues the same great authority, “saw the noble field that lay before him, and he resolved to reap the rich harvest of glory which it presented to him. Instead of proceeding by legislation, and attempting to *codify* as the French had done very successfully in the ‘*Coustumier de Paris*,’ and the ‘*Ordonnance de la Marine*,’ he wisely thought it more in according to the genius of our institutions to introduce his improvements gradually by way of judicial decisions. As respected commerce, there were no vicious rules to be overturned. He had only to consider what was just, expedient and sanctioned by the experience of nations farther advanced in the science of jurisprudence. His plan seems to have been, to avail himself, as often as opportunity admitted, of his ample stores of knowledge, acquired from his study of the Roman civil law and of the juridical writers produced in modern times by France, Germany, Holland and Italy, not only in doing justice to the parties litigating before him, but in settling with precision and upon sound principles a general rule, afterwards to be quoted and recognised as governing all similar cases.”\*

Lord Mansfield’s success was such as might be anticipated from his ability and industry. The principles which he established with such admirable clearness in his decisions, and the rules which have been deduced from them, have since served to guide and direct judges and juries in all cases of difficulty.

The maritime law is also under considerable obligations to Lord Stowell. His decisions chiefly, indeed, respect questions of neutrality, growing out of the conflicting pretensions of belligerents and neutrals during the late war. But the principles and doctrines which he unfolds in treating these questions, throw a strong and steady light, not on them only, but on most branches of maritime law. It has occasionally, indeed, been alleged, and the allegation is probably in some degree well founded, that his lordship has conceded too much to the claims of bel-

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\* See the masterly account of Lord Mansfield, in Campbell’s “*Lives of the Chief Justices*,” ii. 402.

ligerents. Still, however, his judgments must be regarded, allowing for this excusable bias, as among the noblest monuments of judicial wisdom of which any country can boast. "They will be contemplated," says Mr. Serjeant Marshall, "with applause and veneration, as long as depth of learning, soundness of argument, enlightened wisdom and the chaste beauties of eloquence hold any place in the estimation of mankind."\*

The "Treatise of the Law relative to Merchant Ships and Seamen," by Lord Tenterden, late Chief Justice of the Court of Queen's Bench, does credit to its noble and learned author. It gives within a brief compass an admirable exposition of the most important branches of our maritime law; and may be consulted with equal facility and advantage by the merchant, the general scholar and the lawyer. Mr. Serjeant Marshall has entered very fully into some, and has touched upon most points of maritime law, in his work on "Insurance;" and has discussed them with great learning and sagacity. The works of Mr. Justice Park, Mr. Holt, and a few others, are also valuable. Of the earlier treatises, the "*Lex Mercatoria*" of Malynes is by far the best; and, considering the period of its publication, (1622,) is a very extraordinary performance.

The preceding remarks refer merely to the principles or leading doctrines of our maritime law. These, however, have often been very much modified by statutory enactments; and the excessive multiplication of acts of parliament, suspending, repealing or altering parts of other acts, has often involved our commercial and maritime law in almost inextricable confusion, and been most injurious to the public interests. No one, indeed, who is not pretty conversant with the subject, would readily imagine to what an extent this abuse has sometimes been carried. From the Revolution down to 1786 some hundreds of acts were passed, each enacting some addition, diminution or change of the duties, drawbacks, bounties and regulations previously existing in the customs. In consequence, the customs laws became so intricate and unintelligible, that hardly one merchant in fifty could tell the exact amount of duty affecting any article, or the course to be followed either in entering or clearing out vessels; being obliged to leave it entirely to the clerks of the custom-house to calculate the amount of duties, and to direct him how to proceed so as to avoid forfeiting the goods and the ship! And yet, so powerful is the influence of habit in procuring toleration for the most pernicious absurdities, that this monstrous abuse was allowed to go on increasing for fifty years after it had been denounced as intolerable. Mr. Pitt has the merit of having introduced something like order into this chaos. Under his auspices, all the separate customs duties existing in 1787 were repealed, and new ones substituted in their stead, consisting, in most instances, of the equivalents, so far at least as they could be ascertained, of the old duties. The regulations as to entries and clearances were also simplified.

The advantages resulting from this measure were very great; but during the war so many new duties and regulations were passed, that

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\* On Insurance, Prelim. Disc.

the necessity for a fresh consolidation became again very urgent, and was effected in 1819. It was not, however, in the customs department only, or in the mere article of duties, that merchants and ship owners were bewildered by the multiplicity of statutory regulations. There was not a single branch of the law regulating their transactions that escaped the rage for legislation. Previously to 1822, no fewer than 113 statutes had been passed relating to the fisheries; and the makers and buyers of sails and cordage were supposed to be familiar with the various obscure and contradictory regulations embodied in twenty-three acts of parliament relating to these articles! But the enormity of the abuse will be rendered more apparent, by laying before the reader the following extract from the "Report of the Lords' Committee on Foreign Trade, in 1820.:"

"Before," say their lordships, "your committee proceed to advert to the points which have been the principal objects of their inquiry, they are anxious to call the attention of the House to the excessive accumulation and complexity of the laws under which the commerce of the country is regulated, with which they were forcibly impressed in the very earliest stage of their proceedings. These laws, passed at different periods, and many of them arising out of temporary circumstances, amount, as stated in a recent computation of them, to upwards of *two thousand*, of which no less than 1,100 were in force in 1815; and many additions have been since made. After such a statement, it will not appear extraordinary that it should be a matter of complaint by the British merchant, that, so far from the course in which he is to guide his transactions being plain and simple, so far from being able to undertake his operations, and to avail himself of favorable openings as they arise with promptitude and confidence, he is frequently reduced to the necessity of resorting to the services of professional advisers to ascertain what he may venture to do, and what he must avoid, before he is able to embark in his commercial adventures with the assurance of being secure from the consequences of an infringement of the law. If this be the case (as is stated to your committee) with the most experienced among the merchants, even in England, in how much greater a degree must the same perplexity and apprehension of danger operate in foreign countries and on foreign merchants, whose acquaintance with our statute-book must be supposed to be comparatively limited, and who are destitute of the professional authority which the merchant at home may at all times consult for his direction? When it is recollected, besides, that a trivial unintentional deviation from the strict letter of the acts of parliament may expose a ship and cargo to the inconvenience of seizure, which (whether sustained or abandoned) is attended always with delay and expense, and frequently followed by litigation, it cannot be doubted that such a state of the law must have the most prejudicial influence both upon commercial enterprise in the country, and upon our mercantile relations and intercourse with foreign nations; and, perhaps, no service more valuable could be rendered to the trade of the empire, nor any measure more effectually contribute to promote the objects contemplated by the House in the appointment of this committee, than an accurate revision of this vast and confused mass of legisla-

tion, and the establishment of some certain, simple and consistent principles, to which all the regulations of commerce might be referred, and under which the transactions of merchants engaged in the trade of the United Kingdom might be conducted with facility, safety and confidence."\*

Since this report was printed, a very considerable progress has been made in simplifying and clearing up the statute law, on the principles laid down in it. The law as to shipping and navigation has been particularly improved. The reforms which Mr. Huskisson effected, by repealing antiquated and contradictory statutes, and substituting others in their stead, compiled with commendable brevity and clearness, were attended with the happiest results. And, since his time, the repeal of a vast number of customs duties, and the many important and beneficial changes effected by Sir Robert Peel, have greatly simplified the matters with which commercial legislation has to deal. Still, however, there is an unnecessary and, therefore, a mischievous multiplication of laws in regard to trade and navigation. A session hardly, indeed, passes, in which more or fewer statutes are not enacted introducing changes or modifications of some sort or other into the laws relating to navigation and the customs duties. And where these changes apply only to some particular case or emergency, and do not affect the principles or rules laid down in other statutes, they may be advantageously embodied in separate acts. But when any modification or alteration is to be made in any principle or rule of law, the better way is to introduce it directly into the leading act on the subject, re-enacting it in an amended or altered form. In no other way is it possible to preserve that unity and clearness which are so very desirable. The multiplication of statutes is a very great evil, not only from the difficulty of ascertaining the exact degree in which one modifies another, but from its invariably leading to the enactment of contradictory clauses. The property and transactions of merchants ought not to depend upon the subtleties and niceties of forced constructions, but upon plain and obvious rules, about which there can be no mistake. And it would be idle to expect that such rules should ever be deduced from the conflicting provisions of a number of statutes: those in the same statute are not always in harmony with each other.

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**RAIL-ROAD CORPORATIONS IN RHODE ISLAND.**—The new code abolishes the provision prohibiting free passes upon rail-roads, and provides that rail-road companies, whose business it is to receive articles for transportation, shall be entitled to the same rights, and subject to the same liabilities, as common carriers. When two or more rail-roads are connected together within this State, any company running either of said roads shall receive articles for transportation to any place on the line of either of said roads so connected, and shall be liable as common carriers for the delivery of such articles at such place. Any such company becoming liable and paying for the neglect or misconduct of another company, may collect the sum paid of the other company.



## FINANCES OF PITTSBURGH.

THE late failure on the part of the city of Pittsburgh to meet the interest due on bonds issued by the city, has been the cause of much comment, and has had an injurious effect on our city securities throughout the country. The finance committee appointed by the city of Pittsburgh in December, 1856, made the following report of the liabilities of the city for rail-roads:

The act of April 6, 1850, limited the city indebtedness to \$1,150,000; but by an act passed April 21, 1852, the city was authorized to subscribe for five thousand shares in the Pittsburgh and Steubenville Rail-Road Company, and by a subsequent act, passed May 8, 1854, she was authorized to subscribe six thousand additional shares in said company, in all 11,000 shares, amounting to \$550,000, for which the city was authorized to issue her bonds in payment, bearing six per cent. interest, and to pledge the faith, property and revenues of the city for the payment of the principal, and the interest on the same. Also, by an act passed April 14, 1852, the city was authorized to subscribe for eight thousand shares in the Alleghany Valley Rail-Road Company—in all \$400,000, and to issue her bonds in payment thereof. In accordance with the authority contained in these various acts of Assembly, the subscriptions were made and the bonds of the city duly issued, the said rail-road companies agreeing to pay the interest regularly on the same. In December, 1855, the directors of the Pittsburgh and Steubenville Rail-Road Company informed the councils that they were unable to pay the interest any longer on the city bonds; and in October, 1856, the directors of the Alleghany Valley Rail-Road Company informed us of a like inability on their part.

The interest on these bonds, amounting to \$45,000 in 1856, \$57,000 in 1857, and \$57,000 in subsequent years, has therefore to be met by the city treasury; but owing to the fact that the city cannot, under existing laws, levy a tax of more than five mills on the dollar, her revenue is entirely inadequate to meet these new demands. It has been barely sufficient, under the most favorable circumstances, to meet the interest on the regular municipal debt and the current expenses of the city; and unless the legislature should authorize the levy of an additional tax to meet the interest on these rail-road bonds, the city will be unable to pay it. The liabilities of the city of Pittsburgh are \$1,150,000 of domestic debt, for the limit fixed by the legislature is practically reached, although the funded and interest bearing debt is not quite this amount, and her bonds issued to rail-roads are as follows:

11,000 shares	Pittsburgh and Steubenville Rail-Road,.....	\$550,000
8,000 "	Alleghany Valley Rail-Road,.....	400,000
3,000 "	Chartiers do. ....	150,000
10,000 "	Pittsburgh and Connellsville Rail-Road,....	500,000
4,000 "	Ohio and Pennsylvania, now Pittsburgh, Fort Wayne and Chicago Rail-Road,.....	200,000
<b>Total,.....</b>		<b>\$1,800,000</b>

At the time these bonds were issued it was agreed by the rail-road companies, and few then doubted their ability to perform their contract, that they would meet the interest until the roads were completed, and then it was anticipated that the dividends would, besides paying the interest, put money into the city treasury.

Subsequently the Chartiers Valley Rail-Road Company, to which the city had issued bonds to the amount of \$150,000, failed to meet the interest.

The *Pittsburgh Post* makes the following statement in regard to the liabilities of the city, and its ability to meet its indebtedness. This default on the part of the rail-road companies named, leaves the city liable for the payment of interest amounting to \$66,000 annually. We may, therefore, sum up the liabilities of the city for the current year as follows :

Interest on domestic bonds—say.....	\$60,000
Interest on rail-road bonds,....	66,000
Loans due and falling due this year,.....	58,000
Current expenses of the municipal government, being sum total of appropriation already made for the year 1857,.....	97,850
<b>Making a total of liabilities for the year of.....</b>	<b>\$288,000</b>
From this subtract loans falling due and rail-road interest, and the current annual liabilities for the city amount to only....	\$166,850

To this great amount of liabilities must be added some few thousand dollars of rail-road interest, which remains unpaid from 1856, the exact amount of which we do not now recollect.

To meet her obligations, the city of Pittsburgh has sources of revenue as follows :

City tax, 1857,.....	\$50,085
Water rents, 1857,.....	61,000
Revenue from wharves, market houses, dray licenses, fines and forfeitures, and all other incidentals, estimated at.....	56,800
<b>Making a total annual revenue of.....</b>	<b>\$167,885</b>

To meet the item of loans due and falling due, the business tax, which for this year amounts to about \$8,700, is specifically set apart as a sinking fund, and this fund, when the present year's tax is collected, will amount to about \$48,000.

That the city of Pittsburgh is abundantly able to meet all her legal obligations, no one acquainted with our manufactures, our commerce, our coal beds and our rail-road connections, can for one moment doubt. In fact the city of Pittsburgh, as a corporation, holds property which, in intrinsic value, is worth the principal of all she owes, whether of domestic or of rail-road indebtedness. Her water works are worth a million of dollars; her wharves, market houses, gas stock and other property, are worth another couple of millions, and in the estimate of sound financiers, it would be a safe investment to buy her corporate property at \$3,000,000, and the principal of all her bonded debt falls short of this sum.

In view of this statement we cannot but regard the failure of Pittsburgh to meet the interest of the bonds for which the "faith, revenue,

credit and corporate property of the city were pledged," as very disgraceful—disgraceful to her as a city, and to us as a country. There are examples enough in the past, in which States were the dishonest bankrupts, but that was in former years. This age ought to show no such example. The effect of the repudiation of State promises in the past weighs heavily on us yet, and we should make strenuous efforts to avoid increasing the discredit in which we stand, as States and as a people, and which places our discredit as States on a par with impoverished Turkey and ruined Greece. These are not pleasant words, but they are true.

We think that the innocent holders of bonds of the city of Pittsburgh, who have in good faith parted with their fortunes upon the faith, publicly pledged, of the city of Pittsburgh, need have no fears for the ultimate result of this question. It is the disgrace and loss of credit rather than the prospect of loss of money that we regret.

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#### SAVINGS BANKS OF NEW HAMPSHIRE.

DURING the late session of the legislature of New Hampshire, Mr. Parkinson, of Nashua, introduced in the House a bill in relation to the investments of the deposits in savings banks. The bill provided that a portion, about one-half, of the future deposits in the savings banks in that State should be invested in New Hampshire securities, corporate and personal. This bill was referred to the committee on the judiciary, before which several gentlemen appeared to support or oppose the measure.

Mr. Hackett, of Portsmouth, (of the Piscataqua Exchange Bank,) opposed the principle now introduced. He read as follows from the *Manchester American*:

"We understand that the Amoskeag Savings Bank has declared an extra dividend of profits, making the interest for the last five years to depositors seven per cent. We believe that this is the only savings bank in the State that pays six per cent., and yet they have reserved profits enough above all expenses to make an extra dividend. Young men, deposit your money; you will grow rich by the interest. Remember that drinking, gambling and smoking is a poor way to invest money—the only interest will be poverty—the only estate will be the poor house."

Here, in a few words, was an unanswerable argument in favor of savings banks. The amount of money which the young people of Manchester have saved and are saving, does not indicate all or the chief of the blessings which these unpretending institutions have conferred and are conferring, not only upon Manchester, but upon the whole State. The habits of industry, sobriety and self-control which these accumulations indicate, and of which they are the fruits, are of much more value than money. There may be more earnest but there can be no more effectual advocates of temperance than savings banks. Many people are not aware of the millions which thus have been saved, accumulated and

distributed in this State. If not the leading, they are and long have been an indispensable agent in the prosperity of our State.

Savings banks are based upon the idea, that if people of small means will place such part of their earnings as can be spared under the direction of men of known character and financial experience, the result must be general prosperity made up of individual thrift. The result has vindicated the soundness of the idea.

All this is admitted; but it is contended that, without defeating the objects and benefits of savings banks, great good may, incidentally, be done to another class of our citizens, by legislative interference. That the money, or most of it, is sent out of the State, rendering it difficult to obtain loans at home, and that trustees refuse good notes and invest their funds abroad, and compel borrowers to go out of the State for loans; and that Massachusetts has prescribed the mode in which such funds shall be invested. In short, that the good of the people generally will be promoted, and the depositors in savings banks not injured, if a considerable portion of these funds are kept, by legislative provisions, within this State. That the effect of this bill will be good and not harm to the depositors in savings banks. Such, in substance, are the arguments in favor of this bill, and of retaining the subject for deliberation for the next session.

It is said that Massachusetts has adopted the policy of this bill. The Bay State has done many things worthy of commendation and imitation, but this is not one of them, and she will have to abandon this ground.

To manage a large amount of other people's money is no light undertaking, and there is no little merit in managing it well. What right have we to change a policy which satisfies and enriches the depositors? These depositors are of all ages and conditions. They are scattered and cannot combine. They are, to a great extent, without political influence, and cannot control our action. Many of them do not understand the processes by which their money is preserved and increased. All these considerations weigh in favor of doing nothing until we are certain that we are doing good. If this bill is to be postponed to the next session, I insist that legislation shall not go on behind the backs of the only persons really interested in this matter. I think the depositors in the savings banks should be notified to come before this house or its committees, to show cause, if any they have, why their money shall not be appropriated for the benefit of those who look to the legislature rather than to persevering industry as the means of obtaining money.

Mr. Hackett's motion prevailed, and the further consideration of the bill was postponed indefinitely.

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**RUSSIAN GOLD MINES IN SIBERIA.**—The gold mines of Siberia employ 40,000 workmen, producing about 1,500 pounds (24,564 kilogrammes) of gold, valued at 73,692,000*f*. The processes in use for working them are, however, very costly, and the government mines do not by any means produce the profits which might be expected. It is the same with the private workings. Lately, however, a Russian subject, who has been for several years in California, has invented a machine which will so simplify the plan of working hitherto adopted, that the 40,000 workmen may, instead of producing 1,500 pounds of gold, give 3,000.

THE LAW OF ATTACHMENT IN THE SEVERAL STATES  
OF THE UNITED STATES.

WITH A PRELIMINARY VIEW OF THE HISTORY OF LAWS RELATING  
TO INSOLVENCY.

THE first Insolvent Act in England was passed in 1649, but it was of limited operation; a number of acts of more extensive operation were passed at various periods, and particularly in the reign of George III. The benefit of the act known as the Great Insolvent Act was taken in England by 50,733 insolvents from the time of its passing, in 1814, to March, 1827, a period of 13 years. Since then, the acts relating to insolvency have been several times amended. Persons not traders or being traders, whose debts are less than £300, may petition the Court of Bankruptcy, and propose composition, and have *pro tem.* protection from all process against their persons and property. (6 *Vict.*, 1842; Act amended, 8 *Vict.*, August, 1844.)—*Haydn.*

*Bankruptcy.*—Blackstone defines a bankrupt—"A trader who secretes himself, or does certain other acts tending to defraud his creditors." But an intention to defraud is not now held to be essential to constitute a bankrupt; who may be either simply an insolvent, or a person who is guilty of certain acts tending to defraud his creditors.

*Analysis of the Laws of Bankruptcy.*—In Great Britain, insolvency is applied to every class of persons, while bankruptcy is exclusively applied to traders. In foreign countries, insolvency is the general denomination. bankruptcy is declared when there is any degree of criminality. The law of bankruptcy of England is consolidated in the 12 and 13 *Vict.*, c. 106. In America, various attempts were made for a general enactment for all the States, but with no success. The act of Congress on the subject, passed in 1841, was repealed in 1843. Special insolvency laws exist, of which an abstract is given hereafter. In Scotland, the bankrupt law is included in 2 and 3 *Vict.*, c. 41. The French law of the 28th May, 1838, has modified the Code of Commerce of 1807. Article 437 permits declaration of the insolvency of a trader after his decease. The law of Scotland authorizes the sequestration of estates of a deceased debtor. The same is permitted in Portugal. In England a court of bankruptcy is instituted, which may adjudge the creditor a bankrupt. In Scotland the same is placed with the Lord Ordinary. In France the same authority is given to the tribunal. Acts of bankruptcy may be committed in England in various ways. All acts made previous to adjudication of bankruptcy are valid, if they are entered into *bona fide* on the part of the contracting party. In France, the following acts, made within ten days preceding the opening of the insolvency, are void: 1st. Acts transferring property gratuitously; 2d. Payment of debts not due, and of those due settled otherwise than with commercial effects; 3d. All mortgages, antichrese or security consented

to for anterior debts; and, lastly, all acts whatever made by the debtor with a third party who was cognizant of his having stopped payment. Articles 53 to 54 of the Prussian code contain also similar instruction. The Spanish code fixes 30 days; the Portuguese code, 40 days; the Dutch code, two months previous to the insolvency as the time during which the insolvent could not alienate his property gratuitously, or endow his children, or transfer or mortgage his real estate.

The Dutch code declares void the donations made by the insolvent at any time where he knew his affairs embarrassed, although the donee was *bona fide*. The Russian code prohibits the wife and children of the insolvent to reclaim the donations made to them. By article 1451, the property engaged by the insolvent, and not yet sold, may be redeemed, and form portions of the assets. As to the administration of the insolvency in England, assignees are chosen by the creditors, under the supervision of the court. In Scotland, creditors are to elect an interim factor and a trustee, and also three commissioners. In France, the agents created by the Code of 1807 have been suppressed, and at present there are no more than provisionary assignees, who continue their functions until the confirmation of the settlement, or until the formation of the contract of union. The Tribunal of Commerce of Paris has formed a fixed number of assignees, to whom is confided the management of all bankruptcies.

In Spain, the tribunal designates a commissioner, nominates a trustee for the property of the insolvent, and calls the creditors, who choose some assignees, who are to be taken from among the creditors or their attorneys. In England the commissioners of bankruptcy are judges, elected by the Lord Chancellor, one for each district. All legislation provides for the remuneration of the assignees, trustees or administrators: these remunerations are fixed by article 1078, Spanish code, Portuguese code, Russian code, &c., &c., either upon a determined share, or the receipts which they have realized, or by remuneration valued by the tribunal. The Spanish code prohibits an attorney from representing more than one creditor; and the Portuguese code prohibits a creditor from representing another creditor at the meetings.

In order that an insolvent may obtain a settlement, there need be, in France and in Russia, a majority of the creditors and three-fourths of the debts. In Scotland, a majority and three-fifths of the debts. In Spain, one more than the half of creditors and three-fifths of the debts. The wife of the insolvent has no deliberate voice there in the resolutions relative to the settlement. In Holland, in Portugal, in Wurtemberg, and according to the Ordinance of Bilboa, the two-thirds of ordinary creditors and three-fourths of debts, or the three-fourths of the creditors and two-thirds of the debts must be added together. The Prussian code, which divides the creditors into six classes, exacts the majority on sum and classes; in case of division of classes, the settlement may be adopted by the one and rejected by another; but if the division is impracticable, the declaration of division shall be equivalent then to a refusal. With respect to the confirmation, both in France and in Spain, it can only be pronounced eight days after the settlement has been obtained. The dissenting creditors, according to the Spanish code, cannot

form opposition to it, unless on account of defects in the forms of calling the meetings, on account of collusion, or of want of legitimate rights in the parties voting, or of fraudulent exaggeration of their debts; and in Holland, when the assets exceed the sum entered in the settlement. The Dutch code and the French law render the confirmation obligatory upon all the creditors, both absent and present, and even upon those who have not been called.

The rights of foreign creditors are generally regulated by treaties—Prussia, or by the right of reciprocity, Austria. By the French code of civil procedure, two months are granted to creditors residing in England to prove their debts. By the Sardinian code, such delay is three months.—*Com. Law of the World*, by Leone Levi. London, 1856. 2 vols.

*United States.*—There is not any bankrupt system in existence under the government of the United States. An act of Congress was passed on the subject in 1841, but it was repealed in 1843. The several States are left free to institute their own bankrupt system. Insolvent laws prevail throughout the Union. In the States of Maine, New Hampshire, Massachusetts, Virginia and Kentucky, they are confined to the relief of debtors charged in execution. In New Jersey, Delaware, Maryland, Tennessee, North and South Carolina, Georgia, Alabama, Mississippi and Illinois, the insolvent laws extend to debtors in prison on mesne or final process. In New York, Connecticut, Rhode Island, Pennsylvania, Ohio, Indiana, Missouri and Louisiana, they are still more extensive, and reach the debtor whether in or out of prison. The following is an abstract of the laws of the several States in reference to summary attachment against insolvents. (See *DRAKE on Attachment Laws of the States.*)

I. *Alabama.*—Original attachments, foreign and domestic, are issued by judges of the circuit or county courts, or justices of the peace. An attachment may issue, although the debt or demand of the plaintiff be not due; and shall be a lien on the property attached until the debt or demand becomes due, when judgment shall be rendered and execution issued. A non-resident plaintiff may have an attachment against the property of a non-resident defendant, provided he gives good and sufficient resident security in the required bond, making oath that the defendant has not sufficient property within the State of defendant's residence to satisfy the debt or demand.

II. *Arkansas.*—An attachment may be issued against the property of a non-resident, and also against a resident of the State when the latter is about to remove out of the State; or is about to remove his goods or effects; or about to secrete himself, so that the ordinary process of law cannot be served on him.

III. *California.*—1. Creditors may proceed by attachment when the defendant has absconded, or is about to abscond from the State, or is concealed therein to the injury of his creditors. 2. When the defendant has removed or is about to remove any of his property out of the State, with intent to defraud his creditors. 3. When the defendant fraudulently contracted the debt or incurred the obligation, respecting which the suit is brought. 4. When the defendant is a non-resident. 5. When he has fraudulently conveyed, disposed of or concealed his pro-

erty, or a part of it, or intends to convey the same to defraud his creditors. In California the real estate shall be bound, and the attachment shall be a lien thereon, although the debt or demand due the plaintiff be not due—in case the defendant is about to remove himself or his property from the State. The law of attachment applies in California *when the contract has been made in that State, or when made payable in that State.*

IV. *Connecticut.*—Attachment may be granted against the goods and chattels and land of the defendant; and likewise against his person when not exempted from imprisonment on the execution in the suit. The plaintiff to give bonds to prosecute his claim to effect.

V. *Delaware.*—A writ of domestic attachment issues against an inhabitant of Delaware when the defendant cannot be found, or has absconded with intent to defraud his creditors; and a writ of foreign attachment when the defendant is not an inhabitant of this State. This attachment is dissolved by the defendant's appearing and putting in special bail at any time before judgment.

VI. *Florida.*—An attachment issues when the amount is actually due, and the defendant is actually moving out of the State, or absconds or conceals himself.

VII. *Georgia.*—A judge of the Superior Court or a justice of the inferior court, or a justice of the peace, may grant an attachment against a debtor whether the debt be matured or not, when the latter is removing without the limits of the State, or any county, or conceals himself. The remedy by attachment may be resorted to by non-resident as well as by resident creditors. The necessary affidavit may be made before any commissioner appointed by the State to take affidavits. Indorsers of notes, obligations and all other instruments in writing, are entitled to the same remedy as provided for securities. In all cases the attachment first served shall be first satisfied. No lien shall be created by the levying of an attachment, to the exclusion of any judgment obtained by any creditor, before judgment is obtained by the attaching creditor.

VIII. *Illinois.*—Attachments are issued by the clerks of the Circuit Court, when affidavit is filed that the defendant has departed, or is about to depart, out of the State, or conceals himself so that process cannot be served upon him.

IX. *Indiana.*—The property of an inhabitant of the State may be attached, whenever he is secretly leaving the State, or shall have left the State with intent to defraud his creditors. The property of a non-resident is liable to attachment as in other States.

X. *Iowa.*—The plaintiff may cause any property of the defendant, which is not subject to execution, to be attached at the commencement, or during the progress of the proceedings, whether the claim be matured or not; provided an affidavit is filed to the effect that the defendant is a foreign corporation, or acting as such, or that he is a non-resident of the State, or (if a resident) that he is in some manner about to dispose of or remove his property out of the State.

XI. *Kentucky.*—1. The plaintiff may have an attachment against the property of the defendant when the latter is a foreign corporation,



or a non-resident of this State; or, 2, who has been absent therefrom four months; or, 3, has departed from the State with intent to defraud his creditors; or, 4, has left the county of his residence to avoid the service of a summons, or conceals himself that a summons cannot reach him; or, 5, is about to remove his property, or a material part thereof, out of the State; or, 6, has sold or conveyed his property with the intent to defraud his creditors, or is about so to sell or convey. Such attachment is binding upon the defendant's property in the county from the time of the delivery of the order to the sheriff.

XII. *Louisiana*.—A creditor may obtain an attachment against the property of his debtor upon affidavit: 1, when the latter is about leaving permanently the State before obtaining or executing judgment against him; 2, when the debtor resides out of the State; 3, when he conceals himself to avoid being cited to answer to a suit, and provided the term of payment have arrived. In the absence of the creditor, the oath may be made by his agent or attorney, to the best of his knowledge and belief.

XIII. *Maine*.—In this State an original writ may be framed either to attach the goods or estate of the defendant, or for want thereof to take his body. All goods and chattels may be attached by the creditor and held as security pending any suit against the debtor. Such a writ will authorize an attachment of goods and estate of the principal defendant, in his own hands, as well as in the hands of trustees. Real estate, liable to be taken in execution, may be attached.

XIV. *Maryland*.—A creditor may obtain an attachment, whether he be a citizen of Maryland or not, against his debtor, who is not a citizen of this State, and not residing therein. If any citizen of the State, being indebted to another citizen thereof, shall actually run away or abscond, or secretly remove himself from his place of abode, with intent to evade the payment of his just debts, an attachment may be obtained against him. An attachment may be laid upon debts due the defendant upon judgments or decrees rendered or passed by any court of this State, and judgment of condemnation thereof may be had, as upon other debts due the defendant.

XV. *Massachusetts*.—Original writs may be framed, either to attach the goods or estate of the defendant, or for want thereof to take his body; or, there may be an original summons, either with or without an order to attach the goods or estate. All real estate, or goods and chattels that are liable to be taken in execution, may be attached upon the original writ, in any action in which any debt or damages are recoverable, and may be held as security to satisfy such judgment as the plaintiff may recover.

XVI. *Michigan*.—The grounds of attachment in this State are: 1, that the defendant has absconded or is about to abscond, or has concealed himself; 2, that he has assigned or concealed, or is about to remove his property with a view to defraud; 3, that he fraudulently contracted the debt, or incurred the obligation about which the suit is brought; 4, that he is not a resident of the State, or has not resided there three months immediately preceding the suit; 5, that the defendant is a foreign corporation.

XVII. *Mississippi*.—An attachment against the estate, including real estate, slaves, goods, chattels, &c., of a debtor, when it is shown that he has removed, or is about removing or absconding from the State, or privately conceals himself. Attachment also lies against the property of non-resident decedents. It may be obtained before the debt is due for which it issues, when the creditor has ground to believe that the debtor will remove with his effects out of the State, or has removed.

XVIII. *Missouri*.—An attachment may be issued here when the debtor is not a resident of the State; or, if a resident, when he absconds, absents or conceals himself; or is about to remove his property or fraudulently convey it, with a view to hinder or delay his creditors; or where the debt was contracted out of the State, and the debtor has secretly removed his effects into this State with intent to defraud.

XIX. *New Hampshire*.—In this State a writ of attachment may be issued upon the institution of any personal action; and will hold real and personal property, shares of stock in corporations, pews in churches, and the franchise of any corporation authorized to receive tolls, until the period of thirty days from the time of rendering the judgment.

XX. *New Jersey*.—An attachment may issue at the instance of a creditor (or, in his absence, of his agent or attorney,) against the property of a debtor when the latter is about to abscond from the State, or is not a resident of the State, or is a foreign corporation.

XXI. *New York*.—Any creditor to the amount of \$25 may compel the assignment of their estates by debtors imprisoned on execution in civil causes for more than 60 years. If the debtor refuses to be examined, and to disclose his affairs, he is liable to be committed to close confinement. If he refuses to render an account inventory, and make an assignment, he will not be entitled to his discharge; though the officer having jurisdiction in the case is authorized to make the assignment for him. The proceedings and the effect of the discharge, when duly obtained, and the duties of the debtor, and the rights of the creditors, are essentially the same as in the case of proceedings with the assent of two-thirds of the creditors.

2. Every insolvent debtor may also petition the proper officers for leave voluntarily to assign his estate for the benefit of his creditors; and the same proceedings and checks are substantially prescribed as in other cases of insolvency. His discharge, obtained in such a case, exempts him from imprisonment, as to debts due at the time of the assignment or previously contracted, and as to liabilities incurred by making or indorsing any promissory note or bill of exchange. But the discharge does not affect or impair any debt, demand, payment or decree against the insolvent; and they remain good against his property acquired after the execution of the assignment: and the lien of judgment and decree is not affected by the discharge.

3. The creditor at whose suit the debtor is imprisoned may require him, after the expiration of three months, to make the assignment, and his refusal will for ever bar him from his discharge under this provision.

4. Corporations being creditors, may petition by a director, or other officer, acting under the corporate seal; and such director or officer

may make the requisite affidavits. So one joint partner may act as a creditor for the firm; and provision is made for the accommodation of non-resident creditors.

5. Debts purchased below the nominal amount entitle the creditor to act to the amount of the sum actually and *bona fide* paid; nor is a creditor having a security permitted to become a petitioner unless he relinquishes his security for the common benefit of the creditors. The assignments and discharges in these insolvent cases are to be recorded by the clerk of the county in which they were executed. No debt or duty to the United States is affected by any such discharge, not even as to the remedy by imprisonment; but debts and duties to the State, except taxes, are placed upon the same footing as debts to individuals.

6. The assignment of the insolvent passes all his interest, legal and equitable, existing at the time of executing the assignment in any estate, real or personal; but no contingent interest passes unless it shall become vested within three years after making the assignment; and then it passes. Probabilities coupled with an interest are assignable; but not bare possibilities, such as the expectancy of an heir. The assignment does not affect property held by the debtor in trust; nor does the assignment by the insolvent husband affect the property settled to the separate use of the wife free and clear of her husband.

7. The insolvent discharges apply only to debts existing when the petition, inventory and schedule of debts are presented, and not so as to cover debts contracted between that time and the time of the discharge.

8. The property assigned is distributed ratably among all the creditors, subject, nevertheless, to existing legal liens and priorities existing before the assignment; and under the New York insolvent laws, a creditor cannot become a petitioning creditor in respect to any debt secured by a legal lien, unless he previously relinquishes that lien for the general benefit of the creditors.

9. The attachment-law of New York is a legal mode, by which a title to property may be acquired by operation of law. When the debtor, who is an inhabitant of New York, absconds, or is concealed, a creditor to whom he owes \$100, or any two to whom he owes \$150, or any three to whom he owes \$300, may, on application to a judge or commissioner, and on due proof of the debt and of the departure or concealment, procure his real and personal estate to be attached; and on due public notice of the proceeding, if the debtor does not within three months return and satisfy the creditor, or appear and offer to contest the fact of having absconded, or offer to appear and contest the validity of the demand and give the requisite security, then trustees are to be appointed, who become vested with the debtor's estate; and they are to collect and sell it, and settle controversies, and make dividends among all his creditors, in the mode prescribed.

10. From the time of the notice, all sales and assignments by the debtor are declared to be void. If the debtor resides out of the State, and is indebted on a contract made within the State, or to a creditor residing within the State, although upon a contract made elsewhere, his property is liable to be attached and sold in like manner; but the trustees are not to be appointed until nine months after public notice of the proceedings.

11. Perishable goods, other than vessels, when attached under the Absconding Debtor Act, may be immediately sold and converted into money; and if the sheriff, under the attachment, seizes property claimed by third persons, he is to summon a jury and to take their inquisition as to the title to the property claimed.

12. If any American vessel belonging to the debtor be attached under these proceedings, it may be released on the claimant of the vessel giving security to pay the amount of the valuation of the vessel to the trustees, or to the debtor, as the case may be; and if it be a foreign vessel claimed by a third person, the attaching creditor must give security to prosecute the attachment, and to pay the damages if it should appear that the vessel belonged to the claimant.

13. A creditor, having an unliquidated demand resting on contract, is a creditor within the Absconding Debtor Act, and competent to apply for the attachment. Any creditor may proceed against an absconding or concealed debtor, being an inhabitant of the State, or against any non-resident debtor, if the contract was made in New York; but if the contract was made elsewhere, then the creditor must be a resident of the State.

14. Attachment-laws against the property, real and personal, of absconding and non-resident debtors, prevail throughout the several United States, but those statute laws are not uniform on this point.

XXII. *North Carolina*.—An attachment may issue on the complaint of a creditor, his agent, attorney or factor, against the property of a debtor when he has removed or is about to remove, privately from the State, so that the ordinary process of law will not reach him.

XXIII. *Ohio*.—A creditor may procure, before or after the maturity of the claim, an attachment against the property of the debtor, where the latter is a foreign corporation or a non-resident; or, if a resident, when he has absconded, or left the county of his residence, or conceals himself, or is about to remove or convert his property, with a view to defraud his creditors. 2. When the debtor fraudulently contracted the debt or incurred the obligation.

XXIV. *Pennsylvania*.—In this State the writ of domestic attachment issues against any debtor, being an inhabitant of the State, if he has absconded from his usual place of abode, or shall have remained absent from the State, or shall have confined himself in his own house, or concealed himself elsewhere, to defraud his creditors. No second attachment will be issued against the same property, unless the first be not executed or be dissolved by the court. A writ of attachment may be also issued against the property of a foreign corporation or a non-resident. In the latter case, the attachment inures to the benefit of the attaching creditor only. In the former case, it is for the benefit of creditors at large.

XXV. *Rhode Island*.—In this State a writ of attachment is first levied against the body of the defendant; and if he cannot be found, then against his goods and chattels. The property of foreign corporations and debtors is also liable to attachment at the suit of a creditor.

XXVI. *South Carolina*.—A writ of attachment will issue at the instance of a creditor wherever residing, against a debtor when he is a

non-resident—or against a citizen who has been absent more than a year and a day ; or when he absconds or is removing out of the county ; or conceals himself so that the ordinary process of law cannot reach him.

XXVII. *Tennessee*.—When a debtor has removed, or is about to remove out of the county privately, or absconds or conceals himself, an attachment may be obtained against his property, at the suit of a creditor, or his agent, attorney or factor. In the case of non-resident debtors, having any real or personal property in the State, it is required, in order to obtain an attachment, to file a bill in chancery.

XXVIII. *Texas*.—Original attachments are issued against the property of a debtor when he is not to be found in the county ; and the property attached shall remain in custody until final judgment. Attachment will also lie when the defendant is a non-resident ; or when a resident is about to remove out of the State, and whether the debt be matured or not.

XXIX. *Vermont*.—Writs of attachment may issue against the goods, chattels or estate of the defendant, or for want thereof, against his body, before or after the maturity of a claim. Actions against non-residents, or when the defendant has absconded from the State, may be commenced by trustee process.

XXX. *Virginia*.—The property of the defendant, if a non-resident, or a resident who is about to remove himself or effects from the State, is liable to attachment. An attachment in such cases will hold before the claim is due and payable.

XXXI. *Wisconsin*.—An attachment will hold against the property of a debtor when he has absconded, or is about to abscond from the State ; or has fraudulently assigned, disposed of or concealed his effects ; or removed his property from the State ; or when the defendant is a non-resident or a foreign corporation.

XXXII. *Minnesota*.—A warrant of attachment may be issued against the property of a defendant when a foreign corporation ; or, when not a resident of this Territory ; or, has left the Territory with intent to defraud his creditors.

Thus it will be seen that in all the States the property of non-residents and foreign corporations is liable to attachments at the suit of creditors, before judgment is rendered ; likewise against domestic debtors when they have absconded from the State, or have fraudulently conveyed, or are about to convey, sell, assign or secrete their effects. In some few States, however, even this condition is not essential before a writ of attachment will issue.

In the States of Alabama, Massachusetts, Connecticut, Maine, New Hampshire, Vermont and Rhode Island, the creditor may have a writ of attachment against the property of the debtor at the first institution of a suit—and without any ground of fraud or fraudulent intent—such property being held by the attachment until the termination of the suit, or until judgment ; the plaintiff in such cases giving bond or security to indemnify the defendant for any loss or damage sustained, should the case be decided in favor of the latter. Generally, the property is liable only when actually levied upon ; but in the State of Kentucky the property is liable from the time of delivery of the order to the sheriff.

## THE USURY LAWS OF THE STATES.

1. MAINE.	9. PENNSYLVANIA.	17. ARKANSAS,	25. MISSISSIPPI,
2. NEW HAMPSHIRE,	10. DELAWARE,	18. FLORIDA,	26. MISSOURI,
3. VERMONT.	11. MARYLAND,	19. ILLINOIS,	27. OHIO.
4. MASSACHUSETTS,	12. VIRGINIA.	20. INDIANA,	28. TENNESSEE,
5. RHODE ISLAND,	13. NORTH CAROLINA,	21. IOWA,	29. TEXAS,
6. CONNECTICUT,	14. SOUTH CAROLINA,	22. KENTUCKY,	30. WISCONSIN,
7. NEW YORK.	15. GEORGIA,	23. LOUISIANA,	31. CALIFORNIA.
8. NEW JERSEY,	16. ALABAMA,	24. MICHIGAN,	

### I. MAINE.

I. *Interest*.—The legal rate of interest in Maine is six per cent., and no higher rate is allowed on special contracts. R. S. 317.

II. *Penalty for Violation of the Usury Laws*.—Excess of interest not recoverable, nor costs where excess of interest has been taken; but the defendant may recover costs of the party taking the excess. Excess of interest may be recovered back by the party having paid it, provided the action is commenced within a year from the transaction. R. S. 317.

III. *Damages on Bills*.—The damages on bills of exchange negotiated in Maine, payable in other States, and returned under protest, are as follows, (R. S. 510:)

1. New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, . . . . . 3 per cent.
2. New Jersey, Pennsylvania, Delaware, Maryland, Virginia, District of Columbia, South Carolina, Georgia, . . . . . 6 per cent.
3. All others, namely, North Carolina, Alabama, Arkansas, Florida, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Ohio, Tennessee, Texas, Wisconsin, California, 9 per cent.

IV. *Foreign Bills*.—The damages on foreign bills of exchange returned under protest are . . . . . 10 per cent.

V. *Sight Bills*.—Grace is allowed on bills, drafts, checks, &c., payable *at sight*, but not on those payable on demand. R. S. 264.

### *Decisions.*

The legislature of a State may constitutionally impose a tax on the capital stock, &c., of a bank previously incorporated by it, unless the right has been expressly relinquished. *Portland Bank vs. Apthorp*, 12 Mass. 252; *Providence Bank vs. Billings*, 4 Pet. 514; *Judson vs. State*, Minor, 150.

When the interest on a note is payable annually, so much as has accrued more than six years before the commencement of an action thereon, will be barred by the statute of limitations, if the note be not witnessed, though the note being payable on time, be recoverable, with the interest which has become due within six years. 5 Green R. 81.

The law does not authorize the recovery of interest upon interest, though a promissory note is made payable with interest annually, (7 Green R. 48;) but the taking compound interest is not usury. 1 Fairfield's R. 315.

## II. NEW-HAMPSHIRE.

*Interest.*—The legal rate of interest in New-Hampshire is six per cent, and no more is allowed on contracts, direct or indirect.

II. *Penalty for Violation of the Usury Laws.*—The person receiving interest at a higher than the legal rate, shall forfeit for every such offence three times the sum so received.

III. *Damages on Bills.*—No statute in force in New-Hampshire.

IV. *Foreign Bills.*—No statute in force in New-Hampshire allowing damages on foreign bills returned under protest.

V. *Sight Bills.*—No bill of exchange, negotiable promissory note, order, or draft, except such as are payable *on demand*, shall be payable until days of grace have been allowed thereon, unless it appear in the instrument that it was the intention of the parties that days of grace should not be allowed. (Revised St. 389, § 10.)

*Decisions.*

A protest by a notary at the place of payment, duly authenticated, is the regular evidence of the dishonor of a foreign bill; but a protest is not competent evidence of the dishonor of an inland bill of exchange. 9 N. H. R. 558.

The dishonor of a promissory note need not be proved by a protest, even if the maker and indorser reside in different governments. 10 N. H. R. 526.

*Interest.*—Any interest on money lent was, at common law, unlawful; but that doctrine has never been adopted here, and no rate of interest is unlawful here at common law unless so great as to be unconscionable. 2 N. H. R. 42.

When a promissory note has been paid and discharged, it ceases to be negotiable. 2 N. H. R. 212; 5 ib. 63. The principle of the case in 2 N. H. R. 212 is to be restrained to cases where the party to the bill or note is prejudiced by a subsequent transfer. 7 N. H. R. 202. But the note ceases to be negotiable, except against those by whom a new indorsement has been made, and those who are bound to pay at all events. *Ibid.*

A promissory note imports a consideration until the contrary appears, (6 N. H. R. 511;) and the acknowledgment of value received in a note not negotiable is *prima facie* evidence of a consideration. 5 N. H. R. 315.

The time when a note payable on demand shall be considered as dishonored, depends on the circumstances of the case; but in general it will be considered so in ten months from its date, (5 N. H. R. 159;) and a note indorsed four months and twenty-two days from its date was treated as dishonored. 6 N. H. R. 369.

Although a note be payable at a particular time and place, no demand is necessary at the time and place. 3 N. H. R. 333; 10 ib. 433.

The want of a demand upon the maker may be excused by evidence of a diligent inquiry for him without success. 3 N. H. R. 346.

A note payable on demand, with interest after sixty days, is payable on demand, and the words "after sixty days" refer only to the interest. 5 N. H. R. 99.

A note payable on contingency, may be declared upon as a note strictly negotiable. 5 N. H. R. 315; 10 ib. 447.

A contract for the delivery of specific articles cannot be declared on as a bill. 3 N. H. R. 299. See also 5 ib. 316; 10 ib. 447.

Bills drawn upon inhabitants of other States are foreign bills. 9 N. H. R. 558.

A negotiable promissory note will not be a discharge of a preëxisting debt, unless there be an express agreement to receive it as such in payment. 10 N. H. R. 505.

If the holder of a note receive an acceptance, to be collected and applied in payment, he must exercise reasonable diligence in the collection; and if he does not, his debt will be discharged. 8 N. H. R. 66.

## III. VERMONT.

I. *Interest.*—The legal rate of interest in Vermont is six per cent, and no higher rate of interest is allowed on special contracts, except upon railroad notes or bonds, which may bear seven per cent.

II. *Penalty for Violation of the Usury Laws.*—The excess of interest received beyond six per cent may be recovered by action of assumpsit.

III. *Damages on Bills of Exchange.*—There is no statute in force in Vermont in reference to damages on protested bills of exchange.

IV. *Foreign Bills.*—There is no statute in force in Vermont in reference to damages on protested foreign bills of exchange.

V. *Sight Bills.*—Grace is not allowed on bills, drafts, checks, etc., payable at sight. (R. S. xxiii. § 1, *annexed.*)

*Revised Statutes. Chap. 73.*

SEC. I. All bills of exchange, drafts, and promissory notes, executed in any other State, and payable in this State, and all such bills, drafts, and notes, executed in this State, and payable in any other State, shall be entitled to the usual mercantile privilege of three days' grace.

SEC. II. The provisions of the foregoing section shall not extend to any contract payable on demand, or in any way but in money.

SEC. III. Whenever any bill or note, or other contract, not subject to grace shall fall due on the Sabbath, the same shall, for every purpose, be taken and considered as due on the Monday next following.

NO. XXIII. *An Act relating to the Time of Payment of Bills of Exchange, Drafts, Checks, and Notes. Approved November 6, 1850. Took effect January, 1, 1851.*

SEC. I. The provisions of the first section of the seventy-third chapter of the Revised Statutes shall not extend to any contract, made after this act shall take effect, payable at sight.

SEC. II. The following days, to wit, 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; and any day appointed or recommended by the Governor of this State, or by the President of the United States, as a day of fast or thanksgiving, shall for all purposes whatsoever, in regard to the presenting for acceptance, or payment, and to the protesting and giving notice of the dishonor of bills of exchange, drafts, checks, and promissory notes, made after this act shall take effect, be treated and considered as is the first day of the week, commonly called Sunday.

SEC. III. Whenever any bill or note or other contract not subject to grace made after this act shall take effect, shall fall due on either of the days designated by the second section of this act, the same shall for every purpose be taken and considered as due on the first day next following, which shall not be Sunday, or one of the days designated as aforesaid.

*Decisions.*

A note under seal becomes a specialty, and no action can be maintained upon it in the name of an indorsee. 1 D. Ch. 244.

A promissory note, given and received in payment of an antecedent account, is a bar to an action on that account, whether the note be paid or not, if there be no fraud or deception in giving the note. 4 Vt. 549.

*Usury.*—A *bond-fide* debt, or demand, contracted upon a legal consideration, is not destroyed by being mingled with an usurious transaction, or being made in whole or in part the consideration of an usurious contract. 6 Vt. 551.

The insolvency of the maker will not excuse the indorsee from giving notice to the indorser. 2 Aik. 9.



IV. MASSACHUSETTS.

I. *Interest.* — The legal rate of interest in Massachusetts is six per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — No contract for the payment of money with interest greater than six per cent shall be void ; but in an action on such contract the defendant shall recover his full costs, and the plaintiff shall forfeit three-fold the amount of the whole interest reserved or taken.

III. *Damages on Bills of Exchange.* — The damages on bills of exchange negotiated in Massachusetts, payable in other States, and returned under protest, are as follows :

1. Bills payable in Maine, New-Hampshire, Vermont, Rhode-Island, Connecticut, or New-York, . . . . . 2 per cent.
2. Bills payable in New-Jersey, Pennsylvania, Maryland, or Delaware, . . . . . 3 per cent.
3. Bills payable in Virginia, District of Columbia, North-Carolina, South-Carolina, or Georgia, . . . . . 4 per cent.
4. Bills payable elsewhere within the United States or the territories, . . . . . 5 per cent.
5. Bills for one hundred dollars or more, payable at any place in Massachusetts, not within seventy-five miles of the place where drawn, . . . . . 1 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange returned under protest are as follows :

1. Bills payable beyond the limits of the United States (excepting places in Africa beyond the Cape of Good Hope, and places in Asia and the islands thereof) shall pay the current rate of exchange when due, and five per cent additional.
2. Bills payable at any place in Africa beyond the Cape of Good Hope, or any place in Asia or the islands thereof, shall pay damages, 20 per cent.

V. *Sight Bills.* — Bills of exchange, drafts, etc., payable *at sight* or at a future day certain, within this State, are entitled to three days' grace. But not bills, notes, drafts, etc., payable *on demand*.

VI. *Notes on Demand.* — In order to charge an indorser, payment must be demanded within sixty days from its date, without grace, on any note payable *on demand*.

*Decisions and Statute.*

Interest is to be computed at the rate established by the law of the place where the debt of which it is an incident is contracted and is to be paid. 9 Metcalf, 210.

Money lent without any stipulation for interest does not necessarily draw interest until neglect or refusal of payment, after demand made, or some other default of the borrower. Ibid. 124.

Whenever any bank shall charge or receive more than six per cent per annum, and the existing rate of exchange, the Bank Commissioners, upon information, shall report such fact to the Treasurer, who shall forthwith prosecute said bank. — 1840.

## V. RHODE-ISLAND.

I. *Interest*—The legal rate of interest in Rhode-Island is six per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.*—Forfeiture of the excess taken above six per cent.

III. *Damages on Bills.*—The damages on bills of exchange, payable in other States and returned under protest, are uniformly 5 per cent.

IV. *Foreign Bills.*—The damages on foreign bills of exchange, returned under protest, are . . . . . 10 per cent.

V. *Sight Bills.*—There is no statute in Rhode-Island upon this subject. The banks do not allow grace on bills, drafts, checks, etc., payable at sight.

*Remarks.*

If any action shall be brought upon any bond, mortgage, specialty, agreement, contract, promise, or assurance whatever, which shall be made within this State, and the defendant shall allege by a special plea, that a higher or greater interest than the rate aforesaid was taken, or was therein or thereby secured or agreed for, the court shall and may admit the defendant as a legal witness, upon the issue joined, and also, on motion of the plaintiff, admit such plaintiff as a legal witness in like manner; and if on the whole evidence such agreement shall be found usurious, the plaintiff shall have judgment for the principal sum of money, or real value of the goods, wares, or other commodity, with legal interest thereon, with costs. "Provided always that nothing in this act shall extend to the letting of cattle, or other usages of the like nature in practice among farmers, or to maritime contracts among merchants, as bottomry, insurance, or course of exchange, as hath been heretofore accustomed."

In an action for usury, the defendant may be admitted as a legal witness, upon issue joined in such action or suit, to testify relative to the nature and circumstances of such agreement, and on motion of the plaintiff, the court shall also admit him in like manner. Public Laws of R. I. 286.

If any bank, or any officer of any bank, or other person in behalf thereof, shall, directly or indirectly, knowingly demand or receive from the maker, indorser, or holder of any promissory note or bill of exchange, or obligation of any description, for the payment of money at a future day, upon the discount thereof, by or on account of such bank, any greater interest or discount, under any form or pretence whatever, than at the rate of six per cent per annum, the officer or other person knowingly demanding or receiving in behalf of such bank such excessive interest or discount shall forfeit and pay for each offence the sum of five hundred dollars, to and for the use of the State; to be recovered by action of debt in the name of the General Treasurer before any court proper to try the same; provided, however, that it shall not be construed to be any violation hereof to demand or receive interest or discount for periods less than one year, at the rate of six per cent for three hundred and sixty days; provided, further, that nothing in this act shall prohibit any bank from demanding or receiving the existing rate of exchange on drafts, bills of exchange, promissory notes, payable at other places than the town wherein the bank discounting the same shall be located. Ib. 293.

*Damages.*—It shall be lawful for any person having a right to demand any sum of money upon a foreign protested bill of exchange as aforesaid, to commence and prosecute an action for principal, damages, interest, and charges of protest against the drawers or indorsers, jointly or severally, or against either of them separately; and judgment shall and may be given for such principal, damages, and charges, and interest upon such principal after the rate aforesaid, to the time of such judgment, together with costs of suit. R. S. 287.

## VI. CONNECTICUT.

I. *Interest.*—The legal rate of interest in Connecticut is six per cent, and no higher rate is allowed on special contracts. Banks are forbidden, under penalty of \$500, from taking directly or indirectly over 6 per cent. Law passed May, 1854.

II. *Penalty for Violation of the Usury Laws.*—Forfeiture of all the interest received. In suits on usurious contracts, judgment is to be rendered for the amount lent, without interest.

III. *Damages on Bills.*—The damages on bills of exchange negotiated in Connecticut, payable in other States, and returned under protest, are as follows:

1. Maine, New-Hampshire, Vermont, Massachusetts, Rhode-Island, New-York (interior,) New-Jersey, Pennsylvania, Delaware, Maryland, Virginia, District of Columbia, . . . . . 3 per cent.
2. New-York City, . . . . . 2 per cent.
3. North-Carolina, South-Carolina, Georgia and Ohio, . . . . . 5 per cent.
4. All the other States and Territories, . . . . . 8 per cent.

IV. *Foreign Bills.*—There is no statute in force in Connecticut in reference to damages on foreign bills of exchange.

V. *Sight Bills.*—Grace is not allowed by statute or usage on checks, bills, etc., payable *at sight*.

*Decisions.*

*Bills of Exchange and Promissory Notes.*—Bills or notes, to be negotiable, must be drawn payable to the payee or order, or bearer, or to the order of the payee.

By statute, notes to be negotiable must be for the payment of thirty-five dollars or upwards.

A bill or note payable to a man's own order is payable to himself if he did not order it paid to any other. Hosmer, Ch. J., 4 Conn. R. 247.

A parol acceptance is sufficient; and this may be express or implied. Baldwin, T., 5 Day, 515.

As between the original parties to a bill of exchange, the want of a consideration, total or partial, may be shown, and though a subsequent holder *bond fide*, and for value paid, shall not be affected by a want of consideration between the prior parties, yet if he received the bill without consideration, he is in privity with the first holder, and the want of consideration is equally provable and available against him. 6 Conn. R. 521.

If a partner of a firm draw a bill in his own name upon the firm of which he is a member, for the use of the partnership concern, it is in contemplation of law an acceptance of the bill by the drawer in behalf of the firm; and the holder of the bill may sustain an action thereon against the firm as for a bill accepted. 5 Day, 511.

An agreement to pay interest upon interest, which has become due, is not usurious. 11 Conn. R. 487.

A parol promise to pay more than lawful interest, made at the giving of a note, and to induce the creditor to take it, and which is part and parcel of the contract, will make the note usurious and void. 2 Root, 37.

Where an instrument contaminated with usury is taken up, and a new one substituted by the parties to secure to the creditor the original debt, the substituted as well as the original security is usurious and void. 5 Conn. R. 154. And it makes no difference whether the party in whose name the substituted security is given was privy to, or ignorant of, the original corrupt agreement. *Ibid.*

## VII. NEW YORK.

I. *Interest*.—The legal rate of interest in New York is SEVEN per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws*.—Forfeiture of the contract in civil actions. In criminal actions, a fine not exceeding one thousand dollars; or imprisonment not exceeding six months; or both. All bonds, bills, notes, assurances, conveyances, all other contracts or securities whatsoever, (except bottomry and *respondentia* bonds and contracts,) and all deposits of goods, or other things whatsoever, whereupon or whereby there shall be reserved or taken, or secured, or agreed to be reserved or taken, any greater sum, or greater value for the loan or forbearance of any money, goods or other things in action than seven per cent, shall be void. (Rev. Stat. Vol. II., p. 182.) For the purpose of calculating interest, a month shall be considered the twelfth part of a year, and as consisting of thirty days; and interest for any number of days, less than a month, shall be estimated by the proportion which such number of days shall bear to thirty.

III. *Damages on Bills*.—The damages on bills of exchange, negotiated in New York and payable in other States, and returned under protest for non-acceptance or non-payment, are as follows:

1. Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, District of Columbia and Ohio, . . . . . 3 per cent.
2. North Carolina, South Carolina, Georgia, Kentucky and Tennessee, 5 “
3. If drawn upon parties in any other State, . . . . . 10 “

The following days, namely, 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 the 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. (1849, ch. 281.)

IV. *Foreign Bills*.—The damages on foreign bills of exchange, returned under protest, are . . . . . 10 per cent.

V. *Sight Bills*.—Grace is not allowed by the banks of the city of New York and of the interior, upon bills, drafts, checks, &c., payable *at sight*.

*Sight Bills, Act of April, 1857.*

SEC. 1. All bills of exchange or drafts, drawn payable at sight, at any place within this State, shall be deemed due and payable on presentation, without any days of grace being allowed thereon.

SEC. 2. All checks, bills of exchange or drafts, appearing on their face to have been drawn upon any bank or upon any banking association or individual banker, carrying on banking business under the act to authorize the business of banking, which are on their face payable on any specified day, or in any number of days after the date or sight thereof, shall be deemed due and payable on the day mentioned for the payment of the same, without any days of grace being allowed, and it shall not be necessary to protest the same for non-acceptance.

SEC. 3. Whenever the residence or place of business of the endorser of a promissory note, or of the drawer or endorser of a check, draft or bill of exchange, shall be in the city or town, or whenever the city or town indicated under the endorsement or signature of such endorser or drawer, as his or her place of residence, or whenever in the absence of such indication, the city or town where such endorser or drawer, from the information obtained by diligent inquiry, is reputed to reside or have a place of business, shall be the same city or town where such promissory note, check, draft or bill of exchange is payable or legally presented for payment or acceptance, all notices of non-payment and of non-acceptance of such promissory note, check, draft or bill of exchange may be served by depositing them, with the postage thereon prepaid, in the post office of the city or town where such promissory note, check, draft or bill of exchange was payable or legally presented for payment or acceptance, directed to the endorser or drawer at such city or town.

SEC. 4. This act shall take effect on the first day of July next, but shall not apply to any bills of exchange, checks, drafts or promissory notes bearing date prior to that time.

## VIII. NEW-JERSEY.

I. *Interest.* — The legal rate of interest in New-Jersey is six per cent, and no higher rate of interest is allowable on special contracts, except as provided in the following act :

The Legislature of New-Jersey passed the following Special Act in March, 1852, supplementary to an act against Usury, approved April 10, 1846 :

*Be it enacted, etc.,* That upon all contracts hereafter made in the City of Jersey City, and in the township of Hoboken, in the county of Hudson, in this State, for the loan of or forbearance, or giving day of payment for any money, wares, merchandise, goods, or chattels, it shall be lawful for any person to take the value of seven dollars for the forbearance of one hundred dollars for a year, and after that rate for a greater or less sum, or for a larger or shorter period, any thing contained in the act, to which this is a supplement, to the contrary, notwithstanding: *provided,* such contract be made by and between persons actually located in either said city or township, or by persons not residing in this State.

II. *Penalty for Violation of the Usury Laws.* — The contract is void, and the whole sum is forfeited.

III. *Damages on Bills of Exchange.* — There is no statute in force in reference to damages on bills of exchange.

IV. *Foreign Bills.* — There is likewise no statute in force in reference to damages on protested foreign bills.

V. *Sight Bills.* — Grace is not, either by statute or usage, allowed on bills, drafts, etc., payable at sight.

*Decisions.*

When there have been partial payments, the interest must be calculated to the time of payment, then deduct the sum paid from the amount, and calculate the interest on the residue to the next payment. 1 Hal. R. 408.

The sale by one person of the note or bond of another, at any rate of discount, is not usurious; but if the note or bond was made for the express purpose of being sold at greater discount than legal interest, it is usurious and void. A note void for usury when made, is void in the hands of an innocent holder. Chan. Williamson, July Term, 1825.

Where a bank discounts a note, upon condition that the person offering it shall take post notes payable at a distant day as cash, the note is usurious and void. But if part of the usurious note be paid and a new note given for the balance, the new note is good. 2 Hal. 130. A contract to take for a loan of money more than legal interest, though none is actually taken, is usurious and void; but the lender does not subject himself to the penalty of the statute unless he actually receives more than legal interest, and it is immaterial whether the illegal interest is secured by the same instrument as the principal debt, or by another. 3 Hal. 233. And a note antedated for the purpose of securing more than legal interest is usurious and void; but the taking such a note will not destroy the antecedent debt not affected with usury. 3 Gr. 255.

The law of the place where the contract is made determines the rate of interest when the contract specifically gives interest, and this will be the case though the loan be secured by mortgage on lands in another State, unless there be circumstances to show that the parties had in view the law of the latter place in respect to interest. 3 Gr. 328.

*Notes.* — A promissory note is not negotiable so that an action can be brought on it in the name of an indorser, unless it be payable to order or assigns. 1 Gr. 26<sup>a</sup>. If payable to bearer, it is negotiable or assignable by delivery only, and any *bona fide* holder may sue on it in his own name. 1 Gr. 246.

## IX. PENNSYLVANIA.

I. *Interest*.—The legal rate of interest in Pennsylvania is six per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws*.—“Shall forfeit the money and other things lent; one half thereof to the Governor for the support of the government, and the other half to the person who shall sue for the same.” (*March, 1723.*)

III. *Damages on Bills*.—The damages on bills of exchange negotiated in Pennsylvania, payable in other States, and returned under protest are as follows:

1. Upper and Lower California, New-Mexico, and Oregon, 10 per cent.
2. All other States, . . . . . 5 per cent.

IV. *Foreign Bills*.—The damages on foreign bills of exchange, returned under protest, are as follows, (*May 13, 1850.*):

1. Payable in China, India, or other parts of Asia, Africa, or islands in the Pacific Ocean, . . . . . 20 per cent.
2. Mexico, Spanish Main, West-Indies, or other Atlantic islands, East Coast of South-America, Great Britain, or other parts of Europe, . . . . . 10 per cent.
3. West Coast of South-America, . . . . . 15 per cent.
4. All other parts of the world, . . . . . 10 per cent.

V. *Sight Bills*.—Grace is not allowed by the banks upon bills, drafts, checks, etc., payable at sight; nor on checks, etc., payable at a specific day mentioned in the body of the check.

*Decisions.*

In investments by building associations in loans to members thereof, the premium given for preference or priority of loan, shall not be deemed usurious. Act of 8 May, 1855, § 1, P. L. 519.

A man may *bonâ fide* purchase any security for the payment of money, at the lowest rate he can, without incurring the penalties of usury. 2 Dallas, 92.

Loans to railroads or canal companies, and bond taken for a larger sum than the amount of money advanced, not usurious. Act of July 26, 1842, § 11, P. L. 434.

Interest is a legal incident to every judgment. 4 Dallas, 252; 5 Watts, 464; 6 Watts, 53; 6 Binney, 437; 5 Wharton, 280; or decree of the Orphans' Court, 4 Harris, 151. Where a judgment is revived by *sci. fa.* the amount of principal and interest then due constitutes a new principal, and the plaintiff has a right to charge interest on the aggregate amount of principal and interest due at the time of rendering judgment on each *sci. fa.* 5 Sergeant & Rawle, 220; 5 Binney, 56; 5 Watts, 318.

Where more than legal interest is included in any speciality or note, the whole amount cannot be sued for and recovered; but the plaintiff is entitled to a verdict for the just principal and interest. 2 Dallas, 92.

The rule of law is, that interest is allowed on goods sold and delivered, and on all open accounts, where, by the usual course of dealing, or by express agreement, a certain time is fixed for payment; on money lent and advanced; on arrears of rent, unless it would be inferred by the landlord's conduct that he did not mean to insist upon it, or he demands more than is due, or there are other special circumstances which might make the charge of interest improper; and, generally, wherever one person detains the money of another, without any right and against his consent. 6 Binney, 162; 1 Ser. & Raw. 176; 1 Binney, 488; 1 Dallas, 315, 349; 2 ib. 193; 4 ib. 289.

A dormant partner is liable for interest, upon the receipt of the money, by an acting partner, without his privity or participation. 1 Dallas, 343, 2d edit.

## X. DELAWARE.

I. *Interest*.—The legal rate of interest is six per cent, and no more is allowed on direct or indirect contracts.

II. *Penalty for Violation of the Usury Laws*.—Forfeiture of the money and other things lent, one half to the Governor for the support of government, the other half payable to the person suing for the same.

III. *Damages on Bills*.—There is no statute in force in Delaware in reference to damages on domestic or inland bills of exchange.

IV. *Foreign Bills*.—The damages upon bills of exchange drawn upon any person in England, or other parts of Europe, or beyond the seas, and returned under protest, are . . . . . 20 per cent.

V. *Sight Bills*.—There is no statute with reference to bills, drafts, checks, etc., at sight. They are not, by usage, entitled to grace.

*Decisions.*

*Interest*.—Seven per cent interest was allowed on a note drawn in New-York. 1 Harring. 232. Interest on damages is discretionary with the jury. 1 Harring. 234, 449.

The principle of calculating interest and deducting payments on bonds, running accounts, and for and against administrators or guardians, is stated in 3 Harring. 469.

Interest is allowable on the ground of contract, or by custom, (3 Harring. 528;) but where there is no contract, usage, time fixed for payment, or account rendered, it is not usual to allow it. *Ibid.* It may be allowed on money due for work and labor. *Ibid.*

The sheriff held liable for interest on money levied by a sale of land from the time it was payable. 3 Harring. 25.

*Bills or Notes*.—A partial failure of the consideration of a bill of exchange cannot be set up as a defence to an action on the bill; but a total failure may. 2 Harring. 32.

Fraud will vitiate the contract; and to show fraud, the worthlessness of the article bought may be proved in an action on a bill accepted for the price of it. *Ibid.*

Bank-notes, though not money, have a certain legal character as money, and though not a legal tender they are a good tender unless objected to. 2 Harring. 235.

If at the time of the contract a bank-note be paid without indorsement, guarantee, or agreement, it is received as money, and the risk of the solvency of the bank is on the receiver. 2 Harring. 235.

Where a negotiable note is taken in the usual course of trade, before maturity, by an innocent party, *bonâ fide*, and for a valuable consideration, without notice, neither fraud nor want of consideration, as between the original parties, can be set up as a defence against the indorsee. 3 Harring. 385. A party cannot recover on an altered negotiable note without explaining the alteration. 3 Harring. 404. The payment of an antecedent debt is a good consideration for the assignment. *Ibid.*

*Notice*.—Notice of protest through the post-office is not sufficient if the indorser reside in the same town, unless there be a penny-post by which he is in the habit of receiving letters. 3 Harring. 419. The notice ought to be personal, or by writing left at the house or place of business. *Ibid.*

*Demand*.—If a note is payable at a certain place, demand at the place must be averred. 1 Harring. 10, 331. Demand must be made on the last day of grace. 1 Harring. 331.

A bank depositor must make an actual demand for his deposit before suit is brought. 1 Harring. 117, 496.

## XI. MARYLAND.

I. *Interest.* — The legal rate of interest in Maryland is six per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — There is no longer any penalty. The law of 1804, imposing one, was repealed on the 10th of March, 1846. A contract for interest beyond the legal rate of six per cent is not void, but if the fact be specially pleaded, all excess of interest beyond the rate is abated from the recovery in the case. The act of the 10th of March, 1846, embraces all contracts made even before its passage, if not at that period actually in suit.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Maryland, payable in other States, and returned under protest, are uniformly . . . . . 8 per cent.

The claimant is entitled to receive a sum sufficient to buy another bill of the same tenor, and eight per cent damages on the value of the principal sum mentioned in the bill, and interest from the time of protest, and costs. The protest of an inland bill must be made according to the law or usage of the State where it is payable.

*Practice* includes the District of Columbia in this law of damages, (Act of Assembly, 1785, ch. 39;) but it is questionable whether the District be within the law, which provides only for *States*.

IV. *Foreign Bills.* — The damages on foreign bills of exchange returned under protest are . . . . . 15 per cent.

The claimant is to receive a sum sufficient to buy another bill of same tenor, and fifteen per cent damages on the value of the principal sum mentioned in the bill, and interest from the time of protest, and costs.

V. *Sight Bills.* — Grace is not allowed by the banks on bills, drafts, checks, etc., payable at sight.

*Decisions.*

Under the statute of Maryland of 1837, ch. 253, the certificate of a public notary is *prima-facie* evidence of the presentment by him of an inland as well as a foreign bill of exchange or note, and of his protest of a bill for non-acceptance or non-payment, and also of the sending or delivery of notice in the manner stated in the protest. 1 Gill, 127.

If a party receive notice of the dishonor of a bill in due time, he cannot object to the mode of conveyance. *Ibid*.

In Maryland, interest is not only given in all cases where it is in England, but in many others also. 2 Bland's C. R. 306.

It is not usurious in a bank to take interest in advance. 10 G. and J. R. 299.

Compound interest may be charged in three kinds of cases; first, where, with the knowledge and permission of the debtor, his whole debt, principal and interest, has been paid by a third person, or his surety; secondly, where the holder of money has been directed or undertakes to invest money in his hands to make it productive, and fails or refuses to do so; and thirdly, where a trustee has received rents and profits, and retains and uses the money as his own, he will be charged with the profits or with interest, considering each year's interest as an addition to the capital sum. 2 Bl. 166.



## XII. VIRGINIA.

I. *Interest.*—The legal rate of interest in Virginia is six per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.*—All contracts for a greater rate of interest than six per cent per annum are void.

III. *Damages on Bills.*—The damages on bills of exchange negotiated in Virginia, payable in other States, and returned under protest, are uniformly . . . . . 3 per cent

IV. *Foreign Bills.*—The damages on foreign bills of exchange, returned under protest, are uniformly . . . . . 10 per cent.

V. *Sight Bills.*—Grace is not allowed by statute or by usage on bills, etc., payable at sight.

*Decisions.*

A trustee accountable for rents and profits, is chargeable with interest thereon 3 Grattan, 518.

It is not usurious for a bank to take interest for the first day on which a note is discounted, and also for the last day on which it is payable, inclusive. 5 Leigh, 251.

Where one resorts to equity for relief against usurious debt yet unpaid, he shall be required to pay only the principal advanced to him, without even lawful interest, according to the statute; yet where debtor seeks, in equity, an account of, and decree for, money already paid on usurious contract, the measure of relief is the excess paid above principal and lawful interest; and if his payments exceed principal and lawful interest, the surplus, with interest, shall be decreed to him. 1 Leigh, 147; 5 Leigh, 478; see also 1 Paige, 429.

What interest is allowable upon any contract, is always a question of law; and it is sometimes an intricate question as it respects the time or the place of the contract. 1 Rand. 35. And the court may instruct the jury with regard to the interest. 6 Call, 16.

Unsettled and disputed accounts ought not, in general, to bear interest. 1 Wash. 172; 2 Call, 366.

A legacy carries interest (no time for payment being specified) only from the end of the year after the death of the testator. 3 Munf. 10.

As to compound interest, etc., under what circumstances it may be taken. 4 Yates, 220-230.

The practice in Virginia is favorable to the recovery of interest; and it was held, in an action on a penal bill, payable on demand, not necessary to aver a special demand. An obligation to pay money on demand is evidence of a present debt, payable instanter, and the writ a sufficient demand to entitle plaintiff to the penalty, and interest is allowed, not because of the forfeiture of the penalty, but because the debt was due and payable from the beginning. 6 Rand. 101.

*Notary Public.*—A certificate of a notary public, of a sister State, duly certified according to the usual notarial form, that a release was acknowledged by a party to be his act and deed, will not be received in evidence of the fact in the courts of Virginia. The deposition of the notary, or some equivalent testimony, should be produced. 1 Rand. 456.

*Bills.*—A protest of a foreign bill of exchange, in a foreign country, is proved by the notarial seal; but the protest is only *prima facie*, not conclusive evidence of the dishonor of the bill. 7 Leigh, 179.

It is not enough to charge the indorser on a bill of exchange, whereof the drawer has refused acceptance when presented, and payment when demanded, to prove protest for non-payment and due notice thereof to indorser; it is necessary to prove due notice to him of the dishonor of the bill by the non-acceptance. 2 Leigh, 321; 4 Wash. C. C. R. 467.

## XIII. NORTH-CAROLINA.

I. *Interest*.—The legal rate of interest in North-Carolina is six per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws*.—A forfeiture of the principal and interest; and if usurious interest is collected, a liability to pay double the amount of principal and interest paid—one half of the amount recovered for the use of the State, the other half for the claimant.

III. *Damages on Bills*.—The damages on bills of exchange negotiated in North-Carolina, payable in other States, and returned under protest, are uniformly . . . . . 3 per cent.

IV. *Foreign Bills*.—The damages on foreign bills of exchange returned under protest are as follows:

1. Bills payable in any part of North-America, except the North-west Coast and the West-Indies, . . . . . 10 per cent.
2. Bills payable in Madeira, the Canaries, the Azores, Cape de Verd Islands, Europe, and South-America, . . . . . 15 per cent.
3. Bills payable elsewhere, . . . . . 20 per cent.

V. *Sight Bills*.—By virtue of an act of the legislature, passed in January, 1849, grace is allowed on bills *at sight*, unless there is a stipulation to the contrary. Prior to that date the usage was, not to allow grace on such bills.

## Decisions.

I. *What Notes negotiable*.—1. Bonds are negotiable as well as promissory notes not under seal. Rev. Code ch. 13, sec.

2. A memorandum reciting the assignment of a note and promising to pay on demand therefor a certain price, is a promissory note; and negotiable, and no proof of want of consideration can be admitted against an indorsee for value, before its dishonor. *Elliott v. Smitherman*, 2 D. & B. 338. But where there is no promise to pay money, 2 D. & B. 239; or where the promise is to pay money and do other things, 1 Jones, 357; or to pay in bank stock or any thing besides money, 2 D. & B. 513; or where the payment is contingent; it is not negotiable. 3 Hawks, 458.

3. A promissory note payable to a blank or fictitious payee is negotiable, and may be indorsed in the name of the fictitious payee. *Elliott v. Smitherman*, 2 D. & B. 338. Otherwise of a bond. *Marsh v. Brooks*, 11 R. 409.

II. *Indorsement*.—1. An indorsement to enable an indorsee to sue in his own name must be of the whole not a part of the note. *Martin v. Hayes*, 1 Bus. 423.

2. Any holder may fill up a blank indorsement to himself. 1 R. 219; 4 R. 266. An executor may indorse a note payable to his testator. 1 Mur. 133.

3. The indorsee of a note or bill, for value or for a precedent debt, before it is due, and without notice, is unaffected by any equities between the other parties. *Reddich v. Jones*, 6 R. 107. *Turner v. Beggorly*, 11 R. 331; Bus. 40.

III. *Liabilities of Indorsers of Notes and Bonds*.—Indorsers of notes, bonds, and inland bills, are sureties for the maker. Rev. Code, ch. 13, § 10, and it is not necessary to charge them to prove any demand on maker or notice to indorser. *Williams v. Runi*, 3 D. & B. 74. But as to bills, see *Hubbard v. Troy*, 2 R. 134. This act applies only when all the indorsements were made in this State. *Ingersoll v. Long*, 4 D. & B. 293. But in *Reddich v. Jones*, 6 R. 107, it was held to apply to an indorsement made in Virginia on a note made in N. Ca. And it applies where the note is made in Virginia and the indorsement in N. Ca. 1 R. 122.

## XIV. SOUTH-CAROLINA.

I. *Interest.*—The legal rate of interest in South-Carolina is SEVEN per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.*—Loss of all the interest taken.

III. *Damages on Bills.*—The damages on bills of exchange negotiated in South-Carolina, payable in other States, and protested for non-payment, are uniformly . . . . . 10 per cent. together with costs of protest.

A bill drawn in South-Carolina, payable in another State, is deemed a foreign bill, and damages may be claimed, although such bill be not actually returned after protest.

IV. *Foreign Bills.*—The damages on foreign bills of exchange, negotiated in South-Carolina, are as follows:

1. On bills on any part of North-America other than the United States and on the West-Indies, . . . . . 12½ per cent.
2. On bills drawn on any other part of the world, . . . . . 15 per cent.

V. *Sight Bills.*—The statute of 1848 enacts that “bills of exchange, foreign or domestic, payable at sight, shall be entitled to the same days of grace as now allowed by law on bills of exchange payable on time.”

By a statute passed in 1831, it is enacted that if money or other commodity be lent or advanced upon unlawful interest, the plaintiff shall be allowed to recover the amount or value actually lent, but without interest or cost.

By an act passed in 1839, it is enacted that a debtor by bond, note, or otherwise, about to leave the State, the debt not being yet due, may be sued and held to bail. The plaintiff must swear to the debt, and that he did not know the debtor meant to remove at the time the contract was made. But the writ must be made returnable to the term next succeeding the maturity of the note, etc.

*Decisions.*

Where a sealed note was given for the payment of \$2500, three years after date, “with interest from the date, to be paid punctually at the end of each year,” it was held, that the interest which fell due at the end of each of the three years, and remained unpaid, became principal also, and bore interest; but not so the annual interest which accrued afterwards, because there was no express or implied contract to that effect. 1 *Strobhart*, 115.

Where one contracts to pay a certain sum and interest on a certain day, the interest on that day becomes a part of the principal, and bears interest from that time. 3 *Richardson*, 128.

Judgments do not bear interest at common law. But in debt on a judgment, interest may be recovered by way of damages. 3 *Richardson*, 376. By act of the Legislature, all demands bearing interest before judgment, continue to bear interest after judgment recovered, till the judgment is paid.

Where the drawee of a bill, payable at sight, accepted it, “if presented at a particular time, he will be liable on it although not presented at that time.” 3 *Rich.* 311.

## XV. GEORGIA.

I. *Interest*.—The legal rate of interest in Georgia is SEVEN per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws*.—Forfeiture of all the interest paid.

III. *Damages on Bills*.—The damages on bills of exchange, negotiated in Georgia, payable in other States, and returned under protest, are uniformly . . . . . 5 per cent.

IV. *Foreign Bills*.—The damages on foreign bills of exchange, returned under protest, are . . . . . 10 per cent.

V. *Sight Bills*.—"Three days, commonly called the three days of grace, shall not be allowed upon any sight drafts or bills of exchange drawn payable at sight, after the passage of this Act; but the same shall be payable on presentation thereof, subject to the provisions of the first sections of this Act. The first section designates the HOLIDAYS."—*Act passed Feb. 8, 1850.* [See *Cobb's New Digest of the Laws of Georgia*, pp. 519-522.]

## Decisions.

1. The indorsee 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 indorser, as provided by the act of 1823 in cases of protested bills of exchange. *Howard v. Central Bank*, 3 Kelly's Reports, 374.

2. A note for valuable consideration, transferred before due, and without notice of any equities, 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*, *Ib.* 47.

3. *Bills and Notes*.—The holder of a bill may, in default of payment, sue all the parties liable thereon at the same time, and may maintain an action against the drawer without previously suing the acceptor. 1 R. M. Charl. 53.

4. The Georgia statute of 1799, in making promissory notes negotiable, whether given for money or other things, *ipso facto* made them exempt from the necessity of proving consideration. *Dudley*, *Geo.* 157.

5. Failure of consideration is no defence to an action by a *bonâ fide* holder without notice, unless the note is transferred after due. *Geo. Decia. Part II.* 163.

6. *Usury*.—Usury may be set up in defence to a proceeding to foreclose a mortgage. 1 Kelly, 392.

7. Where a surety on a debt tainted with usury pays the same, knowing the debt to be usurious, he cannot recover the amount paid from the principal. But he may recover it back from the creditor. 1 Kelly, 140; 3 Kelly, 162.

8. The maker of a usurious note is a competent witness for the defendant to prove usury, in an action by an indorsee against an indorser, on being released. Renewals of a usurious contract carry the taint of usury with them. 1 Kelly, 108.

9. A note, void as being given in direct violation of statute, is valid against the maker in the hands of an innocent indorsee, and the original consideration cannot be inquired into. *Dudley*, *Geor.* 249.

10. An attorney is liable for interest on money collected by him from the time it is demanded of him, and if he has failed to give notice to his client of the receipt of it, or applied it to his own use, from the time when he collected it. 1 Kelly, 275.

11. As a general rule, specific legacies of a productive nature bear interest from the death of the testator. 5 Kelly & Cobb, 301.

## XVI. ALABAMA.

I. *Interest*.—The rate of interest in Alabama is eight per cent per annum.

II. *Penalty for Violation of the Usury Laws*.—All contracts made at a higher rate of interest than eight per cent are usurious, and cannot be enforced except as to the principal.

III. *Damages on Bills*.—Damages on inland bills of exchange protested for non-payment, are 10 per cent; on foreign bills of exchange, 15 per cent on the sum drawn for.

IV. All bills drawn and payable within this State are termed inland bills; those drawn in this State and payable elsewhere, are considered foreign bills.

V. *Sight Bills*.—Grace is allowed on bills, drafts, etc., payable at sight.

*Decisions.*

*Usury*.—The offence of usury is not complete, so as to enable a common informer to sue for the penalty given by the statute of Alabama of 1819, until the money, etc. has been taken, accepted, or received. 4 Alabama, 124.

The statutes of usury confer a personal privilege upon the borrower, which he may waive, and if he does no third party can take advantage. 3 Alabama, 643.

*Interest*.—In Alabama, interest will be allowed as well upon debts contracted abroad, if the *lex loci contractus* authorizes it, as in the State. 7 Port. 110.

A note discounted by the Bank of Mobile carries the legal rate of interest, eight per cent, after its maturity. 7 Alabama, 490.

Where a partial payment is made and indorsed upon a promissory note before maturity, interest will not run upon the payment up to the maturity of the note, without a special agreement, express or implied. 7 Alabama, 359.

*Bills and Notes*.—The statutes of Alabama require the negotiability and character of bills of exchange, foreign and inland, and promissory notes, payable in bank, to be governed by the general commercial law. 4 Howard's U. S. R. 404.

It is incumbent on an indorser of negotiable paper, if he would prevent usury from being set up against him, to show that he became the innocent holder of the paper for a valuable consideration, before its maturity. 9 Port. 9.

Successive accommodation indorsers of a bill are not co-sureties, in the absence of any agreement to that effect, and any circumstance raising such presumption. 5 Alabama, 683.

An indorser of a bill of exchange is not discharged by the mere forbearance of the holder to sue the acceptor for any length of time. 8 Port. 108.

A promise, in writing, to accept a bill of exchange not *in esse*, is in law a sufficient acceptance, if the bill be taken on the faith of such promise; and a collateral written or mere verbal promise to accept it, made after it was drawn, may also amount to an acceptance. But a mere verbal promise to accept a bill of exchange not yet drawn is not such an acceptance as will in law bind the acceptor, even if made to the person in whose favor it is drawn. 8 Port. 263.

Where a bill is made payable at a particular place, presentment for payment at that place is sufficient to hold the indorser. 9 Port. 186.

Where the holder of a bill of exchange and the parties sought to be charged upon its dishonor reside in different towns, notice of non-payment may be given through the post-office, although the agent of the holder and the party to be notified resides in the same town. 7 Alabama, 324.

In Alabama, damages other than interest cannot be recovered of an acceptor of a bill, as acceptor merely. 8 Port. 539.

## XVII. ARKANSAS.

I. *Interest*.—The legal rate of interest in Arkansas is six per cent. Special contracts in writing will admit an interest not to exceed ten per cent. All judgments or decrees upon contracts bearing more than six per cent shall bear the same rate of interest originally agreed upon. (*R. S.*, chap. 90, § 1, 2, etc., 1848.)

II. *Penalty for Violation of the Usury Laws*.—All contracts for reservation of a greater rate of interest than ten per cent are void. The excess taken or charged beyond ten per cent may be recovered back, provided the action for recovery shall be brought within one year after payment. (*R. S.*, chap. 90, 1848.)

III. *Damages on Bills*.—The damages on bills of exchange drawn or negotiated in Arkansas, expressed to be *for value received*, and protested for *non-acceptance*, or for *non-payment* after non-acceptance, are as follows, (*R. S.* 1848, chap. 25:)

1. If payable within the State, . . . . . 2 per cent
2. If payable in Alabama, Louisiana, Mississippi, Tennessee, Kentucky, Ohio, Indiana, Illinois, or Missouri, or at any point on the Ohio River, . . . . . 4 per cent.
3. If payable in any other State or territory, . . . . . 5 per cent.
4. If payable within either of the United States, and protested for non-payment, *after acceptance*, . . . . . 6 per cent.

IV. *Foreign Bills*.—The damages on bills of exchange, expressed *for value received*, and payable beyond the limits of the United States, (*R. S.* 1848, chap. 25.) are . . . . . 10 per cent.

V. *Sight Bills*.—There is no statute in force in Arkansas in reference to grace on sight bills. Section 15, Digest of 1848, p. 218, says, "Foreign and inland bills shall be governed by the law merchant as to days of grace, protest, and notices."

*Decisions and Statutes.*

*Protest*.—The protest made by the notary public, under his hand and seal of office, shall be allowed as evidence of the facts therein contained. Digest, 1848, p. 217. But the certificate of a notary who protested a bill, though under his notarial seal, is no evidence of the fact. *Real Estate Bank v. Bizzell*, 4 Ark. 189.

*Interest*.—Where a note is given, bearing interest at the rate of ten per cent per annum, the payment of the interest as well as the principal, must be negatived in the breach, or it will be too narrow. 3 Pike's Arkansas R. 261.

In Arkansas, a promissory note, payable on demand, draws interest from date, without a demand. 4 Pike, 210.

Where there is a legal liability to pay interest on a money bond or note, by the non-payment thereof according to its tenor, such liability need not be alleged in an action on the bond or note. 2 Pike, 375.

The 4th section of ch. 80 of the Revised Statutes of Arkansas, which provides that judgments shall bear the same rate of interest as the contract upon which they are recovered, gives such rate of interest upon the damages recovered as well as upon the original debt. 4 Pike, 150.

In an action upon a note bearing interest at a rate greater than is allowed by law, except on special agreement, it is necessary to allege that the interest as well as the principal has not been paid. 3 Pike, 261.

## XVIII. FLORIDA.

I. *Interest.*—The legal rate of interest is six per cent. On special contracts eight per cent may be charged.

II. *Penalty for Violation of the Usury Laws.*—Forfeiture of the whole interest paid.

III. *Damages on Bills.*—The damages on bills of exchange, negotiated in Florida, payable in other States, and returned under protest for non-payment, are uniformly . . . . . 5 per cent.

IV. *Foreign Bills.*—Damages on foreign bills of exchange 5 per cent.

V. *Sight Bills.*—Grace is not allowed on bills, drafts, etc., payable at sight. There is no statute in Florida upon this subject.

*Decisions.*

*Usury.*—In Florida, where illegal interest is reserved in a contract, it is void to the extent of the whole interest reserved, including as well legal as illegal interest. 1 Branch's Reports, 356.

A contract not usurious is not invalidated by a subsequent receipt of a contract for illegal interest. But where a usurious contract is substituted for one not usurious, in an action on the substituted contract, the plaintiff will be entitled to recover only according to the terms of the original contract. *Ibid.*

In respect of usury, a contract is to have effect according to the law at the time when it is made. *Ibid.*

Where a usurious contract is made void by statute at the time it is entered into, a subsequent repeal of the statute does not make the contract valid. *Ibid.*

The actual receipt of illegal interest is necessary to subject one to the penalty for usury under the statute of Florida. *Ibid.*

A contract to pay more than legal interest for past forbearance is usurious. *Ibid.*

*Notes.*—It seems that notice of protest to an indorser would be good if it be sufficient to put the party on inquiry, and prepare him to pay it or to defend himself. Even if there be some uncertainty in the description of the bill or note, if it does not tend to mislead the party, it will be good. 1 Branch, 301.

The original protest of demand and non-payment of a note made by a notary, where the notary testifies that it was made at the time of the demand of payment, and that he believes the facts stated therein are true, and have occurred, is admissible in evidence, although the notary does not remember any of the facts stated therein, independently of the protest. *Ibid.*

A part payment of a note by the indorser, not explained or qualified by any accompanying circumstances, will be held sufficient evidence of waiver of notice. But where the payment is made with the money of the maker, and by his request, the indorser acts as mere agent of the maker, and the transaction is so qualified and explained as to preclude all idea of an actual or intended waiver on the part of the indorser. 1 Branch, 25.

A plea filed under oath, in accordance with the Florida statutes, alleging the failure or want of consideration of a bond, note, or other instrument of writing throws the *onus* of proving the consideration of the instrument sued on upon the plaintiff; but the consideration can be inquired into only between such parties as it might have been at common law. 1 Branch, 94. As between the indorsee and the maker, the consideration cannot be inquired into. *Ibid.*

A note in the words, "On demand, the first day of January next, I promise," etc., is payable on demand, and the clause, "the first day of January," applies only to the time when interest was to commence. 1 Branch, 447.

## Damages on Bills

### XIX. ILLINOIS.

I. *Interest.*—The legislature, in 1857, passed the following act :

SEC. 1. That from and after the passage of this act, the rate of interest upon all contracts and agreements, written or verbal, express or implied, for the payment of money, shall be six per cent. per annum upon every one hundred dollars, unless otherwise provided by law.

SEC. 2. That in all contracts hereafter to be made, whether written or verbal, it shall be lawful for the parties to stipulate or agree that ten per cent. per annum, or any less sum of interest, shall be taken and paid upon every one hundred dollars of money loaned, or in any manner due, and owing from any person or corporation to any person or corporation in this State.

II. *Penalty for Violation of the Usury Laws.*—If any person or corporation in this State shall contract to receive a greater rate of interest than ten per cent. upon any contract, verbal or written, such person or corporation shall forfeit the whole of said interest so contracted to be received, and shall be entitled only to recover the principal sum due to such person or corporation. (Act of 1857.)

III. *Damages on Bills.*—The damages on bills of exchange negotiated in Illinois, payable in other States or territories, and returned under protest for non-payment, are uniformly (by act of March 3, 1845) 5 per cent., in addition to the interest.

IV. *Foreign Bills.*—The damages payable on foreign bills of exchange, returned under protest, are (by act of March 3, 1845) 10 per cent., in addition to the interest.

V. *Sight Bills.*—There is no statute in force in reference to bills, drafts, &c., payable *at sight*. There are no banks in the State. Custom amongst merchants and brokers does not allow grace.

#### Decisions and Statute

*Bills of Exchange.*—In addition to the damages on bills of exchange allowed by the act of March 3, 1845, six per cent. interest is payable from the maturity of such bills, together with cost and charges of protest; provided the bill expresses for value received.

A note and agreement, made at the same time, must be taken together as forming one entire contract. 3 Scammon, 72.

Although no particular form is necessary to make a note, yet the writing must show an undertaking or engagement to pay, and to a person named in it, or to bearer, or holder of the instrument. Breece's Rep. 2.

The legal effect of a bond or note payable on or before the day, is different from one payable on the day—in the one case the obligor having the right to pay before the day, but not in the other. 2 McLean, 402.

By the rule of the common law, a note under seal imports a valuable consideration, and no inquiry could be had in relation thereto. So a note not under seal, expressing on its face to have been given for value received, imports a sufficient consideration, and leaves it open to be impeached by the defendant. 1 Scam. 208.

*Interest.*—Held, that when a judgment is obtained upon a contract, that contract ceases to be, and is merged in the judgment, and such judgment, as regards the interest, is operated upon and controlled, not by the contract, but by the statute Breece 52.



## XX. INDIANA.

I. *Interest.*—The legal rate of interest in Indiana is six per cent. No higher rate of interest is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.*—A fine in five times the interest unlawfully bargained for, taken or reserved upon the contract; in an action brought upon an usurious contract, the plaintiff shall recover only his principal, without interest, and the defendant shall recover costs, and if interest shall have been paid thereon, judgment shall go for the principal, deducting interest paid. If interest be paid at a higher rate than allowed by law, the payer, or his personal representative, may recover such interest, with ten per cent damages thereon, by suit, if commenced within one year after payment thereof.

III. *Damages on Bills.*—Damages, payable on protest for non-payment or non-acceptance of a bill of exchange drawn or negotiated within the State of Indiana, if drawn upon any person at any place out of this State, are 5 per cent. Beyond such damages no interest or charges accruing prior to protest, shall be allowed, and the rate of exchange shall not be taken into account.

IV. *Foreign Bills.*—The damages payable on protest for non-payment or non-acceptance of a foreign bill of exchange, are, on the principal of such bill, 10 per cent. No damages beyond the cost of protest are chargeable against the drawer or the indorser of either species of bill, if, upon notice of protest and demand of the principal sum, the same is paid.

V. *Sight Bills.*—Grace is allowed on all bills of exchange payable in Indiana, whether sight or time bills.

*Decisions, etc.*

Notes payable to order or bearer in a bank in this State, shall be negotiable as inland bills of exchange, and the payers and indorsers thereof may recover as in case of such bills.

Upon any instrument of writing, made within this State or elsewhere, containing a promise to pay money without relief from valuation laws, judgment shall be rendered, and execution had, accordingly; otherwise, property seized upon execution must be sold for two thirds of its appraised value.

It is no defence to a note in the hands of a *bond-fide* assignee, that it was originally given for an illegal consideration. The assignment is a contract which *prima facie* imports a good consideration. 1 Blackford, 256.

The law is very well settled with regard to promissory notes payable at a particular place, that the place of payment is a substantial part of the contract: that before suit is brought, a demand of payment must be there made; and that such demand must be averred in the declaration, and proved at the trial. 1 Blackford, 329 The same doctrine applies to bills of exchange with acceptances to pay at a particular place. *Ibid.*

*Interest.*—Whenever a payment is made, the interest must be discharged first; but if a sum less than the interest is paid, the balance of the interest does not thereby become principal. 3 Blackford, 21.

## XXI. IOWA.

I. *Interest*.—The legal rate of interest in Iowa is six per cent. Ten per cent may be charged on special contracts. On judgments, interest is chargeable as on the contract.

II. *Penalty for Violation of the Usury Laws*.—Forfeiture of the excess of interest paid, for the benefit of the School Fund. The borrower is by law a competent witness to prove usury.

III. *Damages on Bills*.—The rates of damages allowed on non-acceptance or non-payment of bills drawn or indorsed in this State, are as follows: If drawn upon a person at a place out of the United States, or in California, or in the territory of Oregon, Utah, or New-Mexico, ten per cent upon principal, expressed in the bill, with interest from time of protest. If drawn upon a person at a place in Iowa, Missouri, Illinois, Wisconsin, or in Minnesota, three per cent, with interest. If upon a person at a place in Arkansas, Louisiana, Mississippi, Tennessee, Kentucky, Indiana, Ohio, Virginia, District of Columbia, Pennsylvania, Maryland, New-Jersey, New-York, Massachusetts, Rhode-Island, or Connecticut, five per cent, with interest. If drawn upon a person at a place in any other State, eight per cent, with interest. Code, § 965.

IV. *Sight Bills*.—Grace is allowed on bills and notes, according to principles of the law merchant, and notice to indorsers, etc., according to the rules of the commercial law. Laws, 1852-3.

*Decisions.*

*Bills of Exchange and Notes*.—A person cannot be rendered liable on a bill of exchange or promissory note, unless his name, or the style of the firm of which he is a member, is attached to some portion of it as a party. 1 Green's Iowa, R. 231.

A bill of exchange drawn in one State upon a person residing in another State is treated as a foreign bill. 1 Iowa, 388.

When no time of payment is mentioned in a note, it is in contemplation of law payable on demand. 1 Iowa, 552.

The *lex loci contractus* will govern the liability of indorsers, and it will be presumed that the *lex mercatoria* prevails in those States, rendering the indorsers liable on demand and notice, without suit against the makers. 1 Iowa, 388.

Where a lost promissory note, which was made payable to bearer, is the ground of an action in chancery, to enable the complainant to recover, he must indemnify the defendant by bond and security against all claims on the note; such indemnity may be required by decree of the court, and the complainant authorized to recover on compliance therewith, and on payment of costs. 1 Iowa, 48.

Where a person, not a party, writes his name on the back of a negotiable promissory note, the law presumes that he is a strictly commercial indorser, even when his indorsement cannot be made operative without the aid of another. 1 Iowa, 331.

*Interest*.—By a provision of statute, an account bears interest from the time of its liquidation; and that will be presumed from the day the account was presented for payment, if no objection is made to its correctness. 1 Iowa, 336.

In order to recover interest on an account, it should be averred in the declaration, and specified in the bill of particulars. *Ibid.*

Under the statute authorizing parties to contract for interest not exceeding twenty per cent per annum, it was legal to make a note drawing twelve per cent, and if not paid when due, fifteen per cent. It will not be considered by a court of equity as a contract for a penalty, but for interest after a given day. 1 Iowa, 180

## XXII. KENTUCKY.

I. *Interest*.—The legal rate of interest in Kentucky is six per cent. No higher rate of interest is allowed even on special contracts. All contracts made, directly or indirectly, for the loan, or forbearance of money, or other thing, at a greater rate than legal interest, (6 per cent per annum,) shall be *void* for the excess of legal interest.

II. *Penalty for Violation of the Usury Laws*.—If any discount or interest greater than the legal interest or discount, is taken by any bank, or other corporation, authorized to loan money, the whole contract for *interest* shall be void, and any thing paid thereon for *interest* may be recovered back by the person paying the same; or any creditor of his may receive the same by bill in equity.

Banks, or other monied corporations, or individuals, are not prevented, in discounting bills of exchange, from taking a fair rate of exchange between the place where it is bought and the place where it is payable, in addition to the discount for interest. But such privilege of buying bills of exchange at less than par value, shall not be used to *disguise* a loan of money at a greater rate of discount than the legal interest or discount.

III. *Damages on Bills*.—No statute is in force in Kentucky upon the subject of damages on inland bills of exchange.

IV. *Foreign Bills*.—Where any bill of exchange, drawn on any person out of the United States, shall be protested for non-payment or non-acceptance, it shall bear ten per cent per year interest from the day of protest, for not longer than eighteen months, unless payment be sooner demanded from the party to be charged. Such interest shall be recovered up to the time of the judgment, and the judgment shall bear legal interest thereafter. Damages on all other bills are disallowed. Revised Statutes, pages 193 and 194.

V. *Sight Bills*.—Grace is allowed on bills, drafts, etc., payable *at sight*.

*Decisions.*

1. Partial payment on a debt bearing interest, shall be first applied to the extinguishment of the interest then due.

2. The notarial protest, under the notarial seal, of the non-acceptance or non-payment of a bill, shall be evidence of its dishonor; but the protest may be disproved.

3. A suit may be maintained against all, or some, or any one of the parties to a bill of exchange; and a failure of proof as to one or more defendants cannot prevent judgment against the others or either of them.

4. Where a bill is payable to the drawer's order, and indorsed to his agent, the indorsement is virtually to himself, and no averment of his having paid it is necessary. 8 Dana, 133.

5. In an action upon a foreign bill, the protest is competent evidence to prove presentment of the bill to the acceptor, and non-payment. 3 B. Monroe, 10.

6. Protest of a foreign bill is necessary to a recovery thereon against the drawer, or indorsers; and in Kentucky the demand and noting for protest must be made by the notary himself; it is not sufficient that this was done by his clerk, unless it appear that such delegation of authority is sanctioned by the custom of the place where the presentment was made. 6 B. Monroe, 60.

## XXIII. LOUISIANA.

*Interest.*—1. All debts shall bear interest at the rate of FIVE per cent from the time they become due, unless otherwise stipulated.—*Act March 15, 1855.*

2. Article two thousand eight hundred and ninety-five, of the Civil Code, shall be so amended that the amount of conventional interest shall, in no case, exceed eight per cent, under pain of forfeiture of the entire interest so contracted.—*Ibid.*

3. If any person hereafter, shall pay on any contract a higher interest than the above, as discount or otherwise, the same may be sued for and recovered within twelve months from the time of such payment.—*Ibid.*

4. All laws contrary to the provisions of this act, and all laws on the same subject matter, except what is contained in the Civil Code of Practice, are repealed.—*Ibid.*

II. *Damages on Bills.*—The damages on bills of exchange negotiated in Louisiana, payable in other States, are uniformly 5 per cent.

III. *Foreign Bills.*—The damages on foreign bills of exchange, returned under protest, are uniformly (*Statute of 1838*) . 10 per cent.

IV. *Sight Bills.*—There is no statute upon this subject in Louisiana. A decision has been made in one of the inferior courts allowing three days' grace on sight bills, but the usage is to pay on presentation.

*Decisions.*

By the laws of Louisiana, a notary is required to record, in a book kept for that purpose, all protests of bills made by him, and the notices given to the drawers or indorsers, a certified copy of which record is made evidence. 5 Howard's U. S. R. 53.

Under these laws, therefore, a deposition of the notary, giving a copy of the original bill, and a copy of his record, stating a demand of payment, subsequent protest, and notice to the drawers and indorsers respectively, is good evidence. Ib.

Where a bank in which a note has been deposited for collection places it, in case of non-payment, in the hands of the notary to whom its own business is uniformly intrusted, to be protested, it will not be responsible for the failure of the notary to protest the note, or to notify the proper parties, having shown the same care and attention in the management of the business intrusted to it which men of common prudence bestow on their own affairs. *Baldwin v. Bank of Louisiana*, Supreme Court, La., 1846.

If the principal be sued for and recovered, the interest cannot be afterwards claimed in a separate suit. 2 Martin's R. 83.

Interest on interest cannot be allowed. 5 Louisiana R. 33.

Interest cannot be allowed on an unliquidated claim, and a claim is unliquidated when no act of one of the parties alone can render it certain. 5 Martin's R. 6; 1 Martin's New Series, 130; 6 ib. 715, 10; 7 Louisiana R. 599, 134.

A parol agreement to pay conventional interest is not void; parol proof cannot be offered to prove such a convention; but if a party, when interrogated, confess that he did make such a convention, it will bind him. 6 Martin's R. 279.

Interest must be allowed on bills of exchange and promissory notes from the date of protest. 6 Martin's New Series, 572.

Banks cannot in any case take more interest than at the rate fixed by their charters. Where the bank-charter fixes the rate of interest at nine per cent, and ten is agreed upon, it will be reduced to the rate fixed by the charter. 8 Louisiana R. 261.

## XXIV. MICHIGAN.

I. *Interest*.—The legal rate of interest in Michigan is **SEVEN per cent.** But it is lawful for parties to stipulate *in writing* for any sum not exceeding ten per cent.

II. *Penalty for Violation of the Usury Laws*.—Parties suing upon contracts reserving over ten per cent interest, may recover judgment for the principal and legal rate of interest. There is no provision for recovering back illegal interest paid, and no penalty for receiving it. *Bona-fide* holders of usurious negotiable paper taken before maturity, without notice of usury, may recover the full amount of its face.

III. *Damages on Bills*.—Damages on bills drawn or negotiated in Michigan and payable elsewhere and protested are as follows :

1. If payable out of the United States, 5 per cent.
2. If payable in Wisconsin, Illinois, Indiana, Ohio, Pennsylvania, or New-York, 3 per cent.
3. If payable in Missouri, Kentucky, New-England, New-Jersey, Delaware, Maryland, Virginia, or District of Columbia, 5 per cent.
4. If payable in any other State or Territory, 10 per cent.

IV. *Sight Bills*.—Grace is allowed on all paper not payable on demand.

*Decisions.*

The following instrument is not a promissory note :

[\$60.]

PLYMOUTH, July 11, 1841.

"Two years from date, for value received, we, or either of us, promise to pay E. W., or bearer, sixty dollars with use. Said W. agrees that if fifty dollars be paid on the 1st day of January, 1843, it shall cancel this note." Signed by the makers. *Froleck et al, vs. Norton, et al*, 2 Mich. Rep. (Gibbs.)

The law of the place where a promissory note is made payable, determines the time and mode of presentment and of proceedings upon non-payment, but notice to the indorser must be according to the law of the place where the indorsement was made. *Snow vs. Perkins*, 2 Mich. Rep. (Gibbs,) p. 238.

When the law of a State in which a promissory note is made payable, authorizes its protest for non-payment, notice to the indorser residing in another State in which the indorsement was made, that it has been protested for non-payment and that the holder looks to him for payment, is a sufficient notice of presentment and non-payment to charge him as indorser. *Snow vs. Perkins. Ibid.*

The case of *Platt vs. Drake*, (1 Doug. Mich. Rep.,) noticed and commented upon.

A mistake in describing a promissory note in a notice of protest, as in amount, etc., does not necessarily vitiate the notice; the question in such case being whether or no the indorser was misled by the mistake. *Ibid.*

The object of a notice of protest of a promissory note is to inform the indorser of the non-payment of it by the maker, and that the indorser is liable for the payment of it; and if the notice accomplishes this object it is sufficient, although it mis-describe the note in some particulars. *Ibid.*

A draft made payable *to the bearer*, no payee being named therein, is, nevertheless, an order for money in the meaning of the Revised Statutes of Michigan. *People vs. Brigham*, 2 Mich. Rep.

## XXV. MISSISSIPPI.

I. *Interest*.—The legal rate of interest in Mississippi is six per cent. The following act was passed in March, 1856 :

*Be it enacted, &c.*, That it shall be lawful for parties to contract in writing for the payment of any rate of interest not exceeding *ten* per cent. per annum, upon any debt after the maturity thereof. *Sec. 2.* That this act shall be in force from the time of its passage. *Sec. 3.* That the provisions of this act shall not be applied to any contract heretofore made.

II. *Damages on Bills*.—No damages are allowed for default in the payment of any bill of exchange drawn by any person or persons within the State on any person or persons in any other State. On all domestic or inland bills, (drawn on persons within the State,) and protested for non-payment, five per cent. (See act of May 11, 1837.)

III. *Foreign Bills*.—The damages on bills of exchange drawn on persons without the United States, returned under protest, are 10 per cent., with all incidental charges and lawful interest.

IV. *Sight Bills*.—Grace is not allowed on bills of exchange, drafts, &c., payable *at sight*.

*Decisions.*

Under the statute of Mississippi, protest of an inland bill of exchange is not necessary to enable the holder to recover the amount of it of the drawer; that is necessary only to enable him to recover interest and damages. 6 Howard's S. C. R. 23.

It is not necessary that the notary should make out his formal protest of a bill at the time of presenting it for acceptance or payment, which is refused; but it is sufficient if he makes a note of the facts at the time, and draws up his protest afterwards. *Ibid.*

*Bills*.—An order payable out of a particular fund is not a bill of exchange. 1 Smedes & Marshall, 393.

An indulgence granted to the acceptor until the drawer should be heard from, based upon a sufficient consideration, exonerates the endorser. 6 Smedes & Marshall, 433.

An accommodation endorser is not discharged upon notice to the holder of the paper to sue the drawer, and proof of his failure to bring suit until after the drawer became insolvent. 5 Howard, 689.

Where the dwelling-house or place of business of the drawee of the bill is shut up, it seems that there must be inquiry in the neighborhood, in order to excuse presentment. 7 Howard, 294.

The notary who fills up and certifies the protest must present the bill himself; it cannot be done by an agent. 4 Howard, 567.

A bill of exchange, payable at a certain time, need not be presented for acceptance until maturity; but if it is, notice and protest are necessary if acceptance be refused. 4 Howard, 567. See, also, 12 Verm. 401; 8 Miss. 268.

It seems that demand and protest must be made according to the laws of the place where the bill is made payable. In Mississippi, a demand of payment of a foreign bill is not good unless made by the notary himself. 7 Howard, 294.

An agent of the holder is allowed one day to give notice to his principal of a default, and the principal is entitled to one day, after he receives notice, to give notice by mail to the drawer or endorser. 7 Howard, 294.

The last endorser of a bill, in order to hold the prior endorsers, must give notice to them of its dishonor on the next day after he himself receives such notice. 4 Smedes & Marshall, 177.

## XXVI. MISSOURI.

I. *Interest*.—The legal rate of interest in Missouri is six per cent when no other rate is agreed upon. Parties may agree in writing for any larger rate, not exceeding TEN per cent. Parties may so contract as to compound the interest annually.

II. *Penalty for Violation of the Usury Laws*.—Forfeiture of the entire interest: but judgment to be rendered for the principal with ten per cent interest, the interest to be appropriated to the school fund.

III. *Damages on Bills*.—The damages on bills of exchange negotiated in Missouri, payable in other States, and returned under protest, are uniformly . . . . . 10 per cent.  
On bills payable within the State, . . . . . 4 per cent.

IV. *Foreign Bills*.—The damages allowed on foreign bills of exchange, protested for non-payment, are . . . . . 20 per cent.

V. *Sight Bills*.—A statute of 1853-4, provides that on bills of exchange payable at sight, grace shall not be allowed.

*Decisions.*

*Bills*.—The notary's protest is evidence of presentment and refusal to pay in Missouri. 4 Missouri, 52.

A bill of exchange payable at a time certain need not be presented for acceptance until maturity, but if it is, notice and protest are necessary. 8 Missouri, 268. But if the bill is presented for acceptance before that time, and acceptance refused, notice must be given in order to fix the liability of indorsers. *Ibid*.

In demanding payment of a bill, it should be produced. 4 Missouri, 52. And in Missouri demand of payment is properly made on the third day of grace. A demand made at the counting-room of the acceptor of a bill of exchange, by the clerk of the holder, is sufficient, without showing a special authority in the clerk for that purpose. *Ibid*.

It is not indispensable for the notice of the dishonor of a bill to be sent to the post-office nearest to the residence of the party, nor even to the town in which he resides, if it be in fact sent to the post-office to which he usually resorts for his letters. 8 Missouri, 443. To hold an indorser, personal notice of the dishonor of the bill, or notice left at his dwelling-house or place of business, is necessary, where the parties reside in the same place. 7 Missouri, 467.

To entitle a party to damages upon a protested inland bill of exchange in Missouri, the bill must express to be *for value received*. 7 Missouri, 438.

The Missouri statute making promissory notes assignable vests the legal property in the assignee, and a suit cannot be maintained in the name of the payee for the use of an assignee. 5 Missouri, 433. The statute provision in the Revised Code of Missouri of 1835, that the holder of a negotiable note, in order to fix the liability of an indorser, shall, with due diligence, institute proceedings against the maker, was intended to supersede the necessity of demand and notice. 6 Missouri, 338.

A note bearing "ten per cent interest from date" will be construed as bearing ten per cent interest per annum. 9 Missouri, 841. And a note payable "in the currency of this State" is payable in gold or silver coins, or the notes of the Bank of Missouri. *Ibid*. 697. But a note payable "in the current money of Missouri" is payable in gold or silver alone. *Ibid*.

## XXVII. OHIO.

I. *Interest.*—In the absence of any agreement as to the rate of interest, the law fixes it at six per cent per annum.

Contracts stipulating for any other rate not exceeding 10 per cent per annum, are lawful, and may be enforced.

II. *Penalties.*—There are no penalties for usury. Contracts for greater rates of interest are void *as to the excess only*, and if interest beyond the rates established have been paid, the debtor has a right to have such excess applied as payments on the principal.

III. *Bills of Exchange.*—Bills drawn by a citizen of the State of Ohio on a person or body corporate in any other State of the Union, and returned under protest, are subject to the payment of 6 per cent damages.

IV. *Foreign Bills.*—Bills drawn on any person or body corporate beyond the jurisdiction of the United States, and protested, 12 per cent damages.

V. *Sight Bills.*—No grace is allowed on bank-checks payable *at sight*. A statute is in force providing that "all bonds, notes, or bills, negotiable by this act, shall be entitled to three days' grace in the time of payment." The practice throughout the State is not uniform. In some places the banks allow grace on bills drawn upon individuals and payable *at sight*.

*Decisions.*

1. Where the drawer of a bill of exchange has paid the bill to the payees, after the acceptors have refused to pay it, he has the right to sue the acceptors, in the name of the payees, for his own benefit. 3 McLean, 391.

2. A protest must be made by the notary, and if his name is used by his clerk, it is improper, and cannot make the protest valid. 3 McLean, 481.

3. A bill drawn in another State payable in Ohio, is entitled to grace, and a demand and notice on the second day of grace is not sufficient. 10 Ohio, 496.

4. A note for a certain sum, payable in bank paper, is negotiable under the statute. 1 Ohio, 189.

5. The putting a seal to a note does not change the commercial character of the paper. 5 Ohio, 222.

6. In an action by the assignee against the maker of a single bill, under seal, the indorsement is necessary to be proved. 1 Ohio, 261.

7. Every indorsement of a bill of exchange is a new contract, and each indorser becomes to the subsequent holder a new drawer. 10 Ohio, 180.

8. Where a note is payable at a certain place, no demand is necessary in order to charge the maker; but if the maker be there, ready to pay the money, and no one be there to receive it, the duty to pay still remains, but no action can be sustained until a subsequent personal demand be made. 1 Ohio, 483.

9. No protest of the dishonor of a bill drawn by a citizen of one State on a citizen of another is necessary, except to recover statute damages. 10 Ohio, 496.

10. Where a bill is drawn in New-York upon a person residing in that State, and is subsequently indorsed in Ohio, and suit brought by the holder against the indorser, the plaintiff is entitled to six per cent damages; and in such case a protest is necessary, and is competent to prove a demand. 10 Ohio, 180.

11. *Interest.*—Where one agrees to pay interest annually, but fails to do it, the interest itself becomes principal, and bears interest from the time it becomes due. 4 Ohio, 373.



## XXVIII. TENNESSEE.

I. *Interest.*—The legal rate of interest in Tennessee is six per cent, and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.*—Liable to an indictment for misdemeanor. If convicted, to be fined a sum not less than the whole usurious interest taken and received, and no fine to be less than ten dollars. The borrower and his judgment creditors may also, at any time within six years after usury paid, recover it back from the lender.

III. *Damages on Bills.*—The damages on bills of exchange negotiated in Tennessee, payable in other States, and protested for non-payment, are . . . . . 3 per cent.

IV. *Foreign Bills.*—The damages allowed on foreign bills of exchange, returned under protest, are as follows :

1. If upon any person out of the United States, and in North-America, bordering upon the Gulf of Mexico, or in any part of the West-India Islands, . . . . . 15 per cent.
2. If payable in any other part of the world, . . . . . 20 per cent.

V. *Sight Bills.*—The legislature has passed an act providing that bills at sight shall not be entitled to days of grace. By law, all negotiable paper due July 4, December 25, January 1, or on any day appointed by the Governor as a day of Thanksgiving, or as a public holiday, shall be payable the day preceding either of those days.

*Decisions.*

The certificate of a notary that he gave due notice to an indorser is not admissible evidence, unless it be made at the time of the protest, and be made in or on the protest. 4 Humphreys, 51.

*Interest.*—The rule of calculating interest in Tennessee, where payments have been made, is to calculate the interest upon the sum due from the time it was due up to the time payment was made, and to deduct the payment from the principal and interest at that time, and so till the whole is paid. 5 Yerger, 310.

*Promissory Notes.*—A due bill is in legal effect a promissory note, and as such assignable, and, where for a money demand, negotiable. 4 Humphreys, 247.

Where there are joint promisors, a release of one, to effect the discharge of the others, must be a release under the seal of the party, and must be pleaded by the party wishing to discharge himself by such act of the plaintiff. 4 Humphreys, 449.

Where a note is made payable in property at a given day, the tender must be made in good faith, and in pursuance of the terms of the contract. Any substantial variation from its terms will subject the payer to the payment of money. 5 Humphreys, 423.

A note for money, which may be paid in cotton, is not a negotiable instrument in Tennessee, and the indorser or assignor of such paper is not liable on his indorsement. But if such a note is not discharged in cotton at the stipulated time, it becomes a money demand, and debt and detinue will lie against the maker. 5 Yerger, 435.

In Tennessee, where a note under seal was given, and a covenant entered into by the payee for the delivery of the articles which were the consideration for which the note was given, it was held, that the maker of the note, under the act of 1817 c. 16, could inquire into its consideration. 6 Yerger, 515.

## XXIX. TEXAS.

I. *Interest.*—On all written contracts ascertaining the sums due, when no rate of interest is expressed, interest may be recovered at the rate of eight per cent per annum.

The parties to any written contract may stipulate for any rate of interest, not exceeding twelve per cent per annum.

Judgments bear eight per cent interest, except where they are recovered on a contract in writing which stipulated for more, not exceeding twelve, in which case they bear the rate contracted for.

No interest on accounts, unless there be an express contract; but only eight per cent can be recovered on a verbal contract.

Contracts to pay interest on account will not be presumed from previous course of dealing.

II. *Penalty for Violation of the Usury Laws.*—Forfeiture of all the interest paid or charged.

III. *Damages on Bills.*—An act giving damages upon protested drafts and bills of exchange drawn upon persons living out of the limits of the State, passed December, 1851.

SECTION 1. *Be it enacted by the Legislature of the State of Texas,* That the holder of any protested draft or bill of exchange, drawn within the limits of this State, upon any person or persons living beyond the limits of this State, shall, after having fixed the liability of the drawer or indorser of any such draft or bill of exchange, as provided for in the act of March 20, 1848, be entitled to recover and receive 10 per cent on the amount of such draft or bill, as damages, together with interest and cost of suit thereon accruing. *Provided,* that the provisions of this act shall not be so construed as to embrace drafts drawn by persons other than merchants upon their agents or factors.

IV. *Sight Bills.*—By usage, grace is not generally allowed on bills, drafts, etc., payable *at sight*, but the rule is not invariable in this State.

*Bills of Exchange.*—The general rule is that the holder of any bill of exchange may fix the liability of the drawer (where bill has been accepted) or any endorser, without protest or notice, by instituting suit against the acceptor before the first term of the district court to which suit can be brought, (or, if the amount do not exceed \$100, exclusive of interest, by instituting suit before Justice of the Peace, within sixty days,) after the right of action accrues; or by instituting suit before the second term of said court, and showing good cause why the suit was not instituted before the first term.

The drawer of any bill of exchange which shall not be accepted when presented for acceptance shall be immediately liable for the payment thereof.

Three sections then provide for protest and notice according to custom of merchants, and three days' grace—with the proviso that they shall extend only to contracts between merchant and merchant, their factors and agents. Act March 20th, 1848.

The protest of a foreign bill of exchange is to be made at the time, in the manner and by the persons prescribed in the place where the bill is payable; but as to the necessity of making a demand and protest, and the circumstance under which notice may be required or dispensed with, there are incidents of the original contract, which are governed by the law of the place where the bill was drawn; and if the bill is negotiated, the like responsibility attaches upon each successive endorsement, according to the law of the place of the endorsement. *Raymond vs. Holmes*, 11 Tex. R. 54.

The act of March 20th, 1848, applies to bills of exchange drawn and endorsements thereof in this State, payable in another State or county, except as to the time, manner and person by whom the protest, if any, is to be made; and the liability of such drawer (where bill has been accepted) or endorser, may be fixed by suit to the first term of the court, etc., as in case of an inland bill. *Ib.*

*Promissory Notes.*—Law of promissory notes same as that of bills of exchange.

*Banking.* (As per articles 400, 401, 402, 403 on p. 75 Penal Code.)—For issuing any bill, promissory note, check or other paper intended to circulate as money, fine not less than ten dollars, nor more than fifty dollars for each bill, etc. Penal Code, art. 400.

Any officer of any banking company or body corporate who signs his own name, or that of another, by authority of such other, to any bank bill, etc., intended to circulate as money, guilty of offence punishable by preceding article. *Id.*, art. 401.

Any person who may bring into this State any bank bill, purporting to be issued by any bank in any other State or Territory of the Union, or in any foreign country, and shall sign or endorse the same to be circulated as money in this State, shall be deemed guilty of offence mentioned in art. 400. *Id.*, art. 402.

Fraudulently passing, transferring, or offering to pass or transfer paper of broken banks, or of banks the paper of which has become valueless, punished by confinement in the penitentiary. *Id.*, art. 403.

*Banks.*—There have been no banks in Texas chartered or established since the incorporation of that State into this Union. The Commercial and Agricultural Bank was established by Texas before it became a State, and has continued in business ever since.

The issue of paper money for circulation in Texas has been discouraged by the legislature, in consequence of the heavy frauds and losses arising from the failures of the banks in Mississippi and other Western States, whose paper obtained, in the years 1837–1840, a large circulation in Texas.

## XXX. WISCONSIN.

I. *Interest*.—All bonds, bills, notes, assurances, conveyances, and all other contracts or securities whatever, whereby there is reserved or secured a rate of interest exceeding twelve per cent., shall be valid and effectual to secure the payment of the principal sum loaned, but no interest shall be recovered on such securities, or other thing loaned by such contract. *Act, March, 1856.*

II. *Penalty for Violation of the Usury Laws*.—Whenever any person shall apply to any court in this State to be relieved in case of a usurious contract or security, or when any person shall set up the plea of usury in any action or suit instituted against him, such person, to be entitled to such relief or the benefit of such plea, shall prove a tender of the principal sum of money or thing loaned, to the party entitled to receive the same. *Act, March 29, 1856.*

III. *Damages on Bills of Exchange*.—The damages on bills of exchange, drawn or endorsed in Wisconsin, payable in either of the States adjoining that State, and protested for non-acceptance or non-payment, are . . . . . 5 per cent.

If drawn upon a person, or body politic or corporate, within either of the United States, and not adjoining to that State, the damages are . . . . . 10 per cent.

IV. *Foreign Bills*.—The damages on bills of exchange, drawn or endorsed in Wisconsin, payable beyond the limits of the United States, and protested for *non-acceptance* or *non-payment*, are (R. S., 1849, p. 263) . . . . . 5 per cent.

Together with the current rate of exchange at the time of demand.

V. *Sight Bills*.—On all bills of exchange payable at sight, or at a future day certain, *grace* shall be allowed, (R. S. 1849, p. 263,) but not on bills of exchange or notes payable *on demand*.

*Decisions and Statute.*

*Promissory Note*.—Where in an action brought upon a promissory note, executed by the defendant as trustee of a company, whereby he promised to pay, and also upon another note which he subscribed with his own proper name, but adding his representative name of trustee, a general demurrer to the declaration will not be sustained. *Rupert vs. Madden*, 1 Chandler's Supreme Court Reports, 1850, p. 146.

The addition in the body of the notes, as appended to the name of the maker subscribed thereto, is a mere *descriptio personæ* of the party making the note, and cannot be so construed as to exempt him from personal liability. The description which he gives of himself, either in the note or in subscribing the same, is to be regarded as merely descriptive of his person; but cannot be construed as relieving him from personal liability. *Ibid.*

*Partnership*.—Where a partnership exists between two persons, one of whom is a dormant partner, and the creditors of the firm have obtained judgments against the ostensible partner, founded upon debts created upon the partnership accounts, upon which executions have been issued *nulla bond*, a bill in equity, against both partners, will be sustained upon the allegation that the dormant partner had, by fraudulent connivance of the ostensible one, obtained the possession, and laid claim to all the partnership assets, in fraud of the creditors: the relief which equity will give is to subject the whole assets to the payment of such debts. *Ibid.*, Vol. II. p. 222.

XXXI. CALIFORNIA.

I. *Interest.*—The legal rate of interest in California is, by statute, fixed at TEN per cent. On special contracts any rate of interest may be agreed upon or paid.

III. *Penalty for Violation of the Interest Law.*—There is no law in California fixing any penalty for charging any rate of interest above ten per cent. The matter is thus left entirely free between the contracting parties.

III. *Damages on Bills.*—The damages on bills of exchange drawn or negotiated in California, payable in any State east of the Rocky Mountains, and returned under protest for *non-acceptance* or *non-payment*, are uniformly . . . . . 15 per cent.

IV. *Foreign Bills.*—The damages on foreign bills of exchange returned under protest are . . . . . 20 per cent.

V. *Sight Bills.*—Grace is not allowed by the bankers on bills, checks, drafts, etc., payable *at sight*. The notarial fees for protesting a bill of exchange or promissory note are \$5.

*Decisions.*

*Interest.*—SEC. 1. When there is no express contract in writing, fixing a different rate of interest, interest shall be allowed at the rate of ten per cent per annum, for all monies after they become due on any bond, bill, promissory note, or other instrument of writing, on any judgment, recovered before any court in this State for money lent, for money due on the settlement of accounts, from the day on which the balance is ascertained for money received to the use of another.

SEC. 2. Parties may agree in writing for the payment of any rate of interest whatever on money due, or become due, on any contract. Any judgment rendered on such contract shall conform thereto, and shall bear the interest agreed upon by the parties, and which shall be specified in the judgments.

SEC. 3. The parties may agree, on any contract in writing whereby any debt is secured to be paid, that if the interest on such debt is not punctually paid, it shall become a part of the principal, and thereafter bear the same rate of interest as the principal debt.

*Bills of Exchange.*—By the statute of April 16, 1850, it is provided that no acceptance of a bill of exchange shall be valid unless such acceptance be in writing; and if the acceptance be on a paper other than the bill, it shall not bind the acceptor, except in favor of a person to whom the acceptance shall have been shown, and who shall purchase the bill for a valuable consideration.

SEC. 18. In all cases where a non-acceptance of a bill of exchange or non-payment of a bill of exchange, promissory note, or other negotiable instrument, may be given by sending the same by mail it shall be sufficient if such notice be directed to the city or town where the person sought to be charged by such notice resides at the time of drawing, making, or indorsing such bill of exchange, promissory note, or other negotiable instrument, unless such person at the time of affixing his signature to such bill, or note, or negotiable instrument, shall, in addition hereto, specify thereon the post-office to which he may require the notice to be addressed.

## INTEREST LAWS OF THE STATES.

THE preceding summary of the Interest Laws of the several States has been compiled, after diligent inquiry among bankers and legal gentlemen, who, it may be presumed, are familiar with the statutes and decisions of their own States. There have been some important changes of late, to which it may be well to refer the reader :

1. *New York*.—(p. 208.) The new statute which forbids grace on sight bills is a salutary one, and should be adopted elsewhere—there always having been a difference of opinion among bankers and merchants as to whether, under the common law, drawees were entitled to grace on such bills. The point is not fully decided in Judge Story's work on Bills of Exchange, nor in any other work on the subject. It has been erroneously supposed that the new law of this State, in reference to grace on time bills, applies to ordinary commercial paper. This is not the case. The old rule as to three days' grace is still in force as to all drafts *except those upon banking institutions*. Some have supposed that bills or drafts upon individuals or firms, made payable at a specific day, were, by the new statute, not entitled to grace. It will be found, too, that in this particular the old practice is maintained. A draft drawn, payable on the 25th August, for instance, is entitled to three days' grace.

2. The statute by which notaries public may (p. 208) deposit notices of protest in the post-office, is one that will obviate much trouble that has been heretofore experienced in serving such notices at the respective offices or dwellings of indorsers. 3. There are several important cases, which we propose to republish hereafter, for the information of our readers, and in the mean time they should examine them in the law reports, viz. : *Duer's Reports*, vol. iv. p. 704 ; *Wendell*, xx. 206 ; *Cayuga County Bank vs. Hunt*, *Hill's Reports*, ii. p. 638. 4. We think the citation made on page 183 of the *Manual for Notaries*, (29th line from the top,) conveys an incorrect impression of the decision made in the case of *Hunt vs. Maybee*. That case only goes to the extent of deciding that the *certificate of the notary* is not evidence of the presentation, when it is shown that he did not perform personally the service. Edmunds, Justice, remarks, that "the certificate may be stricken out of the case, and then the evidence is by the clerk that he presented the note for payment, and gave notice of non-payment, and that is enough." This case only goes to the extent of the doctrine laid down at the top of page 184 of the *Manual*, to wit : that it is only in the case of *foreign bills of exchange*, and other cases where the notary in his official character, as such, has a duty to perform, that presentation by himself is necessary. In those cases where any one may present, the notary may delegate the duty to a clerk, in which case this certificate goes no further than simply to make him responsible to the person employing, to produce the evidence of such presentation at any time. In the case of *Hunt vs. Maybee*, the *protest was held to be good*.

II. *Pennsylvania*.—(p. 210.) 1. The legislature of Pennsylvania has recently made one step, slight though it be, towards a modification of her interest laws, by allowing certain parties to charge seven per cent. interest. (*See statute, p. 65, July No. 1857.*) 2. The following decisions in that State should be duly considered:

“Voluntary money associations cannot charge their members any more than strangers, with usurious interest.”—2 *Casey*, 269.

“Where a promissory note is made expressly payable at a particular place, and is dishonored there, so that the holder is compelled to seek payment elsewhere, he is entitled to the difference of exchange, if there be any. In such cases, interest is allowable according to the rate at the place at which the money is payable.”—3 *Casey*, 241.

The first case above given (2 *Casey*, 269) overthrows the act of Assembly of 8th May, 1855, and pronounces such premiums usurious. 3. By a law passed May 21st, 1857, it is provided that all drafts and bills of exchange at sight “shall be and become due on presentation, without grace; and shall and may, if dishonored, be protested on and immediately after such presentation.”

III. *New Jersey*.—(p. 209.) The paragraph in reference to sight bills should be qualified. We learn that in some portions of the State grace is allowed by some of the banks and is not in other places. This want of uniformity can be adjusted or remedied only by a statute specifically on the subject.

IV. *Maryland*.—(p. 212.) In reference to the paragraph upon the penalties of usury in Maryland, it may be well to say, that since the new constitution was adopted, (1851,) the usury question is in an entirely different position from what it was under the operation of the act of 1845, &c. Chief Justice Taney held, at the November Term, 1854, of the United States Circuit Court, that under the following clause of the Constitution—

“The rate of interest in the State shall not exceed six per cent. per annum; and no higher rate shall be taken or demanded; and the legislature shall provide by law all necessary forfeitures and penalties against usury.”

1. All usurious contracts are void, and cannot be enforced in a court of justice. 2. That the constitution repeals the act of 1845, and other legislative enactments at variance with it. 3. That the last words of the section of the constitution do not make usurious contracts valid, until the legislature shall provide penalties or forfeitures. This subject has not yet received the consideration of the Maryland Court of Appeals; but the decision of Chief Justice Taney possesses much weight, and, until the Court of Appeals decides otherwise, would make any violation of the prohibition of the constitution very hazardous.

V. *Illinois*.—(p. 220.) There is a verbal inaccuracy in paragraph five, to the effect that, “there are no banks in the State.” We should have said there are no *chartered* banks—as all the banks now doing business are under a general law. As to grace on sight bills there is still some difference of opinion.

VI. *Kentucky*.—(p. 223.) The same difference of opinion prevails in Kentucky as to grace on sight bills, and a similar law to that recently passed in New York would be salutary. 2. Decision 2 should be modified so as to apply to *foreign* bills of exchange only.

VII. *Georgia*.—(p. 216.) Since the publication of the early portion of this No., we are informed that in Georgia the penalty for violation of the usury laws is the forfeiture of only the *excess* of interest paid over seven per cent. Principal and legal interest are recoverable, according to the acts of 1855-6. (*Pamphlet Laws, page 259.*)

It is settled in Georgia that indorsers are not entitled to notice of dishonor, except upon notes and bills payable at bank, or negotiated in bank, or placed in bank for collection.

## BANK STATISTICS.

## I. INDIANA.

*Semi-annual Statement of the Condition of the Free Banks of Indiana on the first Monday in July, 1857, as shown by their Returns, made under oath to the Auditor of State. (Banks which have complied with the law of 1855.)*

BANKS.	RESOURCES.		LIABILITIES.	
	Loans.	Specie.	Capital Stock.	Notes in Circul'n.
Bank of Goshen, Goshen, .....	\$42,583	\$4,233	\$25,000	\$56,909
“ “ Gosport, Gosport, .....	33,123	10,013	100,000	47,260
“ “ Indiana, Michigan City, .....		12,570	50,000	30,993
“ “ Mount Vernon, Mount Vernon, .....	18,153	6,619	23,053	49,025
“ “ Paoli, Paoli, .....	81,989	11,343	50,000	59,959
“ “ Rockville, Wabash, .....	11,159	7,636	59,350	54,140
“ “ Salem, New Albany, .....	143,019	11,500	74,705	45,500
“ “ Salem, Salem, .....	74,725	12,194	50,000	71,921
Bloomington Bank, Bloomington, .....	71,950	7,555	50,000	81,680
Cambridge City Bank, Cambridge City, .....	109,284	12,518	81,300	60,950
Canal Bank, Evansville, .....	180,977	10,431	100,000	46,000
Crescent City Bank, Evansville, .....	69,193	15,284	71,050	49,496
Exchange Bank, Greenocastle, .....	36,443	8,283	50,350	47,421
Farmers' Bank of Westfield, .....	10,225	7,854	70,000	48,498
Indiana Bank, Madison, .....	157,256	26,023	123,500	90,524
Indiana Farmers' Bank, Franklin, .....	96,939	19,351	90,629	45,810
Kentucky Stock Bank, Columbus, .....	67,465	17,066	50,000	83,990
La Grange Bank, Lima, .....	1,253	9,419	60,026	60,026
Parke County Bank, Rockville, .....	74,160	7,613	86,600	76,345
Prairie City Bank, Terre Haute, .....	69,324	13,860	82,700	77,024
Salem Bank, Goshen, .....	24,724	4,441	50,000	47,914
Southern Bank of Indiana, Terre Haute, .....	192,067	17,923	200,000	118,995
Tippecanoe Bank, Logansport, .....		6,123	2,700	47,040
Total, .....	\$1,565,974	\$259,909	\$1,607,868	\$1,374,770
<i>Banks which have not complied.</i>				
Bank of Elkhart, Elkhart, .....	15,749	9,529	82,949	25,497
Brookville Bank, Brookville, .....	67,766	4,830	77,500	19,436
Indiana Stock Bank, La Porte, .....	19,700	5,773	11,000	24,000
Grand Total, .....	\$1,669,191	\$280,047	\$1,739,313	\$1,443,708

JOHN W. DODD, Auditor of State.



## II. RHODE ISLAND.

The annual return to the commissioners in Rhode Island, of the condition of the 98 banks in that State, gives the following aggregates :

DUE FROM BANKS.	
Capital stock actually paid in,.....	\$20,857,075
Bills in circulation,.....	5,344,662
Deposits on interest,.....	489,322
Deposits not on interest,.....	3,045,571
Debts due to other banks,.....	1,484,358
Dividends unpaid,.....	74,985
Net profits on hand,.....	1,338,505
	\$32,584,482
RESOURCES OF THE BANKS.	
Debts due from directors,.....	\$1,568,742
Debts due from other stockholders,.....	2,388,120
Debts due from all others,.....	25,136,935
Specie actually in bank,.....	327,724
Bills of other banks,.....	1,220,047
Deposits in other banks,.....	1,134,609
Amount of its own stock held by the bank,.....	83,472
Amount of stock in other banks, and of other stocks owned by the bank,.....	127,839
Real estate,.....	505,705
Other property,.....	89,182
	\$32,584,482
Decrease of capital since last return,.....	\$458,429
Total amount of last semi-annual dividend,.....	732,949
Amount of suspended paper considered bad or doubtful,.....	86,056
Reserved profits at the time of last dividend,.....	903,341
Amount loaned on pledges of stock in the bank,.....	665,698
Debts due and not paid,.....	585,153
Amount of bills in circulation under \$5,.....	1,146,217

## III. BANKS OF MAINE, 1850-1857.

<i>Liabilities.</i>	<i>May, 1850.</i>	<i>Jan., 1853.</i>	<i>Jan., 1855.</i>	<i>Jan., 1857.</i>	<i>June, 1857.</i>
Capital,.....	\$3,145,000	\$4,338,000	\$7,326,302	\$8,107,435	\$3,000,409
Circulation,.....	2,801,150	4,880,675	5,057,297	4,934,980	4,242,658
Deposits,.....	894,445	2,048,743	2,448,998	2,238,692	2,227,250
Profits,.....	158,290	265,766	580,829	523,968	575,267
Due to Banks,.....	85,260	103,450	145,727	185,284	91,190
Total,.....	\$6,577,155	\$11,025,634	\$15,559,158	\$16,010,609	\$15,136,693
<i>Resources.</i>					
Loans,.....	\$5,350,860	\$3,157,238	\$12,770,181	\$18,450,675	\$12,921,373
Bank balances,.....	537,350	1,425,938	1,403,517	1,191,393	1,140,231
Specie,.....	424,196	928,491	877,165	600,906	640,063
Real estate,.....	113,464	189,837	103,192	102,612	140,901
Bank bills,.....	200,735	879,585	899,993	549,364	294,180
Miscellaneous,.....	....	....	....	54,659	....
Total,.....	\$6,577,155	\$11,025,634	\$15,559,133	\$16,010,609	\$15,136,693

## IV. SOUTH CAROLINA.

THE following table will show the discounts, deposits, specie and circulation of the banks of South Carolina, as reported for the month of June, 1857 :

<i>Banks.</i>	<i>Discounts.</i>	<i>Deposits.</i>	<i>Specie.</i>	<i>Circula.</i>
Bank of the State of South Carolina,.....	\$1,700,185	\$594,908	\$97,378	\$1,255,819
British Bank at Columbia,.....	.....	254,818	8,178	.....
British Bank at Camden,.....	253,267	12,884	4,001	.....
South Western Rail-Road Bank,.....	585,797	285,147	58,434	819,840
Planters and Mechanics' Bank,.....	718,649	296,265	116,294	191,955
Union Bank,.....	645,625	148,709	60,018	317,696
State Bank of South Carolina,.....	586,744	288,710	70,878	407,040
Bank of South Carolina,.....	842,058	170,818	24,315	160,319
Bank of Charleston,.....	2,124,811	447,109	384,417	914,905
Farmers' and Exchange Bank,.....	745,594	88,980	88,303	811,370
Bank of Hamburg,.....	186,567	52,808	99,568	640,924
Commercial Bank of Columbia,.....	96,187	225,905	78,888	367,595
Bank of Newberry,.....	10,478	50,163	89,757	584,263
Planters' Bank of Fairfield,.....	97,085	84,968	20,621	348,295
Exchange Bank of Columbia,.....	263,076	185,209	88,974	544,487
Merchants' Bank of Cheraw,.....	140,511	6,759	28,787	864,619
Bank of Chester,.....	101,835	49,758	37,336	389,390
Bank of Camden,.....	181,488	26,125	12,800	157,563
People's Bank,.....	342,081	108,708	68,541	494,315
Bank of Georgetown,.....	184,543	71,818	26,819	265,685
<b>Total,.....</b>	<b>\$11,185,002</b>	<b>\$2,164,455</b>	<b>\$1,399,089</b>	<b>\$8,820,666</b>

## V. NEW YORK.

*Liabilities and Resources of the Banks of the State of New York for the years 1853, 1854, 1855, 1856, 1857.*

<b>LIABILITIES.</b>	<i>December, 1854.</i>	<i>March, 1855.</i>	<i>December, 1855.</i>	<i>December, 1856.</i>	<i>June, 1857.</i>
Capital,.....	\$88,290,860	\$84,891,152	\$86,590,987	\$100,025,798	\$108,964,777
Profits,.....	12,093,627	10,123,835	12,247,191	14,191,284	13,949,080
Circulation,.....	98,320,738	27,909,824	81,990,297	83,500,479	82,295,892
Due State of New York,.....	8,458,116	8,843,060	6,488,562	4,499,377	3,254,877
Individual deposits,.....	71,096,501	79,737,784	85,644,818	94,872,203	105,861,001
Bank balances,.....	90,540,705	94,817,605	27,280,158	28,645,662	27,819,817
Miscellaneous,.....	2,745,855	2,505,870	2,645,968	2,298,926	1,755,459
<b>Total liabilities,.....</b>	<b>\$221,418,976</b>	<b>\$285,787,114</b>	<b>\$258,182,471</b>	<b>\$278,106,728</b>	<b>\$267,990,816</b>
<b>RESOURCES.</b>					
Loans,.....	\$141,604,996	\$152,181,080	\$165,186,538	\$188,557,128	\$190,808,883
Bonds and mortgages,....	7,596,631	8,809,624	7,948,421	9,127,732	9,299,794
Stocks,.....	90,050,906	20,240,992	22,668,994	25,257,127	25,747,479
Real estate,.....	5,297,555	6,479,479	5,990,524	7,075,049	7,423,015
Expense account,.....	1,428,516	998,304	1,506,578	1,662,593	1,262,628
Overdrafts,.....	472,554	401,448	451,908	591,286	507,187
Specie,.....	18,470,879	17,346,432	11,541,591	11,398,302	14,570,484
Cash items,.....	15,827,065	18,524,877	20,441,500	22,279,016	23,737,486
Notes of other banks,....	3,428,274	3,257,681	3,354,914	3,168,241	3,094,228
Due from other banks,....	12,257,029	13,111,990	14,091,532	18,745,809	11,643,890
Miscellaneous,.....	174,488	121,816	921	.....	980
<b>Total resources,.....</b>	<b>\$221,478,017</b>	<b>\$285,788,374</b>	<b>\$258,182,471</b>	<b>\$278,106,728</b>	<b>\$267,990,846</b>

The preceding table will show the rapid growth of bank capital and banking facilities within the State during the past four years. We attribute the accumulation of capital largely to foreign sources; believing that the increased rate of interest legally chargeable in this State (seven per cent. instead of six) has been one of the many grounds for the increase of active capital from abroad.

The banks of this State have loaned upon bond and mortgage, . . . .				\$9,000,000
Savings Banks, (New York city,) do. do. do. . . . .	do.	do.	do.	17,000,000
Trust Companies, " do. do. do. . . . .	do.	do.	do.	4,000,000
Life Insurance Companies, " do. do. do. . . . .	do.	do.	do.	5,000,000
Fire " " " do. do. do. . . . .	do.	do.	do.	6,000,000

A total of. . . . . \$41,000,000

The bank capital since February, 1853, in the State, has increased over 50 per cent., and the loans 33 per cent. One feature of the statement will, however, excite some remark, viz.: that during the same period the aggregate bank circulation of New York State has varied but little, and does not keep pace with the increasing business of the city and the interior. There is no surer indication than this table of the growing prosperity of the Empire State, and of the *permanently* profitable employment of capital within its borders.

## VI. ILLINOIS.

*Tabular view of the circulation of the several Banks of the State of Illinois, July 5th, 1857, together with the amount of securities deposited by each as collateral for their circulation:*

Names of Banks.	Location.	Stock Deposited.	Notes in Circul'n.
Alton Bank, . . . . .	Alton, . . . . .	\$59,845	\$44,596
Agricultural Bank, . . . . .	Marion, . . . . .	69,000	57,746
American Exchange Bank, . . . . .	Raleigh, . . . . .	208,000	180,220
Bank of Raleigh, . . . . .	Raleigh, . . . . .	291,000	248,255
Bank of Huteonville, . . . . .	Huteonville, . . . . .	100,000	90,950
Bank of Belleville, . . . . .	Belleville, . . . . .	229,580	232,588
Bank of Naperville, . . . . .	Naperville, . . . . .	48,000	43,059
Bank of Northern Illinois, . . . . .	Waukegan, . . . . .	58,000	41,649
Bank of Elgin, . . . . .	Elgin, . . . . .	75,000	65,231
Bank of Galena, . . . . .	Galena, . . . . .	66,770	54,109
Bank of Peru, . . . . .	Peru, . . . . .	58,000	54,578
Bank of Southern Illinois, . . . . .	Bolton, . . . . .	293,000	254,944
Bank of Quincy, . . . . .	Quincy, . . . . .	65,000	52,432
Bank of Commonwealth, . . . . .	Robinson, . . . . .	102,000	84,915
Bank of Pike County, . . . . .	Griggsville, . . . . .	144,086	137,490
Bank of the Republic, . . . . .	M'Leansboro', . . . . .	449,669	408,049
Bank of Aurora, . . . . .	West Aurora, . . . . .	259,863	259,863
Bank of Chester, . . . . .	Chester, . . . . .	55,170	51,220
Belvidere Bank, . . . . .	Belvidere, . . . . .	23,539	16,580
Central Bank, . . . . .	Peoria, . . . . .	95,234	84,550
Clark's Exchange Bank, . . . . .	Springfield, . . . . .	6,105	6,000
Chicago Bank, . . . . .	Chicago, . . . . .	50,611	50,000
Corn Exchange Bank, . . . . .	Fairfield, . . . . .	260,740	243,560

<i>Names of Banks.</i>	<i>Location.</i>	<i>Stock Deposited.</i>	<i>Notes in Circul'n.</i>
E. I. Tinkham & Co.'s Bank,.....	M'Leansboro',.....	\$150,000	\$149,600
Edgar County Bank,.....	Paris,.....	75,722	73,353
Farmers and Traders' Bank,.....	Charleston,.....	126,000	112,389
Grand Prairie Bank,.....	Urbana,.....	79,422	79,422
Grayville Bank,.....	Grayville,.....	472,558	471,456
Hamilton County Bank,.....	M'Leansboro',.....	210,000	177,110
Lafayette Bank,.....	Bloomington,.....	54,109	54,098
Marine Bank of Chicago,.....	Chicago,.....	156,010	97,152
Mississippi River Bank,.....	Oxford,.....	100,500	59,523
Merchants and Drovers' Bank,.....	Joliet,.....	187,868	117,846
McLean County Bank,.....	Bloomington,.....	59,900	49,629
Morgan County Bank,.....	Jacksonville,.....	78,500	65,545
National Bank,.....	Equality,.....	82,160	74,376
Prairie State Bank,.....	Washington,.....	70,000	60,175
Rail-Road Bank,.....	Decatur,.....	91,147	81,674
Rushville Bank,.....	Rushville,.....	32,500	27,592
Reed's Bank,.....	Galesburg,.....	52,985	50,875
Rock Island Bank,.....	Rock Island,.....	18,000	10,600
Southern Bank of Illinois,.....	Grayville,.....	105,160	102,420
State Bank of Illinois,.....	Shawneetown,.....	752,227	725,011
Warren County Bank,.....	Monmouth,.....	64,000	52,800
Bank of Illinois,.....	New Haven,.....	151,000	130,970
<b>Total,.....</b>		<b>\$6,171,998</b>	<b>\$5,583,690</b>

Of the suspended banks, the auditor is now redeeming the bills of the Stock Security Bank at 88½ cents on the dollar. The People's Bank has on deposit stock to the amount of \$127,500, and a circulation of \$110,300. The bonds are not yet sold, but will be shortly, of which fact bill-holders will have due notice. The other suspended banks have now but few notes in circulation, which are redeemable by the auditor on presentation. The general decline in the value of stocks, for some time past, has made the business of watching the condition of various banks very onerous; but thus far they have cheerfully and promptly complied with the requirements of the law, and responded to the calls of the auditor and bank commissioners. Their condition now appears to be generally satisfactory.

**FAILURE OF THE OHIO LIFE AND TRUST COMPANY.**—This company suspended payment at New York, on Monday, August 24. The President, Mr. Charles Stetson, was telegraphed a few days since, and arrived here yesterday; and after consultation with the New York Cashier and Trustees, was forced to the following announcement:—Office of the Ohio Life Insurance and Trust Company, New York, August 24, 1857.—The unpleasant duty has devolved upon me to state that this company had suspended payment. This event has mainly been brought about in consequence of making loans here to parties who are unable to respond at this time. I would add, that the capital of the company, two millions, is sound and reliable, exclusive of such loss as may arise from insufficiency of securities pledged for loans above referred to.—C. STETSON, President. The deposit balances in New York have been employed in common by the Cincinnati and New York offices; discounted upon, to a partial extent, in the West, and the remainder loaned out here by the Cashier, under advice of a Sub-Board of Eastern Trustees. The banking department has at no time employed actively even a moiety of the capital, though having the whole as the basis of security for its depositors and other dealers.

## GOLD AND SILVER IN THE UNITED STATES.

THE report of the Director of the Mint, in reference to the estimated quantity of gold and silver coin and bullion in the United States, contains the following estimates :

I have, as requested, examined the estimates you presented in your last annual report on the finances, and in your last bank report, as to the amount of silver remaining in the country. Our efforts to arrive at any conclusion on this point are, at best, but mere conjectures. I have, however, fully considered the point in question, and by two different modes have arrived at the conjecture that the amount may be stated at \$200,000,000. As a curious coincidence as to results, and to exhibit the basis of my calculation, I will venture to present them to you somewhat in detail.

I. An estimate of the amount of coin in the United States, based upon the number of inhabitants :

Population of United States, say.....	\$25,000,000
Taxables, say.....	5,000,000
Of these, about four-fifths are workmen or others, receiving from \$300 to \$500 per annum, and may be supposed to hold, on an average, \$5 at a time.....	4,000,000
At \$5.....	20,000,000
The remaining one-fifth may be supposed to hold, on an average, say \$100.....	100,000,000
The banks hold.....	54,000,000
Other institutions than banks one-third as much.....	18,000,000
Bankers have a capital of \$118,000,000, and may be supposed to hold ten per cent. of their capital at a time, say.....	12,000,000
Total.....	\$204,000,000

II. An estimate of gold and silver coin in the United States, based upon statistics of coinage: We know what the mint and its branches have coined; we know what kind of coins have been subject to exportation, and what are likely to remain in the country; and we know the general character of our specie currency.

We have, undoubtedly, the whole silver coinage executed under the laws of 1853. There is still a quantity of the previous silver issue, which, from the rate at which it now finds its way, in small deposits, to the mint, can hardly exceed \$2,000,000. The old Spanish and Mexican fractional silver coins cannot be less than \$3,000,000. The entire coinage of gold dollars—a coin not liable to exportation—and not much exposed to smelting by goldsmiths; the entire coinage of quarter eagles, since the first change of standard in 1853, inclusive; the entire coinage of half eagles, since the commencement of the coinage of half eagles in 1838. Some of these have, no doubt, gone out of the country; but those that remain, of prior date, may be a fair set-off. All the

three dollar pieces. The entire coinage of eagles, since the coinage of double eagles began to be largely coined in 1850. The same remark for counterbalance of errors may be repeated here as under the sixth item. The entire coinage of double eagles, since the year 1853, when commercial bars began to be largely issued. This item, also, is subject to the qualification just referred to.

As to the quantity of sovereigns, Mexican dollars and five-franc pieces floating through the country, and generally finding their way to the mint, it is not large, and may hardly be an offset to what has been consumed, out of the items above, for gold and silver manufactures.

Nothing more can fairly be added to this; if there is error, it must be in over-estimate. We know that the whole United States coinage of gold, prior to 1833, (save, perhaps, \$2,000,000, as already allowed,) have been re-coined here or elsewhere, or disappeared from the country. We know that the exportation of gold has always kept close upon us, at least so far as, first, to demand our larger coins, and then our commercial bars. These considerations kept in view, we have some reasonable data for making an estimate from the printed tables of coinage.

It should be added, in regard to the first half of the present year, (1856,) that the gold coinage in San Francisco is not included, as it mainly took the place of commercial bars to that extent, and was, no doubt, used for exportation.

Statement, in round numbers, agreeably to the annexed data, to end of 1855 :

1. Silver coinage under act of 1853,.....	\$20,000,800
2. Former issue of silver remaining,.....	2,000,000
3. Old Spanish and Mexican fractions,.....	3,000,000
4. Gold dollars,.....	14,150,000
5. Quarter eagles, since 1833,.....	19,900,000
6. Half eagles, since 1838,.....	39,450,000
7. Three-dollar pieces,.....	650,000
8. Eagles, since 1850,.....	17,000,000
9. Double eagles, since 1853,.....	69,300,000
Add, for the first six months of 1856, the gold coinage of all the mints, except San Francisco,.....	10,125,000
For the same period, all the silver coinage,.....	3,800,000
	<hr/>
	\$200,175,800

In round figures, \$200,000,000.

As before mentioned, these estimates are, at best, but conjectures; but I incline to the opinion that the aggregate of gold and silver coin remaining in the United States does not exceed \$200,000,000; and yet I may be far away from the true amount, and your own estimate, at \$250,000,000, nearer the mark.

I have the honor to be,

With great respect,

Your faithful servant,

JAMES ROSS SNOWDEN,

*Director of the Mint.*

*U. S. Mint, Oct. 7th, 1856.*

## FINANCES OF THE STATE OF OHIO.

THE financial affairs of the State of Ohio have been miserably managed during the past four years. The Columbus correspondent of the *Cincinnati Gazette* furnishes the following particulars relative to the defalcation in the State Treasury:

A thorough overhauling of the Auditor's and Treasurer's books has been made, and a statement of the account of the treasury from Jan. 12, 1852, to June 13, 1857, has been prepared, showing that the defalcation at the latter date amounted to \$728,691 01. The committee have devoted their investigation to these two points. How much has been the defalcation? By whom has been the default? And I assure the people they have worked with an industry and ability which is to their credit. I believe they are satisfied that they have determined the amount wrongfully withheld from the State to be the sum noted above. A number of parties have been questioned as to the business relations of both the treasurers implicated, and after a close examination of Mr. Gibson, whose testimony is comprised in 40 MS. pages, with all papers and accounts in their reach, Mr. Gibson's former statements to the contrary, only \$353,000 have been returned of a sum of more than \$1,000,000 taken from the treasury by Mr. Breslin, of which he alone was in default, making John G. Breslin a defaulter for \$728,691 01. Of this sum he furnished depreciated paper amounting to \$154,636 36, making the State a loser outright, and unaccounted for of \$574,854 65. Mr. Gibson claims that not one dollar of the public money has stuck to his hands, or been lost by him, and presents an account of a balance due to him, by the State, of \$16,000. The developments of the committee will show up some gentlemen who have affected to be very indignant at the official conduct, in this transaction, of the present Executive. Mr. Gibson, under \$110,000 bonds for his appearance at the Franklin County Court in October, has been here for several days and returns this morning to Tiffin. He declares that no human soul was knowing of the fatal step taken by him of concealing Breslin's defalcation. His motives, he declares, were two-fold: to protect his own interests and those of the State. He was personally liable on his bond for \$250,000—his dearest friends in Seneca County, many of them induced to become so by him, were also Breslin's securities. On learning of his predecessor's defalcation, he deemed it to his and their interest to save him and them from loss. For the interest of the State he deemed it best to conceal it, and obtain as much of the money back as he could, by carrying the load on his shoulders—fatal determination. He claims that not a dollar of the money of the State has been used illegally, or misapplied by him, but that the chances are that the three hundred and three thousand dollars obtained from Breslin by him would not otherwise have been brought into the coffers of the State. By his exertions he claims that fifty thousand dollars was secured of Breslin's suspended debt, from the Dayton Bank, of the Beckel claim, part of which has been paid. That

Mr. Breslin would have, if then exposed, left immediately for Canada, and that he relied upon his personal influence with Breslin, and confided on his promises, and carried the load he did until it crushed him. Testimony will show Mr. Breslin's complicity with Maryland and Indiana banks, with rail-road investments, &c., at home, the pressure on him to use the public money for party purposes, by urgent leaders, &c., &c.

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## FOREIGN ITEMS.

**BANK LIBEL.**—A curious case of libel and conspiracy was before the Court of Queen's Bench early in July, Lord CAMPBELL presiding. This was an indictment for conspiracy to injure the credit of the Bank of London. The defendants were WM. COOKBURN, the proprietor of the *Joint Stock Companies' Journal*, and WILLIAM JOHN LAWSON, (author of the *History of Banking*,) who had formerly been employed as a clerk in the City of London Union, St. Mary-axe, and had been mixed up with the other defendant in writing for the *Journal* and correcting proofs. There runs another indictment against COOKBURN for libel; but the prosecutors proceeded, in the first instance, with the one charging conspiracy. The alleged libel, out of which these proceedings arose, appeared in the columns of the *Joint Stock Companies' Journal*, on the 18th of April. It adopted the assertions contained in an article published in the *Atlas* newspaper, tending to shake the credit of the bank, and went on to state, that the denial which the directors had given to their assertions were not to be relied upon, and to insinuate certain doubts as to the moral character of the directors, and to the solvency of the company. The sentence of the Court was that, for this offence, they be respectively imprisoned in her Majesty's jail of Newgate for the term of one year. The defendants were then removed in custody.

**THE INSURRECTION IN INDIA.**—The English government as well as the English people, it may be seen, are keenly alive to the important movements in China and in the East India Company Possessions. Parliament, at the last dates, was discussing the advantages of steam vessels for government uses over sail vessels. During the debate in the House of Commons, Mr. G. DUNDAS said, he thought the character of auxiliary screw ships was hardly understood, for they were, to all intents and purposes, sailing vessels of a very high class. He held in his hand a return of the number of vessels which had sailed from London to Calcutta, between the 1st of July, 1856, and January, 1857, from which it appeared that 98 sailing ships had performed the voyage during that period—the average passage of each being 130 days—and that seven auxiliary screw-steamers had performed it on an average of 93 days, showing a difference in favor of the latter of 37 days. It was curious to contrast the passages made by her Majesty's steamers to the Cape of Good Hope. The *Hermes* made the passage in 54 days. The *Vulcan* made the passage out in 72 days, and home in 64 days. The auxiliary screws, to which the First Lord of the Admiralty had referred, made the passage in 88 days. It was a marked difference, and confirmed the statements which had been made of the advantage of employing auxiliary screws, in preference to sailing ships.

**LONDON MONEY MARKET, Tuesday Evening, August 11.**—The market for the English funds opened very heavily this morning at a further fall, and they afterwards went worse, Consols being down to 89½ to 90 for money, and 90½ to 90¾ for account; but they have since rallied to 90 to 90½ and 90¾, respectively. But although the tone is firmer, the market does not look well. Every one appears to feel that a crisis is at hand, and a material rise or a material fall on the eve of being established.



## MISCELLANEOUS.

**THE WOOL CROP OF 1857.**—The wool clip turns out very large, and bids fair to bring a profitable return to the owner. From the most reliable information which can be procured from persons who have travelled through the wool-growing districts of Ohio, the dealers are satisfied that the aggregate clip of this year will exceed that of 1856 by three millions of pounds. A large part, if not all the wool, has now passed from the farmer to the merchant, and a considerable portion into the hands of buyers for the New York markets and Eastern manufactories. The prices paid for a great portion of the wool crop ranged from 40 to 50 cents, and in some of the best districts 55 and 60 cents have been paid. Besides the increase of the number of fleeces—and sheering occurred a month later this year than last—and the increase of the growth of wool during this time, affords an increase of eight per cent to the ordinary clip.—*Dayton Empire*.

**NEW ENGLAND COTTON MANUFACTURERS.**—The manufacturers are very widely adopting the policy of "short time," that will bring the question of "hard times," which heretofore has weighed upon the stockholders, more directly upon the operatives of the mills. We are glad to learn, however, that our mills have no present intention of suspending wholly or partially, hoping that a turn of affairs may take place that will before long leave a larger profit than when cotton sells at its present high figures, and the products are not only low but dull, and slow at that. The Bartlett Mills will make some changes of machinery that will lessen their weaving for a time, but decrease the product of cloth for the year. It is reported that there is a "better feeling" of late in the trade, and larger and better sales are anticipated in the fall. This will be likely to take place, as the purchases have been less than the consumption demanded, and the West and South must find their shelves bare of goods, while the plentiful crops, furnishing means to the farmer and planter, must be largely in demand. It is quite certain, with the unsuppliable demand for cotton, that the next movement in goods must be upwards.—*Newburyport Herald*.

**THE NEW COINAGE.**—It has been urged that the new cents are not uniform in weight. This is a trifling matter in a coin that will never be sold by weight; but the editor of the *Press*, upon authority of the Director of the Mint, published the following remarks on the subject:

"We notice an allegation, copied into several papers, from, we believe, the *Morning Times*, that our Mint was coining the new cent of a deficient weight from the legal standard. Upon inquiry into the facts of the case, we learn that, owing to the imperfection of machinery, and the absolute impossibility of making a large number of coins of precisely the same weight, Congress has established rules by which our coinage is regulated. So that coins are not allowed to rise above nor to fall below, in weight, certain specified limits. In the instances reported of short weight of these coins, the variation is within limit. The Mint has issued, within the last few months, forty-six tons of new cents. They are composed of materials never before melted together for purposes of coinage, and there has been no little difficulty in properly adjusting them, at the rapid rate which the demands of the public required. It would be far more wonderful if there were no inaccuracies, than that a few should have occurred, but these will daily decrease in number as the workmen at the Mint become more experienced in this new manufacture. In no instance, however, that we have heard of, has the limit of variation allowed by Congress been exceeded, in the weight of the new cent. The coins of the precious metals are all weighed and accurately adjusted at the Mint; but this process is of course impossible in a coin of so small value as the cent. The results of the annual assay have always shown the coinage of the Philadelphia Mint to be marvellously accurate—in the trials of the last few years, the smallest possible weight being found sufficient to turn the scale for or against the coin."

## BANK ITEMS.

**NEW YORK.**—James Buell, Esq., hitherto cashier of the Central Bank, Troy, N. Y., succeeds Mr. Conover as cashier of the Importers and Traders' Bank, Broadway, New York.

*New York City.*—Hamilton Blydenburgh, Esq., hitherto vice-president of the Nassau Bank, has been elected president of that institution, in place of Thomas McElrath, Esq., resigned.

*Clearing House.*—We learn that the Clearing House for the New York City Banks, will soon be removed from its present location, 82 Broadway, (near Wall,) to the suit of spacious and well-lighted rooms, on the third floor of the building now in course of construction for the Bank of New York, corner of Wall and William streets.

*Bank Dividends for August.*

	1855.		1856.		1857.	
	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.
Bank of the Republic,.....	5	5	5	5	5	5
Citizens' Bank,.....	4	4	4	4	4	4
Corn Exchange Bank,.....	3½	3½	4	4	4	4
Leather Manufacturers' Bank,.....	5	5	5	5	5	5
Manhattan Bank,.....	4	4	4	5	5	5
Marine Bank,.....	4	4	4	4	4	4
Ocean Bank,.....	..	..	..	3½	3½	3½
Oriental Bank,.....	3½	3½	3½	3½	3½	3½
St. Nicholas Bank,.....	3½	3½	3½	3½	3½	4

**VERMONT.**—John F. Deane, Esq., has been elected president of the Bank of Black River, Proctorsville, in place of E. F. Parker, Esq., resigned.

**CONNECTICUT.**—The hearing in the matter of the Merchants' Exchange Bank of Bridgeport, commenced before Judge Ellsworth, at Hartford, on 18th August. The resolution of the legislature appointing the committee of investigation, instructed them to demand an injunction upon the bank, "if they find that \$240,000 of the stock (\$300,000 in all) was allotted by the commissioners to twelve individuals—*ten* of whom resided in New York, (one of them being the cashier,) and which individuals own a majority of the stock;" provided, however, that "if a majority of the stock shall on or before the 1st day of July, 1857, pass into the hands of twenty individuals residing within the limits of the State, the committee shall not apply for an injunction." The committee reported as a fact, that the majority of the stock is or was holden on the first of July, by persons residing out of the limits of the State, and have applied for an injunction.

**ILLINOIS.**—The failure of Cotes Brothers, bankers of this city and Chicago, was announced on Monday last. The Messrs. Cotes were young men possessing the confidence of a large number of our citizens, upon a number of whom their failure falls heavily. We are unable to state the amount of their obligations, or the causes which have operated to involve them. The loss falls principally upon depositors in this city. We understand that Mr. Cotes thinks that if he is liberally dealt with, he will be able eventually to pay dollar for dollar. We trust that he may succeed. This is the first failure of importance that has occurred in Waukegan for many years.—*Waukegan Gazette, Aug. 15th.*

**LOUISIANA.**—"The Bank of James Robb" commenced business at New Orleans some months since.

A new bank is about to go into operation at New Orleans, under the general banking law, which will bear the name of the Crescent City Bank. Its capital stock is \$2,000,000, with the privilege of extending it to five millions.

There is an evident necessity for an addition to the banking capital of that city.

**ALABAMA.**—The directors of the Central Bank at Montgomery, Alabama, have determined to increase its capital from its present sum, \$500,000, to \$700,000, one-half of the increase to be paid at the time of subscribing, and the other half on the 1st November inst.

**BANK BONDS.**—The Supreme Court of Massachusetts has decided that the bond given by the treasurer of a manufacturing corporation, expired with the term for which he was originally elected, and did not apply to the new term for which he was re-elected. This is a rule of law that applies as well to cashier's bonds as to others, where such officers are elected for a specific term only. It is a good rule, too, observed in many banks, to require fresh bonds from their employees every three years.

**PENNSYLVANIA.**—Of the new banks now in course of organization at Philadelphia, the *Press* says:

The second instalment on the stock of the Commonwealth Bank is being rapidly paid up. The commissioners called for its payment between the 1st and 5th of August, but in consequence of many of the subscribers being absent from the city, it was impossible to collect the entire amount, aggregating upwards of \$145,000. The greater portion, however, of the second instalment has been paid up. On the 15th of next month the Commonwealth Bank will go into operation in that portion of the Philadelphia Bank Building, southwest corner of Fourth and Chestnut streets, occupied by Mr. W. H. Patton, wall-paper dealer. Robert Morris, Esq., editor of the *Pennsylvania Inquirer*, will undoubtedly be selected as its president.

The commissioners of the Corn Exchange Bank have also called in the second instalment on the capital stock of that institution, payable between the 7th inst. and September 16th. The location of this bank has not been determined.

The commissioners of the Union Bank continue to receive subscriptions on Saturdays, from 10 to 12 o'clock, at the room, third story of Gridon's Building, corner of Third and Arch streets. The second instalment will not be called in for a fortnight or longer. The location of the bank will be on the west side of Third-street, below Arch.

It will be remembered that the last legislature authorized an increase of the capital stock of the Manufacturers and Mechanics' Bank of \$700,000. Of this amount, the directors several days ago offered \$300,000 for sale, and up to Saturday about \$270,000 had been subscribed for and paid in.

**IOWA.**—The banking office of Locke & Boyd, of Lyons, Iowa, was broken open on Sunday night, August 16th, and robbed of from \$900 to \$1,000 in money, and all the silver plate belonging to Mrs. Locke, who is now at the East. The office is in a frame building, and the safe was opened by blowing the lock to pieces with powder.

If bankers will use the burglar-proof safes, manufactured by W. W. Bacon, New Haven, (see his card on the cover of this work,) they need not fear burglar operations.

**WISCONSIN.**—On Monday, 24th, the Juneau Bank commenced business in Milwaukee, with a paid in capital of \$250,000, one-half of which is owned by Eastern capitalists and bankers, the other half is owned in Milwaukee. The officers of the bank are as follows: President—James B. Cross. Cashier—Samuel B. Scott.

**BANK OF FRANCE.**—The propositions of the French government regarding the renewal and modification of the charter of the Bank of France have been officially published. The charter is to be prolonged till 1897, and the capital is to be doubled by the issue of one new share of 1,000f. for every share at present held. The issuing price is 1,100f. (of which 1,000f. is to go to the capital, and 100f. to the reserve fund,) and the additional sum raised will therefore be 100,375,000f. Of this amount, 100,000,000f. are to be advanced to the government against 3 per cent. rentes, which are to be taken by the bank at the price of 75f. The bank are to be allowed to make advances on the debentures of the *Crédit Foncier*, as well as on rentes and railway securities, as at present. They are also to be allowed to add a charge for commission to their rate for dis-

counts and advances. It is also contemplated that they shall increase their existing advances to the treasury of 55,000,000*f.* to 80,000,000*f.* against bonds at three months' date, such bonds not to bear interest, except whenever they may exceed the deposits of the government held by the bank.

**BANK OF ENGLAND.**—The new committee on the Bank of England charter have now under consideration the terms for the proposed extension. The committee is composed of twenty-five members, comprising the chancellor of the exchequer and four ex-chancellors, namely, Mr. Disraeli, Sir Francis Baring, Sir C. Wood and Mr. Gladstone; also, Sir J. Graham, Mr. Spooner, banker, of Birmingham; Mr. G. A. Hamilton, the financial secretary to the treasury under Lord Derby's government, and chairman of the recently dissolved London and Paris Bank; Mr. Glyn, London banker; Mr. Wilson, the financial secretary to the treasury; Mr. Cayley, a director of the Commercial Bank; Mr. Vance, a Dublin merchant; Mr. Weguelin, the late governor of the Bank of England; Mr. Hildyard, Q. C.; Mr. Hankey, a director, and who was formerly governor of the Bank of England; Mr. Blackburn, chairman of the Edinburgh and Glasgow Railway; Mr. M. T. Smith, London banker; Mr. Fergus, a Scotch manufacturer; Mr. Hope Johnston; Mr. J. L. Ricardo, a director of the London and Westminster Bank; Mr. Ennis, the governor of the Bank of Ireland; Mr. Tite, the chairman of the Bank of Egypt, and a director of the London and Westminster Bank, Mr. Puller, Mr. Ball, and the Earl of Gifford, formerly private secretary to Lord Panmure.

*Insolvency and Bankruptcy.*—We have given a careful analysis of the American and foreign view of this subject, on pp. 193–201 of our present No. The reader will find the American law on this subject fully illustrated in "A Treatise on the Law of Suits by Attachment in the United States. By CHAS. D. DRAKE, of the St. Louis Bar." 8vo. Published by Messrs. Little & Brown, Boston; to which work we are indebted for the present abstract. On the subjects of insolvency and bankrupt laws, see HUNT'S *Mer. Mag.*, v., 360, iv., 22, vi., 419, vii., 261, 352, viii., 294, xxi., 513, xxii., 64, 195, 311; *N. Y. Rev.*, vii., 440; *Am. Reg.* ii., 74; *Westminster Rev.*, xlvi., 500, lii., 419; *Dem. Rev.*, xiii., 286; *No. Am. Rev.* vii., 25; NILES'S *Register*, xix., 403, xxi., 243, 382, (by JOHN SERGEANT,) 407, (by ANDREW STEVENSON.)

**BANK PANIC AT HAVANA.** *Correspondence of the Journal of Commerce.* Havana, August 8, 1857.—It is nearly three weeks since my last, and in that time we have passed through a financial revolution, but without the fatal results which would have attended such a crisis and panic in any other commercial community that I am familiar with, owing to the prompt and intelligent action of General Concha, Captain-General and Governor of Cuba, who has shown that he is entirely competent to meet any social emergency that may arise from human action. In the early part of the past week it began to be observable by business men that our metallic circulation was being diminished, as was to be anticipated from the immense operations in stocks, merging all other interests, to the entire neglect of the imperative industrial wants of the community. Under apprehensions that were quite natural with the retail trade of all branches, their deposits began to be withdrawn from several favorite institutions, which had been placed high in the public confidence. Last Saturday the alarm was so general that, on Monday, a rush was made on several of the banks, and in consequence a partial suspension occurred, which swept away all the barriers that preserved the public faith. General Concha called to the Palace the representatives of our commerce and our wealth, to advise with him on the measures necessary to restore public confidence, and to meet the great necessity for our circulation. Without going into a narrative of the preliminary propositions and their discussion, it is due to the Captain-General to say that his own views on certain suggestions made were adopted, and have resulted in staying the evil, saving thousands from ruin and our city from bankruptcy. The Spanish Bank is made the implement for the work; the people of wealth have come forward and subscribed millions more than was needed to protect her in the advances necessary for relief. (Last evening, \$8,530,200.) A commission appointed to ascertain the condition of the four institutions which have been compelled to suspend report favorably, and

the Spanish Bank allows them certificates of deposit (drawing interest) for six months or longer periods, as may be necessary to meet the maturity of their assets, for the immediate settlement of deposit accounts, in all amounting to \$6,000,000 or thereabouts; and this Saturday morning people are taking the certificates instead of specie, while many continue their deposits as if nothing had occurred; and the panic is over, the community safe. There will not be half a dozen failures growing out of the revulsion, and those of persons who have been imprudently investing in stocks at fictitious valuations. I do not name the institutions which, from errors or ignorance of banking principles, involved this community in the recent commotion, as they are not necessarily associated with your commerce, except the "Warehouse Company of Regla," under the management of Fesser, which must have large exchange balances in the United States and Europe. This banking house will go on, with the aid of a light loan from the Spanish Bank. Their assets are found to be over \$9,000,000, with productive property for security, and their liabilities less than \$3,000,000. Without assistance they will take up all deposits less than \$1,000, and with it meet all engagements at 1, 2, 3 and 4 months. The arrangements have given general satisfaction, and the relief is already perceptible.

General Concha has refused to permit the organization of two hundred and seven companies in the past few days, and his action has been salutary for the public benefit. They are the fruits of the excitement of the past ninety days, and the lists have been published in the three days past, helping to calm the feverish condition of our money market. Resumption of business and payments go on as usual to-day. I might write a history of the events of the past week, in which was condensed your experience of 1837, but it would resolve itself into the facts I have given you. We have been fortunate in our first lesson, and that owing to the Herculean mind at the wheel, General Jose de la Concha.

**COLLECTIONS IN THE WEST.**—We have frequent inquiries, by banks and bankers, as to the names and standing of private bankers in the South and West. The *Bankers' Register*, for 1857, contains an accurate list of all the known bankers doing business at the time that volume was issued—a list of great value to persons engaged in this line of operations. The recent establishment of new and responsible firms in several of the Western cities adds to previous facilities for the collection of business paper throughout all the Western States, and in numerous interior towns where no chartered banks are in operation. Those who have occasion to collect bills and notes, will find the cards of various and responsible firms on the cover of this work, WITH THEIR REFERENCES, viz.:

IN MASSACHUSETTS—Boston.  
 NEW YORK—New York City, Buffalo.  
 PENNSYLVANIA—Philadelphia, Pittsburgh, Scranton.  
 MARYLAND—Baltimore.  
 DISTRICT OF COLUMBIA—Washington City.  
 VIRGINIA—Richmond, Fredricksburg, Alexander.  
 ARKANSAS—Helena.  
 CALIFORNIA—Sacramento City.  
 ILLINOIS—Chicago, Beardstown, Dixon, Peru, Rock Island, Moline, Rockford, Sterling, Peoria, Port Byron.  
 INDIANA—Indianapolis, New Albany, Richmond.  
 IOWA—Burlington, Cedar Rapids, Chariton, Davenport, Desmoines, Dubuque, Fairfield, Iowa City, Keokuk, Council Bluffs, Muscatine, Wapello, Clinton, Marion, Fort Dodge, Sioux City.  
 KENTUCKY—Lexington, Louisville.  
 LOUISIANA—New Orleans.  
 MICHIGAN—Detroit, Grand Rapids, Battle Creek, Ionia.  
 MINNESOTA—St. Anthony, St. Paul.  
 MISSOURI—St. Louis, Boonville, Glasgow, Hannibal, Lexington.  
 OHIO—Cincinnati, Cleveland, Newark, Sandusky, Toledo, Zanesville.  
 TENNESSEE—Nashville, Knoxville.  
 TEXAS—Galveston, San Antonio.  
 WISCONSIN—Fond du Lac, Milwaukee, Sheboygan, Stevens' Point.

## MARKET VALUES OF RAIL-ROAD BONDS AT NEW YORK, AUGUST 25, 1867.

NAME OF COMPANY.	AMOUNT OF LOAN.	DESCRIPTION OF BONDS.	RATE INT.	INTEREST PAYABLE.	WHERE PA'BLE.	DUE.	OFF'D.	ASKED.
Alabama & Tennessee River, .....	\$838,000	1st Mortgage, convertible, .....	7	1 Jan. 1 July, ...	N. Y.	1872	....	85
Buffalo & State Line, .....	500,000	1st Mortgage, inconvertible, .....	7	April, October, ...	"	1866	....	97½
Central Ohio, .....	1,250,000	1st Mortgage, conv., east. sect., .....	7	Divrs., .....	"	1861-64	71½	76
do, .....	800,000	2d Mortgage, inconvertible, .....	7	March, Sept., ...	"	1865	62	65
Cincinnati, Hamilton & Dayton, .....	500,000	1st Mortgage, inconvertible, .....	7	20 Jan., 20 July, ...	"	1867	88	92
Cincinnati & Marietta, .....	2,500,000	1st Mortgage, conv. till 1882, .....	7	January, July, ...	"	1868	70	75
Cincinnati, Wilmington & Zanesville, .....	1,300,000	1st Mortgage, convertible, .....	7	May, November, ...	"	1861	....	75
Cleveland, Painesville & Ashtabula, .....	567,000	1st Mortgage, inconvertible, .....	7	February, Aug., ...	"	1862	90	92½
Cleveland & Pittsburgh, .....	800,000	1st Mortgage, convertible, .....	7	February, Aug., ...	"	1860	....	93
Cleveland & Toledo, .....	525,000	1st Mortgage, inconvertible, .....	7	February, Aug., ...	"	1863	83	86½
Chicago & Mississippi, .....	1,000,000	1st Mortgage, conv. till 1857, .....	7	April, October, ...	"	1862-72	50	55
Covington & Lexington, .....	400,000	1st Mortgage, inconvertible, .....	6	March, Sept., ...	"	1867	67	70
Dela ware, Lackawanna & Western, .....	1,500,000	1st Mortgage, convertible, .....	7	April, October, ...	"	1875	78	82½
Fort Wayne & Chicago, .....	1,250,000	1st Mortgage, conv. till 1863, .....	7	January, July, ...	"	1873	....	77½
Galena & Chicago, .....	2,000,000	1st Mortgage, inconvertible, .....	7	February, Aug., ...	"	1863	90	92½
do, .....	2,000,000	2d Mortgage, inconvertible, .....	7	May, November, ...	"	1875	79	79½
Green Bay, Milwaukee & Chicago, .....	400,000	1st Mortgage, convertible, .....	8	April, October, ...	"	1875	....	92½
Indiana Central, .....	600,000	1st Mortgage, convertible, .....	7	May, November, ...	"	1866	....	90
Indianapolis and Bellefontaine, .....	450,000	1st Mortgage, convertible, .....	7	January, July, ...	"	1860-61	78	80
Indianapo. & Cin. (form. Lawb. & U. M.) .....	500,000	1st Mortgage, conv. till 1857, .....	7	March, Sept., ...	"	1866	85	90
La Crosse & Milwaukee, .....	450,000	1st Mort., 1st sec. conv. till 1864, .....	8	May, November, ...	"	1874	....	85
do, do, Sinking Fund, .....	500,000	1st Mort., 1st sec. conv. till 1864, .....	8	May, November, ...	"	1874	....	85
Lake Erie, Wabash & St. Louis, .....	3,400,000	1st Mortgage, conv. till 1859, .....	7	February, Aug., ...	"	1865	....	47
Little Miami, .....	1,500,000	1st Mortgage, inconvertible, .....	6	2 May, 2 Nov., ...	"	1888	78	81
Michigan Central, .....	1,000,000	No Mortgage, convertible, .....	8	April, October, ...	Boat.	1860	....	101
do, .....	600,000	No Mortgage, convertible, .....	8	March, Sept., ...	"	1869	....	100
Milwaukee & Mississippi, .....	600,000	1st Mort., 1st sec. conv. till 1857, .....	8	January, July, ...	N. Y.	1862	....	98
do, do, .....	650,000	1st Mort., 2d sec. conv. till 1858, .....	8	April, October, ...	"	1863	....	90
do, do, .....	1,250,000	1st Mort., 3d sec. conv. till 1860, .....	8	June, December, ...	"	1877	....	86
Northern Cross, .....	1,200,000	1st Mortgage, convertible, .....	8	January, July, ...	"	1873	....	92½
Ohio & Indiana, .....	1,000,000	1st Mortgage, convertible, .....	7	February, Aug., ...	"	1867	....	90

Ohio & Pennsylvania,	1,750,000	1st Mortgage, convertible,	7	January, July,	"	1865-66	90
do.	1,675,000	Income, convertible,	7	April, October,	"	1872	75
Pennsylvania, (Central),	5,000,000	1st Mortgage, conv. till 1860,	6	January, July,	Phila.	1880	99
Peoria & Oquawka, (Western Section),	500,000	1st Mort. & \$3,000 per mile, conv.,	8	May, November,	N. Y.	1862	88
do. (Eastern Section),	500,000	1st Mortgage, conv. till 1870,	8	June, December,	"	1873	78
Racine & Mississippi,	680,000	1st Mortgage, conv., sink'g fund,	8	February, Aug.,	"	1875	81
Steubenville & Indiana,	1,500,000	1st Mortgage, convertible,	8	January, July,	"	1865	80
Terre Haute & Indianapolis,	600,000	1st Mortgage, convertible,	7	March, Sept.,	"	1866	100
Terre Haute & Alton,	1,000,000	1st Mortgage, convertible,	7	February, Aug.,	"	1862-72	74
Baltimore & Ohio,	The follow ing include the accrued interest.						
do.	\$2,500,000	Mortgage,	6	April, October,	Balt.	1885	81
do.	1,128,500	Mortgage,	6	January, July,	"	1875	81
Chicago & Rock Island,	2,000,000	1st Mortgage, conv. till 1868,	7	10 Jan. 10 July,	N. Y.	1870	90
Elrie Rail-Road,	3,000,000	1st Mortgage,	7	May, November,	"	1867	101
do.	4,000,000	2d Mortgage, convertible,	7	March, Sept.,	"	1859	94
do.	6,000,000	3d Mortgage,	7	March, Sept.,	"	1883	78
do.	4,000,000	Not conv., Sink'g Fund, \$420,000,	7	February, Aug.,	"	1875	76
do.	4,351,000	Convertible, Inscription,	7	February, Aug.,	"	1871	61
do.	3,500,000	Convertible,	7	January, July,	"	1862	67
Hudson River,	4,000,000	1st Mortgage, Inscription,	7	February, Aug.,	"	1869-70	95
do.	2,000,000	2d Mortgage, Inscription,	7	16 June, 16 Dec,	"	1860	82
do.	3,000,000	3d Mortgage, convertible,	7	May, November,	"	1870	58
Illinois Central, (Construction),	17,000,000	Mortgage, inconvertible,	7	April, October,	"	1875	98
do.	3,000,000	M'ge, 345,000 acrs.-priv. 7 shares,	7	March, Sept.,	"	1860	94
Michigan Southern,	1,000,000	1st Mortgage, inconvertible,	7	May, November,	"	1860	80
New York & Harlem,	1,800,000	1st Mortgage, inconvertible,	7	May, November,	"	1861-72	68
New York & New Haven,	750,000	No Mortgage, inconvertible,	7	June, December,	"	1855-60	82
New Haven & Hartford,	1,000,000	1st Mortgage, inconvertible,	6	January, July,	"	1861	80
Northern Indiana,	1,500,000	1st Mortgage, inconvertible,	7	February, Aug.,	"	1868	60
do. do. Gothen Branch,	8,287,000	No Mortgage, inconvertible,	6	May, November,	"	1863	86
New York Central,	3,000,000	No Mort., conv. from June, '57-'59,	7	January, July,	"	1864	95
do.	250,000	Convertible till 1858,	6	January, July,	"	1866	100
Panama,	1,245,000	1st Mortgage,	7	January, July,	Phila.	1860	86
Reading, issued 1843,	3,379,000	2d Mortgage,	6	April, October,	"	1870	78
do. do. 1844, '48, '49,							

U. S. GOVERNMENT SECURITIES.				INT. PAYABLE	OFFERED PER CENT.	ASKED PER CENT.
}	Loan, 6 per cent.,	X	1862..	January, July,	110½	.....
	do. 6 do.	X	1867..	do.	116½	.....
	do. 6 do.	X	1868..	do.	116½	.....
	do. 6 do. Coupon Bonds,	X	1868..	do.	116½	.....
	do. 5 do. Texas indem.,	X	1865..	do.	106½	.....
<b>STATE SECURITIES.</b>						
}	New York, .....	6	per cent., 1860-61-62..	Jan. Ap. Jul. Oct.	102½	105
	do. ....	6	do. .... 1864-65..	do. do.	107	108½
	do. ....	6	do. .... 1-66-67..	January, July,	108	110½
	do. ....	6	do. .... 1872-73..	Jan. Ap. Jul. Oct.	111½	113
	do. ....	5½	do. .... 1860-61..	do. do	100½	102
	do. ....	5½	do. .... 1865..	do. do.	100½	108
	do. ....	5	do. .... 1858-60..	do. do.	99	101
	do. ....	5	do. .... 1866-74..	do. do.	101	103
	do. ....	4½	do. .... 1858-59-64..	do. do.	....	99
	do. ....	6	do. .... 1860..	January, July,	100	101
}	Ohio, .....	6	do. .... 1870..	do.	101	....
	do. ....	6	do. .... 1875..	do.	103	106
	do. ....	6	do. .... 1886..	do.	103	106
	do. ....	5	do. .... 1865..	do.	90½	94
	do. ....	5	do. .... Coupon, 1877..	February, Aug.	84½	84½
Pennsylvania, .....	5	do. ....	do.	85½	86½	
do. ....	5	do. ....	do.	....	....	
Massachusetts, .....	5	do. ....	do.	....	....	
Kentucky, ... Bonds,	6	do. .... 1869-72..	January, July,	99½	100	
Illinois, Int. Imp. ...	6	do. .... 1847..	do.	116	120	
do. ....	6	do. .... Interest..	do.	92	95	
Indiana State, .....	5	do. ....	do.	81½	82	
do. ....	2½	do. ....	do.	54	56	
do. Canal Loan, 6	6	do. ....	do.	....	....	
do. Canal Pref., 5	5	do. ....	do.	....	....	
Maryland, .....	6	do. ....	Jan. Ap. Jul. Oct.	100	103½	
do. ....	5	do. ....	do. do.	....	91½	
Alabama, ... Bonds,	5	do. ....	May, Novem'r,	82	90	
Louisiana, ... Bonds,	6	do. .... Divers..	January, July,	84	85	
Tennessee, ... Bonds,	5	do. ....	do.	75	78	
do. ... Bonds,	6	do. .... Divers..	do.	84	85	
Virginia, ... Bonds,	6	do. .... 1885-1890..	do.	91	92	
Missouri, ... Bonds,	6	do. .... 1872..	do.	77½	78	
North Carolina, B'ds,	6	do. .... 1873..	do.	91	92½	
Georgia, ... Bonds,	6	do. .... 1872..	do.	100	....	
California, ... Bonds,	7	do. .... 1870..	do.	58	60	
do. ... Bonds,	7	do. .... 1875..	do.	58	60	
<b>CITY SECURITIES.</b>						
}	New York, .....	5	per cent., 1858-60..	Feb'y, May, }	94½	96
	do. ....	5	do. .... 1870-75..	August, Nov. }	93	94½
	do. ....	5	do. .... 1890-98..	.....	93	95
Albany, ... Bonds,	6	do. X ... 1871-81..	February, Aug.	100	101	
Alleghany, ... Bonds,	6	do. X ... 1875-77..	January, July,	....	....	
Baltimore, .....	6	do. .... 1870-90..	Jan. Ap. Jul. Oct.	94½	95½	
Boston, ... Bonds,	5	do. X ...	April, October,	97	98	
Brooklyn, ... Bonds,	6	do. X ... long.	January, July,	95	97½	
Cleveland, W W B'ds,	7	do. X ... 1879..	do.	102	104	
Cincinnati, ... Bonds,	6	do. X ... Divers..	Divers, .....	....	88	
Chicago, ... Bonds,	6	do. X ... 1878-80..	January, July,	80	83	
do. ... Bonds,	7	do. X ...	do.	94	95	
Detroit, W W Bonds,	7	do. X .. 1878-78-83..	Feb'y, August,	102	104	
Jersey City, ... Bonds,	6	do. X ... 1877..	March, Sept'r,	99	101	
Louisville, ... Bonds,	6	do. X ... 1880-83..	Divers, .....	75	80½	
Memphis, ... Bonds,	6	do. X ... 1882..	January, July,	64	67½	



CITY BONDS.			INT. PAYABLE.	OFFERED PER CENT.	ASKED PER CENT.
Milwaukee, ... Bonds, 7 per cent. X.	1873-74-75..	March, Sept'r,	77½	80	
New Orleans, .. B'ds, 6	do. X R.R.1872-74..	January, July,	...	75	
do. Municipal, 6	do. X.....1892..	do.	...	84	
Philadelphia, .....	do. ....1876-90..	do.	89	90	
Pittsburgh, ... Bonds, 6	do. X...1869-78-83..	Divers, .....	67½	70	
Peoria, (Ill.) .. Bonds, 7	do. X.....1873..	Divers, .....	90½	93	
Quincy, ... Coup, 8	do. X.....1868..	January, July,	...	88	
Racine, (Wis.) Bonds, 7	do. X.....1873..	Feb'y 10, Aug.	...	85	
Rochester, ... Bonds, 6	do. X.....long..	Divers, .....	...	100	
St. Louis R. R. B'ds, 6	do. X.....Divers, ..	Divers, .....	79	80	
do. B'ds, 6	do. X...Municipal, ..	Divers, .....	78	80	
Sacramento, Bonds, 10	do. X.....1862-73..	Divers, .....	66	70	
San Francisco, B'ds, 10	do. X.....1871..	May, Novem'r,	85	90	
do. B'ds, 10	do. X pa'ble N. Y. ...	January, July,	...	...	
do. B'ds, 6	do. X do. 1878..	do.	50	53	
Wheeling, Mp. B'ds, 6	do. X.Sink.F'd, 1874	March, Sept'r,	...	81	
do. R. R., B'ds, 6	do. X.....Divers, ..	Divers, .....	...	68	
Zanesville, ... Coup., 7	do. X.....	April, October,	...	97	
COUNTY BONDS.					
St. Louis, (Missouri), 6 per cent. X	.....	January, July,	75	78	
Alleghany, (Penn.), 6	do. X divers issues, ..	Divers, .....	...	70	
Fayette, .. (Kent'y), 6	do. X... 1881-83..	January, July,	75	80	
Bourbon, .. do. 6	do. X... 1881-82..	do.	...	82½	
Mason, ... do. 6	do. X... 1881-83..	do.	...	75	
Boyle, ... do. 6	do. X.....	.....	...	75	
Clark, ... do. 6	do. X.....1883..	Ap. 15, Oct. 15,	...	71	
Montgomery, do. 6	do. X.....1883..	do. do.	...	70	
Bath, ... do. 6	do. X.....1883..	do. do.	...	68	
Ross, ... (Ohio), 7	do. X.....Divers, ..	Divers, .....	...	95½	
Belmont, ... do. 7	do. X.....1862..	January, July,	...	93	
Shelby, ... (Tenn.) 6	do. X.....1884..	April, Novem'r,	...	70	
Des Moines, (Iowa), 8	do. X... 1874-75..	Divers, .....	95	100	
Henry, ... do. 8	do. X... 1871-75..	Divers, .....	95	100	
RAIL-ROAD COMPANIES.					
Baltimore & Ohio, .....	100..	8	April, October,	63½	63½
Chicago & Rock Island, .....	100..	5	do.	88	88½
Cincinnati, Hamilton & Dayton, ..	100..	..	do.	63	68
Cleveland, Columbus & Cin., .....	100..	5	January, July,	94	95
Cleveland & Pittsburgh, .....	50..	5	do.	20	22
Cleveland & Toledo, .....	50..	4	March, Sept'r,	43	44
Erie, .....	100..	..	April, October,	25	26
Galena & Chicago, .....	100..	5	February, Aug.	85	86
Harlem, .....	50..	..	do.	8½	9
do. Preferred, .....	50..	..	January, July,	20	24
Hudson River, .....	100..	..	May, Novem'r,	19	19½
Illinois Central, .....	100..	8½	January, July,	111	112
Little Miami, .....	50..	5	June, Decem'r,	90	91
Macon & Western, .....	100..	5	February, Aug.	88	90
Michigan Central, .....	100..	5	December, ...	77	78
Michigan South'n & North'n Ind.,	100..	5	January, July,	25	26
Milwaukee & Missisippi, .....	100..	5	do.	48	50
New Jersey, .....	50..	5	February, Aug.	120	122
New Haven & Hartford, .....	100..	5	April, October,	119	120
New York Central, .....	100..	4	February, Aug.	75	76
Ohio & Pennsylvania, .....	50..	..	January, July,	...	...
Panama, .....	100..	6	do.	89½	90
Pennsylvania, .....	50..	4	May 15, Nov'r,	93	93½
Reading, .....	50..	4	January, July,	65	66

## Notes on the Money Market.

NEW YORK, AUGUST 26, 1857.

*Exchange on London, at Sixty days' sight, 9 $\frac{1}{2}$  a 9 $\frac{1}{4}$  premium.*

This month of August has presented unusual and unfavorable features, resulting from various causes, foreign and domestic. The foreign exchanges have become more unfavorable, leading to a continued and heavy export of gold, and thus reducing the specie reserve of our banks. The foreign importations during the year have been too heavy for the wants of the country; and the large payments required for custom-house duties have absorbed a large portion of the specie fund, which would otherwise be available for banking purposes.

Last year the larger part of breadstuffs supplied the place of gold in the payment of our foreign indebtedness. This year the foreign demand for these has nearly ceased, and the exports of the country to Europe consist mainly of cotton and tobacco. The large importations of the past twelve months were based upon a presumed demand abroad for flour and wheat, which, in the fiscal year ending June 30, 1856, amounted to \$80,000,000 in value; but the favorable crops throughout western Europe for 1857, show that but little is required in breadstuffs from us, for the present season at least.

Another disturbing cause in money matters has been the increased demand for money in England, arising from the insurrection in India. It is feared, in London, that the government expenses in India will absorb a large amount of capital, and thus create the necessity for another loan. It is known that the export of gold to India and China, from England and France, has been very heavy for two or three years past. This export continues unabated—the bank reserves, as in the United States, being no greater than three years ago.

The Stock Market in New-York has exhibited extraordinary fluctuations and depression during the month of August. A combined effort, among certain parties, against rail-road securities, has had the effect to reduce prices to lower points than have been known for some years.

The Stock Market for the month shows want of strength as well as want of confidence. A large amount of stocks, held under hypothecation, has been forced into the market, owing to the decline and to the disinclination on the part of capitalists to loan upon rail-road shares generally, even with a large margin. Hence, all classes of shares and bonds suffer. Money is abundant, but confidence is not. The United States six per cents, the true test of money here as consols are in England, show no decline. They are worth, to-day, 116 $\frac{1}{2}$ ; but State loans suffer because they have been forced upon the market.

We annex the prices of State loans at the close of the past eight weeks:

	July 3d.	10th.	17th.	24th.	31st.	Aug. 7th.	14th.	21st.
U. S. 6 per cents, 1867-8, .....	119	116	116	116 $\frac{1}{2}$	116 $\frac{1}{2}$	116 $\frac{1}{2}$	116 $\frac{1}{2}$	116 $\frac{1}{2}$
Ohio 6 per cents, 1856, .....	104	104	106	104 $\frac{1}{2}$	104 $\frac{1}{2}$	104 $\frac{1}{2}$	104 $\frac{1}{2}$	104 $\frac{1}{2}$
Kentucky 6 per cents, .....	102	101	100	100	99	99	99	99 $\frac{1}{2}$
Indiana 5 per cents, .....	81	81	80 $\frac{1}{2}$	83 $\frac{1}{2}$	84	82	81	82 $\frac{1}{2}$
Pennsylvania 5 per cents, .....	88	88	88	85	84 $\frac{1}{2}$	89	85	84 $\frac{1}{2}$
Virginia 6 per cents, .....	92 $\frac{1}{2}$	89	91 $\frac{1}{2}$	91 $\frac{1}{2}$	90 $\frac{1}{2}$	91	91	90 $\frac{1}{2}$
Georgia 6 per cents, .....	98	90	100	100	100	100	100	100
California 7 $\frac{1}{2}$ , 1870, .....	55	54 $\frac{1}{2}$	52 $\frac{1}{2}$	60	56	56	56	60
North Carolina 6 per cents, .....	92	89	90	93 $\frac{1}{2}$	94	94	98	92
Missouri 6 per cents, .....	81 $\frac{1}{2}$	77 $\frac{1}{2}$	79	79	79 $\frac{1}{2}$	79 $\frac{1}{2}$	79	79
Louisiana 6 per cents, .....	85 $\frac{1}{2}$	85 $\frac{1}{2}$	79 $\frac{1}{2}$	83	88	84 $\frac{1}{2}$	88	84
Tennessee 6 per cents, .....	87	82 $\frac{1}{2}$	81 $\frac{1}{2}$	88	84 $\frac{1}{2}$	84 $\frac{1}{2}$	84 $\frac{1}{2}$	84 $\frac{1}{2}$

*Rail-Road Shares.*—The decline in these is more marked than in any other at present. There is a radical change required in rail-road management in order to restore confidence in the value of shares. We think, if an official monthly abstract of revenue and condition of the roads were

published, as is required of the banks weekly, the public would be better advised as to the relative values of such shares; but such monthly exhibits should be condensed and clear—free from ambiguity. Since our last publication, we find that New York Central shares have declined 8 per cent.; New York and Erie, 6; Reading Rail-Road, 6; Michigan Central, 6; Michigan Southern, 22; Illinois Central Rail-Road, 5; Cleveland and Toledo, 14; Milwaukee and Mississippi, 8. In fact the decline is a general one. The board of management of the Michigan Southern Rail-Road Company have resigned, to take effect on the 25th of September, when a meeting of the stockholders will take place at Adrian. We annex the closing rates for leading rail-road shares for the past eight weeks. Prices are much lower to-day, owing to the panic prevailing in Wall-street—for which prices see pages 252, 258.

	July 3d.	10th.	17th.	24th.	31st.	Aug. 7th.	14th.	21st.
N. Y. Central R. R. shares,....	78	60½	52½	54½	52½	53½	51	76½
N. Y. & Erie R. R. shares,....	26½	27½	31½	34½	34½	33½	31½	26½
Harlem R. R. shares, .....	9½	10	10½	10½	10½	10½	9	9
Reading R. R. shares,.....	71	77½	77½	74½	78½	72	69	68
Hudson River R. R. shares,....	..	19½	19½	19½	21	..	21	19
Michigan Central R. R. shares,	80½	82	88	88	84½	84½	88½	77
Michigan Southern R.R. shares,	42	48	47½	49½	50½	58	85	26½
Panama R. R. shares, .....	91½	86½	90½	92	92½	97½	98	91
Baltimore & Ohio R. R. shares,	51½	54½	59	61	64½	68½	67½	61½
Illinois Central R. R. shares,...	116½	120	119	118	118½	119½	117	118
Clev. and Toledo R. R. shares,.	54	58	53½	57½	57½	56½	50½	48
Chicago and Rock Island R. R.	87	91	91½	91½	94	94½	98	92
Milwaukee and Mias. R. R.,....	45½	52	51	56	58	54½	50½	48

Rail-road bonds do not suffer as much as their shares. The bonds are considered amply secured, and are better held, with small amounts only on the market. Coal stocks are lower—Cumberland coal shares having declined to 14½, Pennsylvania Coal Company to 78, hitherto a ten per cent. stock. We annex the closing prices of rail-road bonds for the last eight weeks:

	July 3d.	10th.	17th.	24th.	31st.	Aug. 7th.	14th.	21st.
Erie R. R. sevens, 1859,.....	—	95	94	94	94½	94	94	94
Erie R. R. bonds, 1875,.....	85	75	75½	80	85½	79½	79½	79½
Erie Convertibles, 1871, .....	87	55	60	68	71	65	66	68
Hudson River R. R. 1st mort,...	98	98½	95½	98	94½	94	94½	94½
Panama R. R. bonds,.....	97½	98	98	99	99½	100	95	95
Illinois Central sevens,.....	97½	97½	97½	99½	99½	99½	99½	99
New York Central sixes,.....	84	86	86	86½	86½	86½	86½	86½
Canton Company shares,.....	18½	19½	19	20½	19½	19½	19	18
Pennsylvania Coal Company,...	90½	93	95½	92	86½	88½	85	78
Cumberland Coal Company,....	16	16½	17½	17	18	17	16½	14½
Del. and Hudson Canal Co.,....	114½	115½	119	119½	119	118½	118	115

The proposition of the New York and Erie Rail-Road Company for a loan of six millions is now before the community. One-half of this sum will be required in cash, in five monthly instalments. The other half will absorb an equal amount of existing funded indebtedness of the company, so that, in fact, the actual increase of the bond debt will be three millions of dollars, which will be fully represented by new substantial improvements. The new bonds will be guaranteed by a mortgage on the entire road and its franchises, on all the leasehold property of the company, including the wharves, ferry privileges and landed property of the Long Dock Company of Jersey City, and on the entire equipment of the company. The object of the loan is to fund the present floating debt of the company, and to obtain means to continue the construction of the tunnel, depot, wharves and other improvements on the Long Dock property. It will only increase the actual present indebtedness of the company about \$1,000,000.

The Great Western Rail-Road Company of Illinois has made an assignment of all its effects, under date 17th inst., for the benefit of creditors; the whole property to be sold at auction on the 16th of October next, at Springfield, Illinois. The coupons of the rail-road company remain unpaid.

The movement of the banks of the City of New York, for the current year, show a greater expansion than usual, up to the first week of August. Since that time they have felt compelled, by the unfavorable state of the foreign exchanges, to curtail about three millions. We resume our monthly summary of the leading items:

	<i>Loans.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Specie in Sub-Treasury.</i>	<i>Specie in Bank.</i>	<i>Total Specie.</i>
Jan. 3, 1857,	\$109,149,000	\$8,602,000	\$95,846,000	\$11,480,000	\$11,172,000	\$23,652,000
Feb. 7,.....	112,376,000	8,428,000	96,029,000	13,613,000	11,143,000	24,761,000
March 7,.....	111,899,000	8,465,000	95,853,000	15,189,000	11,707,000	26,896,000
April 11,.....	115,374,000	8,787,000	96,518,000	15,174,000	10,884,000	26,069,000
May 2,.....	114,409,000	9,006,000	99,159,000	14,408,000	12,009,000	26,418,000
June 6,.....	115,333,000	8,583,000	96,594,000	12,431,000	13,134,000	25,565,000
July 3,.....	115,044,000	8,901,000	96,534,000	10,317,000	13,837,000	23,154,000
Aug. 1,....	120,597,000	8,662,000	94,445,000	12,161,000	13,918,000	25,079,000
Aug. 8,.....	122,077,000	8,931,000	94,436,000	13,440,000	11,737,000	24,177,000
Aug. 15,.....	121,241,000	8,780,000	92,356,000	12,222,000	11,366,000	23,688,000
Aug. 22,....	120,189,000	8,694,000	89,364,000	12,411,000	10,097,000	22,509,000

The bank statement for the past week shows a decline in the several aggregates. It would be well if the banks remain as they are—neither increasing nor diminishing in loans. There are the strongest indications of commercial prosperity throughout the whole country. Production more than keeps pace with demand, showing that without extraordinary efforts the West and South can, at a short notice, meet any unusual demand abroad for breadstuffs or cotton. That we can export about \$35,000,000 in gold (from two ports) in less than thirty-five weeks, without any actual disturbance in the money market, is a strong proof of the strength of the resources of the country, present and prospective.

The Wall-street market is not in a condition to encourage further issues of State loans. The rail-road improvements in Missouri and Virginia have recently caused the further issue of six per cent. bonds to their contractors. The market can well sustain its present weight of State and rail-road securities, but should not encourage additional ones. The market values of stocks are of no importance whatever, except to buyers and sellers. Those who hold for investment are not affected by the bull and bear movement of the day.

The last steamer for California carried out no flattering accounts of California State credit in this quarter. That State has much to effect in order to redeem its public credit here. Her seven per cent. bonds are dull at 56 a 60, and confidence in her integrity is lessening every month. It is obvious, under such circumstances, that Eastern capitalists will withdraw their funds from that quarter and re-establish themselves where individual as well as State credit is more carefully protected.

Within the past three days financial affairs have assumed a very stringent shape. We regret to report the suspensions of the Ohio Life and Trust Company, with its New York agency; Mr. John Thompson, banker, New York; Brewster & Co., bankers, Rochester; Messrs. Jacob Little & Co.; Delaunay, Iselin & Clarke, and other stock brokers of this city. Among the mercantile failures are N. H. Wolfe, New York city; E. C. Bates & Co., Boston.

## DEATHS.

At PROVIDENCE, R. I., Monday, August 10, MOSES B. IVES, Esq., in the sixty-fourth year of his age, President of the Providence Bank from the year 1815, until his death. He was also intimately connected with many other financial corporations, and in the numerous posts which were naturally assigned to him as an eminent capitalist, he was distinguished for an unswerving integrity, a fidelity to honor and truth, which have commanded the fullest confidence of his associates and fellow-citizens. These lofty qualities, combined with the native firmness and energy which were so conspicuous in his character, gave a commanding moral power to his name, and imparted stability and dignity to every enterprise or institution with which he became identified.

At KINGSTON, N. H., Tuesday, August 4th, MOSES SANBORN, Esq., aged 67 years, President of the Granite State Bank, Exeter, New Hampshire, and of the Rockingham and Atlantic Insurance Companies at Exeter.

At NEW YORK CITY, Tuesday, August 11th, NICHOLAS G. OGDEN, Esq., some years since Cashier of the Phenix Bank, New York.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES.    OCTOBER, 1857.

No. 4.

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THE LAW OF MERCANTILE PAPER.

BY HON. G. SHARSWOOD, OF PENNSYLVANIA.

Specialties and Parol Contracts—Assignability of Choses in Action—Assignment of Bonds—Title of Assignee subject to Equities—Assignor a Guarantor of the Validity of the Bond, but not that it will be paid—Bill of Exchange—Promissory Note—Consideration Presumed—Assignability—Negotiability—Bills and Notes must be Absolute, and for Payment of Money—Property Orders and Notes—Form of Bill or Note—Note Drawn on Fund—Drafts on Government—When Holder protected against Equities of the Original Parties—When a Holder is *bona fide* and for Value—When he may be called on to show his *bona fides*—Transfer of Note in Payment of or as Collateral Security for Precedent Debt—Newspaper Notices—Notes for Gambling Debts—Demand of Payment—Where and When—Days of Grace—Bank Checks—Notice to Drawer and Endorser—Giving time to Prior Parties—Protest of Notary Public.

THE distinction between specialties and parol contracts has been heretofore adverted to. All contracts not evidenced by writing under seal are parol contracts, whether resting upon written or oral testimony. There are, however, some mercantile contracts required to be in writing, in order to affix to them their commercial incidents and character—such as bills of exchange and promissory notes. Bonds or specialties have of late years multiplied so much in business, principally through

the multiplication of corporations, who have issued their obligations under seal, that it is necessary to premise what may be said of bills of exchange and promissory notes by a condensed statement of what is settled as to bonds. It will form the natural introduction to the consideration of that class of instruments which are properly styled negotiable paper.

That which distinguishes a specialty from a simple contract is its seal. Nothing can supply its place. It may be nothing but a scrawl of ink attached to the name, but still something intended for a seal must be there. If the party says, "Witness my hand and seal," still if in fact there is no seal, it is not a specialty. As between the parties, the seal always implies consideration. It is no defence for the obligor to say he received no consideration. The delivery of the bond is a gift of the money, expressed in it, which the donor cannot revoke. Creditors may attack the validity of the instrument, as they can any other voluntary disposition of property, by showing that the obligor was indebted at the time, and therefore had no right to give. If the party himself alleges that the instrument was obtained from him by fraud, he may give in evidence the want of consideration as an element in the decision of that question. Failure of consideration is a different thing. In equity that is a defence. Where the instrument was not intended to be a gratuity, but a consideration was in the contemplation of the party to be received, if for any reason that consideration fails, it is inequitable to enforce the agreement.

By the principles of the common law, no mere claims for money, or, as they were termed, choses in action, were assignable. Still, however, in process of time, such assignments were recognised. The assignor was treated as a trustee for the assignee, and the latter had a right to use the name of the former to recover the claim. Bonds were, in this respect, like all other contracts. By an act of Assembly of Pennsylvania, passed in 1715, they were made legally assignable, provided such assignment was made under hand and seal, and in the presence of two or more credible witnesses. In order, however, that bonds may be thus legally assigned, so as to vest the title to sue in his own name in the assignee, they must be expressly made payable to order or assigns, and be for the payment of money. A bond with a special condition—such as of indemnity—cannot be thus assigned. Notwithstanding, however, this act, bonds and other contracts may be assigned as before. Such assignments are termed equitable, to distinguish them from assignments under the act of Assembly, which are called legal. An assignment, though not in all the forms of law, vests the equitable interest in the assignee, and the assignor will not afterwards be permitted to exercise any authority over the property assigned. It is indifferent whether the equitable assignment be in writing, by parol, or by the mere delivery of the muniments or evidences of right. There may be a valid gift by delivery without consideration. When, however, there is no actual delivery of the bond, an assignment not under seal, and without any valuable consideration to support it, vests no title either at law or in equity in the assignee. An equitable assignment is a declaration of trust with an agreement to permit the assignee to sue in the assignor's

name. The contract being consequently executory, must have a consideration to support it, without which equity would no more execute it than the law would make the breach of it a subject of compensation.

The assignment of a bond, whether made according to the act of Assembly or not, whether legal or equitable—like the assignment of any other debt—carries with it all the securities possessed by the assignor, whether named or known at the time or not. But the legal assignment of a bond does not thereby pass the legal title to any collaterals held with it. To have benefit of them, the assignee must still use the assignor's name.

The only object of the act of 1715 was to enable the assignee to sue in his own name. It was not to render a bond a negotiable instrument, like the bill of exchange or promissory note, that is, it was not to give the assignee any better right than the assignor had. Hence, it is well settled that the assignee of a bond takes it at his own peril, and stands in the place of the obligee, so as to let in every defence and defalcation, which the obligor had against the obligee *at the time of notice of the assignment*. If the obligor pays the bond to the original obligee after the assignment, but before notice of it, that will be a good defence to an action brought by the assignee. So it is a good defence that the obligor, before he knew of the assignment, and before the bond became payable, had been obliged to pay money on account of the obligee. If, however, the assignee is induced to take the bond by the obligor's promise to pay it, or his declaration that he has no defence, or by his silent acquiescence in the assignment without giving notice of his defence, he will be precluded from afterwards setting it up, even if the obligor was ignorant at the time of his having any defence; and that, even where the representation was not made directly to the assignee, but was a declaration to a third person, afterwards communicated to the assignee. But the admission or declaration must have been made before the assignment, so that the assignee acted on the faith of it. Admissions made by the obligor after the assignment, though they are evidence against him, will not conclude him. It is prudent and proper, therefore, whenever an assignment of a bond or book debt, or other claim, is agreed to be made—1. Before taking the assignment to call on the obligor, and get an admission from him in writing, or in the presence of witnesses, that he has no defence; and, 2. Immediately on the execution of the assignment, to give notice to the obligor or original debtor of the fact.

An assignment of a bond is not like the endorsement of a bill or note—an undertaking that the bond will be paid. It is, however, an undertaking that the bond is good, that he has a good title to recover, but not that the obligor is solvent or will pay it. A bill of exchange is a written order or request from one man to another, directing or requesting him to pay a third person, therein named, a sum of money. The person who draws the note is called the drawer; the person upon whom it is drawn is called the drawee, and if he accepts, the acceptor; the person to whom the money is to be paid, the payee. A promissory note is a written promise to pay a sum of money to a person named in it. The promisor is called the maker; the promisee the payee of the note.

We have seen that in specialties the seal imports consideration. In all simple contracts not under seal, a consideration must be alleged and proved. But in bills and notes, the instruments are themselves *prima facie* evidence of consideration; that is, the law presumes it, and it need not be proved in the first instance. But still this presumption may be rebutted; and it is a good defence to the maker of a note to prove that there was no consideration when he is sued by the payee.

Bills and notes have another peculiarity. When the payment is directed to be made to the payee, or to his order or to bearer, the note is legally assignable by the commercial law. If drawn to order and endorsed, or if drawn to bearer then without endorsement, the assignee or holder has the legal title, and can sue and recover in his own name. This is called assignability. But they have still another peculiarity. We have seen that upon an assignment of a bond, book-debt or other chose in action, the assignee is in no better position than his assignor. If there was any defence or set-off against the creditor, it is still available against the assignee. When, however, a note which is assignable by the words order or bearer, is assigned before it arrives at maturity in the usual course of business, and for a valuable consideration, the assignee has a better title than his assignor. No defence or set-off between the original parties is available as against him. This is called *negotiability*.

There is still a third peculiarity. We have seen that the assignor of a bond or debt does not undertake that the debt will be paid. He undertakes that it is due; he impliedly warrants the title, and so does every man who sells or assigns a bill or note, whether he puts his name on it or not. But the payee or other holder who assigns a bill or note by putting his name upon it, unless he qualifies his endorsement by the words "without recourse," or some such words, becomes responsible to any person who may afterwards become the holder, that the bill or note will be paid at maturity, and if not paid by the party who ought to pay it, is bound to pay it himself. This is not indeed an absolute engagement, but is conditional, and depends upon the holder demanding payment and giving notice of the dishonor in due time.

In order that these peculiarities may attach, the bill or note must have no seal. It has been decided that an instrument in the form of a promissory note, issued by a bank, with the corporate seal on its face, is a specialty, and that an endorsement in blank by the payee does not make him liable as the endorser of a negotiable note. In like manner it has been expressly held that it is subject in the hands of the holder to whatever defences might have been made against the original payee, though he may have purchased it in the market before it was due, for a valuable consideration and without notice. It is very important that this simple rule should be borne in mind.

It is necessary, too, that the instrument, whether bill or note, should be simply for the payment of money, and that absolutely and without any contingency. Thus, a bill or order drawn by A. or B., payable to bearer, for \$350 worth of dye-stuffs, and accepted by B., was held not to be a negotiable instrument, and the holder was not permitted to sue in his own name. So it has been ruled that an accepted order for the delivery of goods requires a consideration to make it binding on the



drawer, before a delivery pursuant to the order without notice. The drawer, in other words, is not liable to an action on such an order without proof of consideration. "The idea of commercial exchange," say the court, "has never been applied to property other than money. It does not embrace orders or notes payable in goods or produce. Consequently upon such paper *per se*, commercial usage has not rendered the drawer or endorser liable, and he cannot be sued upon it. The holder is, therefore, thrown back upon the general law of contracts, and to establish an obligation on the drawer must show a special undertaking, with its necessary incident of consideration. \* \* \* A bill of exchange being a draft upon a fund presumed to be in the hands of the drawee, always imports a consideration sufficient to support the contract springing from the simple acceptance of negotiable paper. The party was merely the holder of an order for goods to be manufactured, which the drawer had agreed to honor. But this agreement did not of itself show a consideration, and there was no proof of one distinct from it. \* \* \* Nothing is clearer than that such an acceptance (without consideration) cannot be enforced by suit. The acceptor of a property order, as it has sometimes been called, can only be made liable upon his special undertaking, of which, to be sure, as in the case of bills of exchange, his acceptance may be regarded as proof; but, like other contracts, it requires a consideration, and unlike bills or notes proper, this must be shown independently of the mere fact of acceptance. The acceptance may be received as tending to show a contract, but it will not, *propria vigore*, make one." (10 Barr, 170.)

The promise to pay must be simple and direct. A bill or note, to be sure, is not confined to any set form of words. A promise to deliver or to be accountable or to be responsible for so much money, is a good bill or note; but it must be exclusively and absolutely for the payment of money. An instrument of writing was issued by a bank, signed by the cashier, in this form: "I hereby certify that A. B. has deposited in this bank, payable twelve months from date, with five per cent. interest till due, a certain sum of money for the use of C. D., and payable only to his order upon the return of this certificate." It was held, that C. D. was not liable on his endorsement as upon a bill or note. It was a special agreement to pay the deposit to any one who should present the certificate and the depositor's order. Nothing is a promissory note in which a promise to pay is merely inferential, or in which there is no more than a simple acknowledgment of the debt, with such a promise to pay as the law will imply. Though the word payable were taken for an express promise, still it was not an absolute and unconditional one. It was required that the certificate should be returned. Had it been contemplated that the ownership of the deposit should be transferable only by endorsement of the certificate, like that of a promissory note, such condition would have been useless; for the endorsement would have been inseparable from the certificate, and could not have been presented without it; but not so a check, to which the provision was intended to apply. It was doubtless understood that the ownership of the deposit might pass indifferently by check or endorsement; and it was doubtless to provide against inconsistent transfers, and con-

sequent embarrassment of the bank as a stakeholder between antagonist claimants, that a condition was introduced which was as foreign to the terms of a promissory note as would be a condition to pay out of a particular fund. (6 Watts & Serg. 227.)

It is essential that the bill carry with it a personal credit, and that it be not confined to credit upon any future or contingent event or fund. The payment must not rest upon any contingency, except the failure of the general personal credit of the person drawing or negotiating the instrument. It would perplex the commercial transactions of mankind if paper securities of this kind were encumbered with conditions and contingencies, and if the persons to whom they were offered in negotiation were obliged to inquire when those uncertain events would probably be reduced to a certainty. And hence it is, that an order or draft drawn upon the government or any of its departments—as by a mail contractor upon the Postmaster-General—is not a negotiable bill of exchange. “It is an indispensable element in the constitution of these instruments, that there should be an absolute and entire freedom from contingency of payment depending upon the happening of an event or the solvency of a fund. But every bill on government is drawn on a fund, whether it be so expressed or not. It is a matter of public notoriety that government accepts for no more, and is bound for no more, whatever be the form of acceptance, than it has in its hands; and that it treats a bill drawn on it as no more than an assignment or order of transfer. \* \* \* The public officers may doubtless draw or accept bills to facilitate the business of their departments; but they would transcend their power did they attempt to pledge the responsibility of the government as a merchant or a banker in the money market.” (2 Whart. 233.) But the statement of a particular fund in a bill, if introduced merely as a direction to the drawee how to reimburse himself, will not vitiate it; thus, a bill directing the drawee to pay A. B. so much as the drawer’s “quarterly pay,” was held to be a good bill.

An instrument in itself not negotiable may, however, become so by special endorsement. Thus in the case of an ordinary due bill, or simple acknowledgment of indebtedness, when it was specially endorsed by the payee, “pay A. B. or order,” it was held, that by the effect of this endorsement it became, as between the endorser and holder, an inland bill of exchange, in which the endorser stood in the light of a new drawer of a bill payable to the order of the endorsee; and the holder, by taking it in this character, took it subject to all the rules that regulate the relation between endorser and endorsee in negotiable instruments.

The next inquiry which most naturally arises is, in what cases may the original consideration or matter of set-off or defence as between the original parties be set up against the holder of negotiable paper? The holder, in all cases, in order to avail himself of the advantage of the mercantile rule, must be *bona fide*, and have received the paper in the usual course of business and for a valuable consideration. The fact that notes are so frequently made between parties without consideration—commonly called *accommodation notes*—makes this, practically, one of the almost constantly recurring questions upon this subject. Hence the importance that it should be accurately understood.

The first important point to be noticed is, that *prima facie*, in presumption of law, every holder is a holder *bona fide* and for value. The burden is upon the party alleging the contrary to prove that he is not. There is but one exception to this, and that is where a bill or note has been fraudulently or feloniously put into circulation. There the party sued, upon proof of that fact, and having given the plaintiff notice of his intention previous to the trial, has a right to call upon the holder to prove how he came by it; and upon his failing to give such proof, the defendant is entitled to a verdict in his favor. In the case in which this was first established in Pennsylvania, the suit was by an endorsee against an endorser. The defendant, having given notice to the plaintiff that proof would be required of him of the consideration he gave for the note, and of the circumstances under which it came to his hands, offered to prove on the trial that the note was given by the maker to the defendant for goods sold and delivered; that it was never put in circulation by the payee—his name having been written upon it merely for the purpose of collection in bank, where it was deposited by him—that in consequence of an arrangement between the maker and him, the note was taken out of bank by the latter, settled for and sent to the maker to be cancelled; and that having neglected to strike his name off the note, he sent immediately to have it done, and was told by the maker that the note had been destroyed. It was decided by the Supreme Court that this evidence was proper, and that the effect of it would be to throw upon the plaintiff the necessity of proving that he was a *bona fide* holder for valuable consideration. "Honesty and good faith," said C. J. Tilghman, "are the basis of mercantile law. Those, therefore, who act with honesty and good faith, and those only, are worthy of protection. Negotiable paper stands in the place of specie; it is, therefore, of the utmost importance, that when such paper is fairly put into circulation, the *bona fide* holder should be involved in no difficulty on account of secret transactions between the original parties. \* \* \* But, although the person who acquires paper in the *usual course of business* should receive all possible protection, yet there is no principle of justice or sound policy which requires the same extension of favor to one who comes to the possession of it in an *unfair manner* and *without* consideration. In the first instance, it is presumed that every man acts fairly. It lies on the defendant, therefore, to show some probable ground of suspicion, before the plaintiff is expected to do any thing more than produce the note on which he founds his action. But this being done, it is reasonable that the holder should be called on to rebut the suspicion. All that is asked of him is to show that he has acted fairly and paid value." (5 Binn. 469.) This exception to the general rule appears not to be inconsistent with justice and sound policy. It is calculated to check secret transfers by fraud and collusion to a *mala fide* holder, for the purpose of throwing on a party to a note or bill a responsibility which would be unjust, and which, if the truth appeared, he could not be subjected to. Nor does it seem to impose any undue hardship on the holder to oblige him, in such a case, to show that consideration, which is the foundation of the privilege he enjoys beyond the person from whom he derives title. It will be observed that

it is not enough to show merely a want of consideration between the original parties—as that it was an accommodation note—in order to give the defendant a right to call on the holder to prove his *bona fides*; it is necessary to prove that the bill or note was obtained or put into circulation by fraud or falsehood. The maker or endorser of an accommodation note or bill agrees, by its very negotiable character, that the person for whose use it is made shall put it in circulation. It is the very object for which it is made. He has no right, therefore, to complain of his own act; and a holder placing confidence in such an instrument ought not to be compelled to prove consideration. In many cases it would be exceedingly difficult to do so, and to require it would throw a serious impediment in the way of negotiable paper. It is otherwise when there is fraud, because then the maker gives no such authority. He is in the light of an unfortunate rather than an imprudent man, and protection will be given to him so far as to require of the holder proof of a valuable consideration. The policy of the law is to encourage the circulation of negotiable paper; and it only interposes to require extraordinary proof from the holder in cases in which it is necessary in order to protect one who has been imposed upon in some way or other.

Except, therefore, in this particular case, the defendant sued by the holder of a bill or note, besides proving his defence as against the original party, either want of consideration, bad consideration or other defence, must go further and prove affirmatively that the holder did not give value for it, or that he took it without notice, or not in the usual course of business.

As to the value which is requisite to clothe a holder with these superior commercial privileges, a very important question has arisen, whether a precedent indebtedness by the endorser to the endorsee is such a valuable consideration as the law demands. In other words, whether the payee of a note or bill, as to whom there is a good defence, can pass it to a creditor for a precedent debt, so as to give to his creditor a better title than he himself has. On the one hand it may be said, that if the creditor fails to recover, he is in no worse condition than he was before; and, on the other hand, that such a transfer is most frequently followed by indulgence to the debtor, even if there is not an express contract to that effect. It was held in New York, that where a note had been transferred as security or collateral for a precedent debt, it was not to be regarded as a transfer for value in the usual course of business. This case has been followed by many subsequent ones in that State, but a distinction has been recognised between the case when the note is taken simply as collateral, and when it is received in absolute payment or extinguishment of the debt, or when it is pledged as security for liabilities then or thereafter to be incurred. In the latter case the transfer has been held to be founded on a valuable consideration. In other States the whole doctrine has been repudiated, and also in the Supreme Court of the United States, where it has been held that receiving a note, whether in payment of or as security for a pre-existing debt, is founded on a sufficient consideration, and is in the usual course of business, and entitles the taker to all the rights and privileges of a *bona fide* holder. "It is for the benefit and convenience of the commercial world," said

Judge Story, "to give as wide an extent as practicable to the credit and circulation of negotiable paper, that it may pass, not only as security for new purchases and advances made upon the transfer thereof, but also in payment of and as security for pre-existing debts. The creditor is thereby enabled to realize or secure his debt, and thus may safely give a prolonged credit or forbear from taking any legal steps to enforce his right. The debtor, also, has the advantage of making his negotiable securities of equivalent value to cash. But establish the opposite conclusion, that negotiable paper cannot be applied in payment of or as security for pre-existing debts, without letting in all the equities between the original and antecedent parties, and the value and circulation of such securities must be essentially diminished, and the debtor driven to the embarrassment of making a sale thereof, often at a ruinous discount, to some third person, and then by circuitry to apply the proceeds to the payment of his debts." (16 Peters, 1.) The force of this line of argument has always seemed to me perfectly conclusive—and that it would do well for those States in which the New York doctrine has been received to retrace their steps. The decisions of the Supreme Court of the United States are doubtless of no binding authority, except in questions upon the construction of the Constitution and of Acts of Congress; yet *conventionally* they ought to be regarded with as high respect upon questions of mercantile law. The courts in Pennsylvania have, in one or two cases, followed New York upon this question, although with evident reluctance; and the last case on the subject, though it does not profess to overrule, certainly to some extent shakes the authority of the earlier cases. In one of them Judge Rogers said, "It has been repeatedly held that a collateral security for a pre-existing debt without more is not such a consideration as will give title to the holder; yet if there is a new and distinct consideration, the holder is a purchaser for value, and as such protected from a defence which would have been available between the original parties. It seems to me there would be no great difficulty in proving that it would have been better not to have restrained the negotiability of paper *bona fide* pledged as a collateral security for a debt; but on this point the law is settled." (6 Whart. 220.) In the latter case, to which reference has been made, it was decided that if a note is made for the accommodation of the payee, and placed in his hands, he may pledge it for an antecedent debt as well as sell or discount it, and that the maker cannot set up the want of consideration in an action against him by the pledgee. "We think," says the court, "that where a person gives another an accommodation note, it contains an authority to use it in the payment of an existing debt, to sell or discount it, or, if more to his interest, to pledge it as collateral security for money advanced at the time, or before advanced, or on a running account between the parties for money advanced before, at the time, or afterwards. In short, that he has complete control to use it, as the name imports, for his own benefit or accommodation, in any manner he may judge best calculated to advance his own interest. If he can prevent a suit against him by pledging the note intentionally drawn in the usual commercial form, and intended to be used without restriction, and by this means preserve his credit and save himself from utter ruin, there is nothing that

I see either in law or morals to prevent him. Of what consequence is it to the maker whether he sells the note, gives it as a collateral security for a debt already contracted, or for money advanced at the time of the transaction? Accommodation paper is a loan of the credit of the maker to the extent of the value of the note for the benefit of the payee without restriction, and this is the light in which accommodation paper is received by the whole commercial world." (3 Barr, 381.)

Even, however, if the holder gave value, if he took the note with actual notice of a subsisting equity, he is then in privity with the original parties. Indeed, if an endorsee receives a note or bill heedlessly, and under circumstances which ought to have excited the suspicions of a prudent and careful man, the maker or endorser may be let into his defence; but it has been held that an advertisement in a newspaper is not enough, unless the holder is proven to have seen it before he took the note. It would be of dangerous consequence to hold an advertisement in the gazette to be such an actual notice as to visit a party with all the consequences of full and express notice. A general warning or notice in the gazette, not to trust a wife, is not a sufficient prohibition to excuse the husband from liability for necessaries, though an actual notice would be. Notice in the newspaper of dissolution of partnership is not sufficient as to persons who have previously dealt with the firm. Though it be proved that the party was a subscriber, yet the newspaper may not have been delivered; if left at his abode, he may not have read it, or not till subsequently to the transaction it related to. It would be hard to subject a man to the consequences of *mala fides*, when he perhaps never had knowledge of the matter alleged. In the case of a common carrier, a notice limiting his responsibility was held not sufficiently given, constantly published in a weekly newspaper, which the party had taken for three years. It would not be intended, says the court, that a party read all the contents of any newspaper he might choose to take. (3 Watts, 20.)

Wherever the note is received not in the usual course of business, or there are circumstances to excite suspicion, and which ought to put a prudent man on inquiry, then the party will be let into his defence. Thus, in a case in which the note was passed by the maker and not by the payee to the holder, it was held that such was not the usual course, and that it was enough to affect the endorsee with the equities between the original parties. When the maker is acting, therefore, without authority from the payee—when he is perverting the purpose for which the note was made—the payee and endorser will be permitted to show it under such circumstances. The most ordinary case of this class, however, is that of overdue paper. A note or bill passed after it is due, is not passed in the usual course of business. It is settled, however, that as to overdue paper, the holder takes it discharged of any mere cross-demand or set-off, and is only affected by equities growing out of the bill or note itself.

There are a few more principles of practical importance connected with this topic to be noticed. One of these is, that the holder, though he may himself have had notice, may take shelter under the *bona fides* of any prior holder. If the note has once passed into the hands of such a

one without notice, he can transfer his full right to any one, whether his transferee have or have not notice. It is evident that if this were not so, a *bona fide* holder might not be able to make any commercial use of the paper. The whole market might become apprised of the original fraud or defence, and thus he would be deprived of one important benefit of his property. Another point not to be forgotten is, that when a statute expressly avoids the note or bill on account of the illegality of the consideration, then it is also void in the hands even of a *bona fide* holder. Thus it has been held, that a negotiable note, given for a gaming consideration, is void, even in the hands of an innocent holder, who received it in the usual course of business, without notice or knowledge of the illegal taint of its birth. Our Act of April 22, 1794, enacts that persons losing money at any game of hazard or game whatsoever, "shall not be compelled to pay or make good the same; and every contract, note, bill, bond, judgment, mortgage, or other security or conveyance whatsoever, given, granted, drawn or entered into for the security or satisfaction of the same, or any part thereof, shall be utterly void and of none effect." When, however, the statute does not declare the contract, note or security void—then the holder is not affected by the unlawfulness of the consideration between the original parties. Thus, the payee of a negotiable note—given for a sum of money lent and more than lawful interest—endorses it, and it passes into the hands of a *bona fide* holder unconnected with the usurious contract, such holder cannot be affected by the unlawfulness which existed between the original parties. In England, a note given to secure a usurious loan was declared absolutely void by the statute of Anne, and was so considered, even in the hands of an innocent endorsee; but this has been altered in that country by the statute of 58 Geo. III.

It would require a volume instead of a lecture to consider and discuss even simply all the important and curious questions which have arisen or may arise in regard to commercial paper. A mere skeleton of a subject, which professes to exhaust without discussing, would not be likely to impress the mind and memory. I have thought that it would be more instructive to select and illustrate a few of those points and doctrines which are of most common occurrence, and with which it is particularly necessary that practical business men should be familiar. Following the course thus marked out to myself, I shall devote the residue of this lecture to the consideration of the leading rules and principles which relate to the topics of demand, notice and protest of bills and notes.

The acceptor of a bill of exchange and the maker of a promissory note are primarily liable. It is not necessary as to these parties, in order to fix their liability, that there should be demand or notice. The drawer of a bill of exchange, and the endorser of either a bill or note, are only secondarily and contingently liable in case the acceptor or maker does not pay on demand at maturity, and due notice of the dishonor of the note or bill is given. It is necessary, according to the commercial law, that at the maturity of the paper, demand should be made on the party primarily liable, and immediate notice given to those secondarily liable, in order to fix them absolutely with the legal obligation to pay.

The strict rules of the commercial law in regard to the time and manner of making the demand and giving the notice, have been adopted in this and most of the other United States.

Let us consider, then, in the first place, where, when and in what manner, the demand must be made. When no other place of payment is mentioned in the note or bill, payment must be demanded of the maker or acceptor at his place of residence or business, or, if that be not known, due diligence must be used to find it. A demand sent to him through the post-office is not such a demand as the law requires when the maker's residence is supposed to be ascertained. When it is at a distance from the holder's residence, the note itself must be sent to some person with authority to make the demand. If the maker or acceptor has merely removed from his usual place of residence to another, in the same State or country, it is incumbent on the holder to make every reasonable endeavor to find out whither he has removed; and in case he succeed in such attempt, either in person or by a duly authorized agent, to present the bill or note for payment at that place. But if the maker or acceptor has absconded, that circumstance will dispense with the necessity of making any further inquiry after him. When he has secretly fled, an application at the place would lead to no information in respect to him, and the law requires nothing which is nugatory. The same rule which exists in the case of absconding applies to that of his removal into another State or country after the execution of the instrument. In a case in the Supreme Court of the United States, it appeared that the maker of the note had removed from the district of Columbia to the State of Maryland, to a place within about nine miles of the district. There was nothing to sanction its being construed into an act of absconding, and the court say, that in England, from the absconding of the maker or his removal out of the kingdom, the endorser is held to stand committed; and hence a removal from the sea-board to the frontier, or *vice versa*, would be attended with all the hardships to a holder, especially one of the same State with the maker, that could result from crossing the British Channel. The States of this Union are in all other respects than is specially provided in the Federal Constitution, foreign States as to each other. The holder, therefore, is not bound to search for the maker in a foreign country when he has removed thither after the date of the note, but his removal dispenses with any further effort, and makes the endorser *ipso facto* liable without it. (9 Wheat. Rep. Sup. Court U. S. 661.)

If the note should be made payable at a particular place, it is not indispensable that the demand should be made there, though the opinion has been entertained and expressed that in the case of a note made payable at a bank, that if the maker or acceptor pays the money into the bank to the credit of the payee, in such note or bill, and leaves it there, it will be a complete discharge as to all the parties, even though the money should be lost by robbery of the bank or otherwise after the maturity. When a promissory note is payable at a particular place, such as a bank, and on a particular day, and the endorsee or holder is at the bank until it closes at the usual hour, on the day on which the note falls due, ready to receive payment, no further demand on the maker is ne-



cessary in order to charge the endorsers. When a note is made payable at a bank, it need not be shown that the cashier was at the bank all the business hours on the day of payment in order to receive it—the presumption is that he performed his duty. But the circumstance of a note being dated at a particular place is not equivalent to making it payable there, so as to render it unnecessary to go out of the place to demand payment of the maker.

Then as to the time when demand ought to be made. By the commercial law three days of grace are allowed to the maker or acceptor to pay the note or bill after it has become payable on its face. To charge the drawer or endorser, the demand must be made on the last day of grace, or, if that falls upon a Sunday, on the day before. By an Act of Assembly of Pennsylvania, of 11th April, 1848, payment of all notes, checks, bills of exchange, or other instruments negotiable by the laws of this Commonwealth, and becoming payable on Christmas day, or the first day of January, the fourth day of July, or any other day fixed upon by law or by the proclamation of the Governor of this Commonwealth as a day of general thanksgiving, or for the general cessation of business in any year, shall be deemed to become due on the secular day next preceding—with a proviso, however, that it is not to affect any demand made as heretofore at the option of the holder. A demand made on a Sunday would be absolutely good for nothing. It is a day upon which all worldly business is absolutely prohibited by statute. When a note falls due on a Sunday, demand must be made on the Saturday preceding; but as to the other days enumerated, it is at the option of the holder. He may demand, when the note falls due on these days, on the last day of grace or on the day before. In all other cases a demand on the maker or acceptor, made before the last day of grace, equally with one made afterwards, is of no avail to charge the endorser. There is no difference in this respect between foreign and inland bills and notes. Said Chief Justice Gibson, in a case in which this question was mooted, "Though there was once a doubt in respect to the point before us, it is now settled. It was supposed by intelligent lawyers that there is a difference in this particular between foreign and inland bills; and that the latter, not having been originally within the law merchant, do not authorize presentment and notice on the last day of grace, the acceptor, it was thought, having the whole of it to make payment on the principle of the common law. But days of grace themselves are creatures of the mercantile law; and if the payment of inland bills were not regulated by it, days of grace could not be predicated of them." (9 Barr, 178.) In the case in which these remarks were made, the notary having presented the note for payment on the last day of grace, being Saturday, and demanded payment at the dwelling of the maker, was told that he was not at home, but that he would be at home on Monday and pay the note—it was held that it was in law a flat refusal to pay, and authorized notice to be given on the same day to the endorsers.

It is to be observed that checks upon banks or bankers have no days of grace. These are payable on demand at any time after date, or if payable at a future day, on the very day named. Although in form a bill of exchange, a check differs from it in other particulars. It requires

no acceptance. The drawer of a check is not a surety, but the principal debtor, as much as the maker of a promissory note. It is an absolute appropriation of so much money in the hands of the banker to the holder of the check, and there it ought to remain until called for, and the drawer has no reason to complain of delay, unless upon the intermediate failure of his banker. By unreasonable delay in such a case, the holder takes the risk of the failure of the person or bank on which the check is drawn. This is quite distinct from the strict rule of diligence applicable to a surety, in which light stands the endorser of a note or a drawer of a bill. A check post-dated has been decided to be payable on the day of its date, without any days of grace.

The endorser may undoubtedly waive demand on the maker by express agreement; and it has been held by the Supreme Court that the waiver of protest by an endorser on the day of maturity of the note, puts him in the same situation as if the protest had been made and proved, and there being no contradictory evidence, it is proof of demand and refusal and notice.

We come now to consider the subject of notice to drawers and endorsers. It ought to be observed that as to bills of exchange, payable at a fixed time after date, they need not be presented until maturity. But when payable so many days after sight, they must be presented for acceptance—and in all cases where acceptance is refused, the same steps are necessary, in order to fix the prior parties, as in case of demand of payment and refusal. The notice should be given by the holder, on the same or the next day, to the endorser immediately liable to him—by him to his endorser—and one day is then allowed for each party to the note, and if Sunday intervenes, that is not to be counted. The notice when given by the holder directly is soon enough, if it reach the particular endorser as soon as it would have reached him circuitously through the subsequent endorsers, each of whom are entitled to an entire day, if he choose to insist on it, to hand it on. It is enough that the drawer or endorser receive notice in as many days as there are subsequent endorsers, unless it is shown that each endorser gave notice within a day after receiving it, as if any one has been beyond the day, the drawer and prior endorsers are discharged: in other words, that there shall not be a longer link in the chain than the space of a single day, and that the holder shall not affect the endorser with notice after he has been discharged from liability to the subsequent endorsers. The notice to be given by one to another, who resides in the same town or city, must be served personally, or by leaving it at his residence or place of business; depositing it in the post-office directed to him is not sufficient. But when they reside in different places, a notice of protest sent by mail and directed to the endorser, at his nearest post-office, is sufficient, and if properly directed it is good, although the letter containing it should miscarry. What is due diligence, is always a question of law for the court and not the jury to decide. It has been held that the holder of a note or bill cannot avail himself of the ignorance of his agent, even though he should employ for the purpose a notary public, as to the residence of the endorser, and consequent neglect in not giving notice of protest. If he knows, he must disclose it to the notary; his neglect to do so will dis-

charge the endorsers. When a notary is employed, it is the duty of the holder, if he knows, to inform him of the endorser's place of residence, and if this be omitted, the notary ought, in the first instance, to apply to all the parties to the bill for information, and especially to the holder, if the notary wishes to relieve himself from liability. If the residence of the party, to whom the notice ought to be given, be not known to the holder, he must nevertheless not remain in a state of passive and contented ignorance, but must use due diligence to discover his residence.

If the drawee of a bill refuse to accept, because he has no effects of the drawer in hand, and the drawer had no right to draw, and no right to expect that his bill would be honored, protest and notice to the drawer are not necessary. The exception is confined to the drawer, and does not apply to the endorser of a bill drawn without funds. He is entitled to notice. If a bank be closed by process of law before a check can be presented with due diligence, no demand or presentment is necessary; and so if the maker of the check has no funds in the bank.

Giving time by the holder to the acceptor of a bill or maker of a note, will discharge the other parties; but the agreement for delay must be one having a sufficient consideration, and binding in law upon the parties; mere indulgence will work no prejudice. There is no difference in this respect between accommodation and other paper, though as between themselves the position of the parties to each other may be different. The holder of such paper must demand of the maker, and give notice to the endorser; and though he may know that it was made for the accommodation of the endorser, his giving time to such endorser will not discharge the maker. The holder may give time to an immediate endorser, and still hold the parties behind him. A prior party to a bill is not discharged by a release of a subsequent party. But the holder cannot reverse this order and compound with prior parties without the consent of subsequent ones, for it varies the rights of the subsequent parties and discharges them. The release or discharge of a prior endorser discharges all subsequent endorsers. The parties to a bill are chargeable in different order. The acceptor is first liable, and then the drawer and endorser in the order in which they stand on the bill. Taking new security, giving time, or releasing a subsequent endorser, cannot prejudice a prior endorser, because he has no rights against such subsequent endorser.

Demand and notice may be made in general by the holder in person or by agent, and the notice may be verbal as well as in writing; and of course care must be taken to have competent and disinterested evidence of these facts. An actual protest by a notary is only necessary in the case of a foreign bill of exchange, which, however, a bill drawn in one State upon a person in another, is settled to be. A statute of this State having provided that the protests and certificates of notaries public, in regard to making demand and giving notice, shall be *prima facie* evidence of the facts set forth in them, it is by all means advisable in every case in which a note is not paid before three o'clock, P.M., of the last day of grace, to place it in the hands of a notary for protest. [See "Popular Lectures on Commercial Law, written for the use of Merchants and Business Men." By G. SHARSWOOD, of Pennsylvania. Published by Hays & Zell, Philadelphia, 1857. Price one dollar.]

## LEGAL MISCELLANY.

## DECISIONS BEFORE THE BRITISH COURT OF EXCHEQUER, 1856.

*Bills of Exchange.*—1. The rules and principles of law applicable to the conversion of a chattel are not always applicable to the case of a conversion of a negotiable instrument, held by a person who is a party to it, and apparently its holder. And if the drawer of a bill, who is also in possession of it as the agent of, and in trust for, the legal holder, but authorized by him to receive the proceeds in a certain way, transfers it to a third party, who makes an advance of money upon it, and receives the bill in ignorance of the true state of the case, and believing it to be the property of the transferrer, the receipt of the proceeds by the transferee, (even in a manner not authorized by the legal holder,) as it would not have been an act of conversion by the transferrer, will not be a conversion by the transferee, even though followed by the appropriation and intention of the proceeds in discharge of his advance to the transferrer; at all events, if the bill has been given up, on its satisfaction, to the acceptors, and no demand of it has been made, until afterwards, upon the transferee. Nor is the transferee, in such a case, liable to the legal holder in an action for money had and received; his act in receiving the money having been ministerial, and he being liable to the party transferring the bill to him. *Symonds v. Atkinson*, vol. xxxvii., *English Law and Equity Reports*, published by LITTLE & BROWN, Boston.

2. But, *semble*, that a demand and refusal of it while in the hands of the transferee would have been evidence of a conversion by him; and in that case he would have been liable to the legal holder, either in an action for the conversion, or for money received to his use. *Ibid.*

3. *Transfer of Bills after Maturity.*—To a declaration against the makers of a promissory note endorsed to the plaintiff after maturity, the defendants pleaded that before the transfer of the note to the plaintiff by A. he became bankrupt, and the notes vested in the defendants as his assignees:

*Held*, that the plea was good, as the plaintiff could only take the title of his transferrer; and that was defeated by the bankruptcy. *Ashurst v. The Official Manager of the Royal Bank of Australia*, p. 195. *Ibid.*

4. *Forged Acceptance.*—The defendant accepted a bill for £1,000 for the accommodation of V. A bill for the same amount, purporting to be drawn by V. and accepted by the defendant, was presented to the defendant for payment by the plaintiff, as holder for value. The defendant inspected the bill, and gave the plaintiff another bill for the same amount in exchange for it, but a month afterwards discovered that his acceptance to the original bill was forged, and gave notice thereof to the plaintiff:

*Held*, no answer to an action by the plaintiff on the second bill. *Mather v. Maidstone*, 335. *Ibid.*

## THE EXPORT OF GOLD.

BY A BOSTON MERCHANT.

A NOTION extensively prevails in this country, that gold or specie moves from place to place only to settle balances of account, and that the "balance of trade" is always against the country that parts with its gold, and in favor of that which receives it. A leading New York print keeps this idea before its readers, as an apology or justification for the large and increasing shipments of gold from this country to England, and asks, "What better can we do with the surplus gold we produce, than pay our debts and obtain a profit on its production?"

Certainly we can do no better with any commodity we may possess than pay our debts with the surplus, and produce more; but to suppose that this operation is peculiar to the precious metals, in the intercommunication of commercial countries, is a radical error. The constant departure of gold, as it arrives at New York, is deemed an evil by the good sense of a great majority of the people of this country; they know that specie is the only real money, and that the real is better than the fictitious of every good thing; but the constant repetition of the fallacious idea, that the balance of trade is against us, by those whose position or employment is supposed to make it necessary for them to investigate and understand the subject, deludes the public and throws the responsibility upon the wrong issue, or rather changes it from the cause to the effect. The cause is the degradation of the value of gold by the creation of fictitious dollars, convertible into gold. The effects are the shipment of the gold, and return of foreign merchandise in exchange.

"Too many imports" has been sung and said through all the changes of partisan political music, recitative and declamatory, ever since the peace of 1815; and people have been deluded thereby to believe that excessive imports keep a permanent "balance of trade" against this country with England, and with all the rest of the world. A permanent balance of trade against one of two countries can no more exist than between one of two individuals; settling day is always coming round. The balance of trade between two countries is the aggregate balance of account between the individuals of the two countries. Of course it may vary one way or the other, but that it stands always or often against us, is a delusion.

The custom-house figures tell little or nothing about it. If I send abroad a commercial adventure, with an investment of \$50,000, registered at that sum among the exports, and accumulating \$50,000 profit on the voyage, my vessel returns into port with a cargo of \$100,000 registered among the imports, where is the balance of trade? What is there in this state of the account to cause an export of gold? Or, if my vessel is chartered, and earns me while abroad \$10,000, which sum is invested in the return cargo, and of course registered among the imports, where is there any balance to pay by me or by the country? These figures would serve to show a balance of trade of \$60,000 against

us, when \$60,000 of specie may have been gained to the country, with no balance due at all. Whether the returns come in specie or merchandise, the gain to the country is the same.

It happens, that for the two fiscal years, ending June 30, 1856, our exports exceeded our imports in the aggregate \$26,000,000, and it will be remembered that, besides this sum, our navigation probably earned about \$40,000,000 per year, to which must be added the profits of our foreign enterprises, included in the imports, and there would seem to be an immense balance in our favor. Nevertheless, we exported more than we imported, of coin and bullion, \$94,000,000, in the same time. This shows at a glance that coin and bullion are exported, like all other commodities, because they are worth less here than in Europe, and are not sent abroad to pay debts more than wheat, beef, cotton, tobacco, or any thing else. The truth is, the balance of trade is a chimera.

There is a vast preponderance of intelligent and productive labor in this country, relative to population, over any other on the globe, from the comparative absence of unproductive consumers. We have no great wars, with their constant incumbrances of standing armies and huge navies—no privileged classes, with their retainers, to feed upon the substance of the people, yielding no return—few paupers—and we have a comparatively small public debt, and inexpensive government. All these advantages are conspicuously shown in the rapid growth of the nation in population and wealth, and they secure the balance of trade between nations, as between individuals, to the most industrious and frugal, not in balances of account but in substantial possessions.

Notwithstanding all this, we make a losing business in exporting the gold, and create a most unhappy state of things at home, by the policy which makes its export necessary. We sell it constantly for less than it is worth—not being aware that the only measure of the value of gold is to be found in the price of all other commodities. Of itself it is a commodity, constantly altering in value by its own plentifulness or scarcity, and by the increase or reduction of its substitute in the currency—that is, bank money—both bank notes and credits. It is more sensitive in value than any other commodity, because it is universally desired, and can be more readily transported at small cost. Any appreciable deviation, therefore, will put it in motion from place to place. If the quantity of money is increased ten per cent., in relation to the property offered for sale, gold immediately falls in value by an average rise of 10 per cent. in the prices of commodities or property. This operation will infallibly compel the sale of gold, instead of commodities, to the nearest market having less money in relation to commodities, and we lose 10 per cent. in the transaction, that amount being added to the price of imports.

A piece of gold of 25  $\frac{1}{8}$  grains weight is called a dollar, a piece of 258 grains is called an eagle, and a piece of 480 grains an ounce. It is a great mistake to suppose that the value of gold is determined or fixed by these names or weight, any more than the value of lead is determined by its own weight. If we double the quantity of gold in relation to the commodities offered for sale, two ounces must be given for what one would have bought before. Double the quantity of lead, and

the same effect is produced upon lead. We use gold as a medium of exchange, and therefore, instead of saying that two ounces of gold have fallen in value to one, we say that the *price* of the commodity offered in exchange has risen from one ounce to two ounces of gold. By the same law of value, we give two ounces of lead for what one would have bought before; only by expressing the change in the lead itself, we say it has fallen in price—we can buy two ounces for the same sum of money that would have bought but one before. All, therefore, that the government do by the mint law, is to decree that a certain commodity shall be the medium of exchange and tender in the payment of debts. It would have been better, and the subject more easy of comprehension, generally, if the government had adopted the ounce as the unit of value with decimal divisions.

It is perfectly obvious, that as bank money is convertible into gold and silver on demand, its increase reduces the exchange value of those metals; and that at any time when the exchanges are at par or in our favor, and when, necessarily, it will not pay to export gold, and we are exporting merchandise in exchange for imports, an increase of bank loans will immediately turn the exchanges against us, by the degradation of the value of money, which raises the price of merchandise. The shipment of merchandise is checked to the extent of the export of gold which follows; the productive labor and business of the country are checked to a corresponding degree, and an unnecessary entanglement of debt succeeds; for it is transmuting debt into money which drives the coin and bullion abroad.

It is not true, as some writers have said, that we may as well ship the gold and produce more; for if we retain the gold, it is real money capital in hand, preventing debt, and the repetition of debt which follows the absence of money. We may export commodities in the place of gold, and still produce more gold, increasing business, profit and capital thereby immensely.

It is, perhaps, unnecessary for me to say that I am an avowed bullionist in banking. The whole theory of banking in this country rests on a great mistake—that increasing fictitious money increases business—whereas it is the increase of *value*—the product of labor alone—that increases business, or adds to the wealth of the country. The fictitious dollar, made without labor, by merely writing a promise on paper, is destructive to business. It degrades gold as much as it adds to prices; that rise of prices is a dead loss to the country; for it is indubitably nothing but the degradation of gold; and at that degraded value we sell it, under the delusion that we are made richer by the higher price of commodities at home, not perceiving that \$1 10 in money will buy no more of the wants of life than \$1 bought before.

The true policy is to keep down the volume of the currency to a firm reality; keep it, if possible, lower in relation to commodities than any other nation. There are two ways to do this: one is, to reduce the money; the other, to increase the commodities. Either method will insure the sale of all the surplus products; for they would, by either of them, be cheaper here than elsewhere.

But we cannot keep the volume of the currency permanently below

that of other nations, even if we sweep away the whole of the bank money. Gold and silver must flow in as fast as the bank money is withdrawn. It is well known to every student of political economy that no vigilance of government can prevent their going to that market where there is an effectual demand for them. Adam Smith says, that "all the sanguinary laws of Spain and Portugal were not able to keep their gold and silver at home. \* \* \* \* If in any particular country their quantity fell short of the effectual demand, so as to raise their price (*value*) 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 pains to prevent their importation, it would not be able to effectuate 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."

To increase the business of this country, and more immediately the export trade, we have nothing to do but to utilize the precious metals, by returning to first principles, (as I proposed in an article published in your Magazine last year,) and *banking in coin* exclusively. An immediate impetus would be given to traffic by this course. Even if but one bank should adopt it, the favorable influence would be soon felt. They should receive deposits in coin, and allow interest, say 4 or 5 per cent., and lend the money for what it is worth, according to the character of the securities and trouble and distance of collection, separating the two elements of interest and risk. There are securities in which the element of risk is absent; and there are others in which it is so prominent as to demand a guarantee commission greater than the rate of interest, which securities will yet command the money at that sacrifice. Now, it is preposterous to attempt to combine these two elements of interest and risk in one rate of interest or rent of capital. It would be cruelly unjust to the holders of second-class securities to enforce the usury laws, if they could be enforced, for they would not be able to obtain a loan or discount at all. They would be compelled to work for capitalists whose superior securities would take exclusive possession of the loan market. Except for the settlement of estates, and of contracts without stipulation, they are a violation of private rights; and being generally so regarded, they are very properly repudiated by both lenders and borrowers.

The coin and bullion bank should make its support and profit out of the difference of interest and in commissions—never issuing anything but coin or bullion, or certificates of deposit against coin retained to meet their return; and never making an inscription of credit without having coin in hand for the full amount of its undrawn loans.

This policy would change the current of trade immediately, and, if faithfully carried out through the whole country, would bring in \$400,000,000 of coin—that being the sum of bank money used in commerce, in excess of the coin held in reserve. It would sink not only the same sum of debt, but the vast repetition of debt which the absence of so much money occasions. And who does not see that it would put in motion an immense activity in all the industrial pursuits of the country? For products must be had to buy the \$400,000,000 of gold, whether it



comes from our own mines in California or from our exchanges with Europe or any other part of the world.

All men engaged in business in this country in 1846 must remember the sudden activity imparted to trade in the fall of that year; but few have reflected upon its true cause. It was the action of the government in requiring coin for the payment of all public dues. The Sub-Treasury went into operation in that year; and for the fiscal year, from June 30, 1846, to June 30, 1847, the import of coin and bullion exceeded the export, \$22,200,000. This, of course, required the export of commodities to the same amount, in addition to the previous trade of the country, and it produced increased action in every branch of business. By some this was attributed to the famine in Ireland, which required an increased quantity of our breadstuffs; but the most that can be said of that is, that it may have enabled us to obtain better prices. The famine might have been mitigated by supplies from the north of Europe, and from other regions. The paramount fact is, that our government had determined to have the coin, and the country obtained it, as it always will obtain it whenever required, by the sale of its products. An increase of productive labor and increased activity of navigation and commerce in general were the inevitable consequences of this judicious policy. The nation would have obtained the coin without the aid of the famine in Europe. Who, that knows any thing of the resources of this country in productive labor, with the wide world for a market, can doubt this fact?

If any wealthy man is desirous of doing a good deed, that may gratify him with the best results in his lifetime, and hand down his name to posterity as a public benefactor, he cannot, in my opinion, do or discover any thing to be done so important to his fellow-men for a lasting benefit, as to found an institution to check the enormous increase of debt now entangling the business of this country in the most inextricable embarrassment, which, in the nature of things, must destroy the happiness and hopes of numerous families, plunge many a worthy man into despair, and consign him to the grave.

The foregoing was written early in August. Now, in the middle of September, we are in the midst of a financial pressure, presenting the alternative whether the banks shall break their customers or themselves. The former policy prevails at this moment. I regret that I have not space for some further remarks upon this state of things, which springs from the debt banking system as naturally as buboes or carbuncles from the plague.

I aver that it is in the power of ten men in New York, and ten in Boston, to defeat the wretched policy which brings such misery upon the country. This can be done, not only without injury, but with ultimate benefit to the existing banks, with whom I have no quarrel in this matter, knowing them to be led by the same delusion that obscures the subject in the public mind; and it can be done with no more hazard to capital than would be incurred in the deposits of the present savings institutions.

C. H. C.

## NEW BANKING LAWS OF MASSACHUSETTS.

*An Act in addition to an Act, entitled "An Act concerning Notes payable on demand."*

SECTION 1. In any action brought upon a promissory note payable on demand, made after this act shall go into operation, by an indorsee against the promiser, any matter shall be deemed a legal defence, and may be given in evidence accordingly, which would be a legal defence to a suit on the same note, if brought by the promisee, and which would have been a legal defence to such suit if brought at the time of the promisee's indorsement of such note.

SEC. 2. The first section of the one hundred and twenty-first chapter of the laws of the year eighteen hundred and thirty-nine, is hereby repealed. [May 19, 1857.]

*An Act in relation to worthless Bank Bills.*

SECTION 1. If any person shall have in his possession, at the same time, five or more uncurrent bank bills or notes, which are worthless as bank bills or notes, knowing the same to be worthless as aforesaid, or papers not bank bills or notes, but made in the similitude of bank bills or notes, or papers purporting to be the bills or notes of any bank which has never existed, knowing the character of such papers, with intent to pass, utter or circulate the same, or to procure any other person to do so, for the purpose of injuring or defrauding, he shall be punished by imprisonment in the State prison for not more than five years, or by fine not exceeding five hundred dollars, and by imprisonment in the house of correction not exceeding three years.

SEC. 2. Any person who shall utter or pass, or tender in payment as true, any such worthless or uncurrent bank bill or note, or any paper not a bank bill or note, but made in the similitude of a bank bill or note, or any paper purporting to be the bill or note of any bank which has never existed, knowing the same to be worthless and uncurrent as aforesaid, with intent to injure and defraud, shall be punished by imprisonment in the State prison for not more than five years, or by fine not exceeding five hundred dollars, and by imprisonment in the house of correction not exceeding three years.

SEC. 3. Whenever any worthless and uncurrent bank bills or notes, or papers described in this act, shall come to the possession of any sheriff, constable, police officer or other officer of justice, the same proceedings shall be had in relation to them as is provided in the one hundred and sixty-eighth chapter of the acts of the year one thousand eight hundred and fifty-five, in relation to counterfeit bank bills.

SEC. 4. Every bank now established, or which may be established in this commonwealth, shall have the same powers, and be subject to the same duties, in relation to the bank bills, notes and papers in this act described, as are now provided in the three hundred and seventy-eighth

chapter of the acts of the year one thousand eight hundred and fifty-three, in relation to counterfeit and altered bills, except that instead of the word "counterfeit," or "altered," the word "worthless" shall be stamped thereon. [May 26, 1857.]

*An Act to regulate the Use of Proxies in Banks.*

SECTION 1. No salaried officer of any bank shall ask for, receive or be the medium of transmission of any proxy in any bank in which he may be such officer, except for the purpose of causing the same to be recorded, as is hereinafter provided; and in case of any violation of the provisions of this section, such officer, in addition to the penalty hereinafter provided, shall be entirely disqualified from being or continuing an officer in such bank, and he shall be forthwith removed by the board of directors of such bank or by the bank commissioners, upon notice of the same and satisfactory proofs thereof.

SEC. 2. All proxies or letters of attorney appointing an attorney or proxy to act at any meeting of any bank, shall be filled up with the date of execution of the same, and with the name of the proxy or attorney fully written in ink, and the same shall be attested by at least one witness, and acknowledged before some justice of the peace, not an officer or director of the bank to which the same refers, with the true date of the acknowledgment also written therein; and the same shall, within ten days from the date of such acknowledgment, be filed with the cashier or book-keeper of the said bank, and at least three days before the meeting referred to therein.

SEC. 3. Every bank shall provide a book in which a record of all proxies so filed shall be immediately entered, giving the name of the stockholder and of the proxy or attorney therein named, with the date of the execution, acknowledgment and filing of the same, which book, together with the proxies so filed, shall at all times be open to the inspection and examination of any stockholder in said bank. And every bank shall also, at least once every six months, prepare a true list of the stockholders of the same, with the amounts of stock held by each, which list shall at all times be open to the inspection of any stockholder therein.

SEC. 4. No proxy shall be valid except for the meeting therein named, or some adjournment of the same, nor for a period of more than three months from the date thereof, except that all proxies for stockholders, citizens of this commonwealth, who may be absent therefrom, shall be valid if the attorney therein named shall file, three days at least before any meeting at which the same is proposed to be used, his affidavit that his principal has not, since the date of such proxy, been within this commonwealth.

SEC. 5. Within three days before any meeting of the stockholders of any bank, the directors shall prepare a list of the proxies in force for said meeting, with the names of the stockholders and of their attorneys respectively, which list shall be read at such meeting, and before proceeding to any other business.

SEC. 6. Written or printed notices of every annual or special meeting

of the stockholders of any bank, properly directed, shall be mailed by the cashier to all the stockholders of the same, at least ten days before such meeting.

SEC. 7. Any bank failing to comply with the provisions of this act, shall forfeit to the use of the commonwealth five hundred dollars for each and every offence; and any officer guilty of a breach of the same shall be liable to a penalty not exceeding five hundred dollars. [May 28, 1857.]

### TENNESSEE STATE CREDIT.

TENNESSEE State bonds, bearing an interest of six per cent. per annum, are now, and have been for some time past, selling at less than eighty-five cents in the dollar. This depreciation could never have taken place, but for the existence of very erroneous impressions in regard to the conditions and circumstances under which these bonds for the most part have been issued, and the ample securities and safeguards provided to insure the State in all time to come against any loss on that score. With a view to remove these impressions, we shall proceed to furnish a full, clear and accurate exposition of the public debt of the State, and of her resources and means for meeting it, as it may fall due:

#### DEBT PROPER.

Internal Improvement bonds, bearing an interest of 5½ per cent. per annum, .....	\$227,416
Internal Improvement bonds, bearing an interest of 5 per cent. per annum, .....	1,824,440
Union Bank bonds, bearing an interest of 6 per cent. per annum, ...	250,000
Bank of Tennessee bonds, bearing an interest of 6 per cent. per annum, .....	1,000,000
Agricultural Bureau bonds, bearing an interest of 6 per cent. per annum, .....	30,000
Bonds for building State Capitol, bearing an interest of 6 per cent. per annum, .....	761,000
Bonds for purchasing the Hermitage, bearing an interest of 6 per cent. per annum, .....	48,000
<b>Total, .....</b>	<b>\$4,140,856</b>

Let us now see what available means the State has on hand, independent of taxation, which may be used for the extinguishment of the debt proper, or any portion thereof:

#### STOCKS OWNED BY THE STATE.

Bank of Tennessee, .....	\$1,000,000
Union Bank, .....	550,000
East Tennessee and Georgia Rail-Road, .....	300,000
Various Turnpike Companies, .....	294,000
<b>Amounting to, .....</b>	<b>\$2,244,827</b>

These stocks are put down at their present value, and, as will be seen, amount to a sum less only by \$1,896,000 than the entire debt proper

of the State. But were it necessary—should the preservation of the public credit at any time render it expedient—the State could appropriate towards the redemption of her bonds, not only the one million of stock she owns in the Bank of Tennessee, but the entire capital stock of that institution, amounting, according to an official report of the bank on the 1st of July last, to \$3,361,131. And it is quite certain that she *would* thus appropriate it, should the preservation of her credit at any time require it—a contingency not at all likely ever to occur.

Against the debt proper, then, of \$4,140,856, the State has a resource:

The entire capital stock of the Bank of Tennessee,.....	\$3,361,131
Stock in the Union Bank,.....	650,000
Stock in the East Tennessee and Georgia Rail-Road, and in various Turnpike Companies, the present value of which is.....	594,000
	\$4,605,131

*Rail-Road Bonds.*—On another page we present a table in which are accurately set forth the liabilities, present and prospective, incurred by the State for the purpose of aiding various rail-road companies in the construction of their roads. It will be seen that, up to this date, the bonds loaned and endorsed amount to \$8,435,000, and that the additional aid she may hereafter be called upon for, as the roads progress towards completion, is estimated at \$11,678,500. A large liability; but so well and carefully guarded, that the utter improbability of the State's ever suffering a loss by it, may be easily demonstrated to every intelligent man who will acquaint himself with the provisions of the enactments by which the aid has been, and will continue to be granted.

By the Act of 1852, ch. 151, sec. 1, it is provided, that whenever the company therein specified—and the provision embraces every company to which aid has been or can be granted—

“Shall have procured *bona fide* subscriptions for the capital stock therein, to an amount sufficient to grade, bridge and prepare for the iron rails *the whole extent of the main trunk line proposed to be constructed* by said company, and it shall be shown by said company to the governor of the State that said subscriptions are good and solvent, and whenever said company shall have graded, bridged, and shall have put down the necessary timbers for the reception of rails, and fully prepared a section of thirty miles of said road at either terminus, in a good and substantial manner, with good materials, for putting on the iron rails and equipments, and the governor shall be notified of these facts, and that said section, or any part thereof, is not subject to any lien whatever, other than those created in favor of the State by the Acts of 1851-2, by the written affidavits of the chief engineers and president of said company, together with the written affidavit of a competent engineer, by him appointed, at the cost of the company, to examine said section, then said governor shall issue to said company coupon bonds of the State of Tennessee, bearing an interest of 6 per centum per annum, to an amount not exceeding eight (afterwards increased to ten) thousand dollars per mile,” &c.

The provisions of this section have been scrupulously observed on the

part of the governor of the State. No company has ever received or can receive, as a loan, *a single State bond*, until it has first established, to the satisfaction of the governor, that it has procured *bona fide* subscriptions from "good and solvent" men sufficient to grade and prepare for the iron rails "*the whole extent of the main trunk line proposed to be constructed.*"

Section second of the act prohibits the use of the bonds by the company for any other purpose than for procuring the rails, &c., and forbids the governor to issue them unless upon the affidavit of the president, and a resolution of a majority of the directors, that they shall not be used for any other purpose.

*The State's Lien upon the Roads.*—Section third of the Act provides—

"That so soon as the bonds of the State shall have been issued for the first section of the road as aforesaid, they shall constitute a lien upon said section so prepared as aforesaid, including the road-bed, right of way, grading, bridges and masonry, upon all the stock subscribed for in said company, and upon said iron-rails, chairs, spikes and equipments, when purchased and delivered, the State of Tennessee, upon the issuance of said bonds and by virtue of the same, shall be invested with said lien or mortgage without a deed from the company, for the payment by said company of said bonds, with the interest thereon as the same becomes due."

And so on with every other section of ten miles, the bonds to be issued for each section as it is made ready for the reception of the rails, and the insurance thereof constituting in itself a lien upon said section, upon the road-bed, right of way, rails and equipments, and upon all the stock subscribed for in the company. And when the road shall be completed, it is provided—

"That the State of Tennessee shall be invested with a lien, without a deed from the company, upon the entire road, including the stock, right of way, grading, bridges, masonry, iron rails, spikes, chairs, and the whole superstructure and equipments, and all the property owned by the company, as incident to or necessary for its business, and all depots and depot stations, for the payment of all the bonds issued to the company as provided in this Act, and for the interest accruing on said bonds."

*Payment of Interest provided for.*—Section fifth of the Act provides—

"That it shall be the duty of said company to deposit in the Bank of Tennessee, at Nashville, at least fifteen days before the interest becomes due, from time to time, upon said bonds issued as aforesaid, an amount sufficient to pay such interest, including exchange and the necessary commissions, or satisfactory evidence that said interest has been paid or provided for; and if said company shall fail to deposit said interest as aforesaid, or furnish the evidence aforesaid, it shall be the duty of the comptroller to report that fact to the governor, and the governor shall immediately appoint some suitable person or persons, at the expense of the company, to take possession and control of said road, and all the assets thereof, &c. And if said company shall fail or refuse to deliver

up said road to the person or persons so appointed by the governor, the said person so appointed shall report that fact to the governor, who shall forthwith issue his warrant, directed to the sheriffs of the counties through which said road shall pass, commanding them to take possession of said road, fixtures and appointments, and every thing pertaining thereto, and place the said receiver in possession of the same, &c.; and said receiver so appointed shall continue in possession of said road, fixtures and equipments, and run the same and manage the entire road, until a sufficient sum shall be realized, exclusive of the costs and expenses incident to said proceedings, to pay off and discharge the interest as aforesaid, due on said bonds, &c. The comptroller shall from time to time settle the accounts of the receiver, and the balance shall be deposited in the treasury of this State. The comptroller is authorized, and it is made his duty, upon his warrant to draw from the treasury any sum of money to meet the interest on such bonds as may not be provided for by the company, as provided for in this Act," &c.

We desire to call particular attention to the last clause in the foregoing section, which provides that if, after the State's taking summary possession of the road and its equipments, upon the failure of the company to pay the interest on the bonds, and managing it with a view to pay such interest, there should be any balance of interest still due from the company, the comptroller of the treasury shall, by warrant, *draw from the treasury of the State* such sum of money as shall be sufficient to meet it.

Section sixth of the Act provides—

"That if said company shall fail or refuse to pay any of said bonds when they fall due, it shall be the duty of the governor to notify the attorney-general of the district in which is situated the place of business of the company, of the fact, and thereupon said attorney-general shall forthwith file a bill against said company in the name of the State of Tennessee, in the Chancery or Circuit Court of the county in which is situated said place of business, setting forth the facts, and thereupon said court shall make all such orders and decrees in said cause as may be deemed necessary by the court, to receive the payment of said bonds, with the interest thereon, and to indemnify the State of Tennessee against any loss on account of the issuance of said bonds, by ordering the said rail-road to be placed in the hands of the receiver, ordering the sale of said road, and all the property and assets attached thereto or belonging to said company, or in such other manner as the court may deem best for the interest of the State."

*Sinking Fund provided for.*—The seventh section of the Act provides—

"That at the end of five years after the completion of the road, the company shall set apart one per cent. (by a subsequent enactment made two per cent.) per annum upon the amount of bonds issued to the company, and shall use the same in the purchase of bonds of the State of Tennessee, which bonds the company shall pay into the treasury of the State, &c. And the bonds so paid in and the interest accruing thereon, shall be held and used by the State as a sinking fund, for the payment of the bonds issued to the company, &c. And should the company fail

to comply with the provisions of this section, it shall be proceeded against, as provided for in the fifth section of this Act."

The Nashville and Chattanooga Rail-Road Company—the only one whose road has been completed five years—has paid \$5,000 under the provisions of the above section, and within the present year will pay \$8,000 more.

Such are the conditions and circumstances under which the State of Tennessee has loaned its bonds to aid in the construction of rail-roads within its limits. Let the routes and extent of these roads be examined; let the amount of business which each and all of them *must* do be considered; let the previous *bona fide* subscriptions of good and solvent men, to an amount sufficient to grade and prepare for the rails the whole extent of the main trunk line, as a condition precedent to the State loan of \$10,000 per mile, be remembered; let the three hundred millions of taxable property in the State, which is rapidly appreciating, and must rapidly continue to appreciate in value, be taken into view, and there can be no rational grounds whatever for doubt or distrust in the mind of any intelligent business man, as to the prompt payment of the interest on all these bonds as they shall fall due, and of the principal as they mature.

We have shown that the State has present and existing available means and resources more than sufficient to take up to-day all of her outstanding bonds, other than the rail-road bonds. Suppose all the roads now in progress, or which are expected to be built, are completed, the rail-road liabilities of the State, as the carefully-prepared table will show, will be about twenty millions of dollars. To meet the interest on this debt, and the principal as it falls due, there is pledged by lien to the State all the property, of every description, of these roads, amounting, at the lowest estimate, to fifty millions of dollars. Who can doubt the sufficiency of the business and entire property of these roads to meet the liabilities which the State has incurred on their account?

But suppose the business of some two or three of these roads should *not* prove sufficient to pay six per cent. interest on \$10,000 per mile—the supposition is an extreme one, and we make it only for argument's sake—and the State should have to take possession of such roads, and meet the interest and principal of the bonds she had loaned them—suppose all this, and what would that be to the State of Tennessee, with her population and the character of her people—her wealth—her vast agricultural, mineral and other resources, which are now being so marvelously developed; and her taxable property, which, as at present assessed, amounts to \$300,000,000, and the value of which a few years hence will be double that amount?

The bonds of no State in this Union are in less danger of being dishonored or repudiated than those of the State of Tennessee.—*Nashville News.*



## RAIL-ROADS IN TENNESSEE.

State aid to which they are entitled, when graded and ready to receive the iron and equipments. Amount of State aid loaned them up to this date, August 15th, 1857. Balance of State aid to which they will be entitled on complying with Internal Improvement Acts. Length of Road in Tennessee; also entire length of Roads.

	Whole Length of Road & Branch.	Length of Road in Tennessee.	State Aid to Roads authorized by Internal Improvement Act, and Bonds endorsed.	State Aid to Bridges.	Amount of Bonds loaned and Bonds endorsed to date.	State Aid yet due, or subject to call as Roads progress.
<b>WEST TENNESSEE.</b>						
Memphis and Charleston— Memphis to Stevenson,.....	287	87	\$370,000	\$100,000	\$1,100,000	
Mississippi and Tennessee— Memphis to Granada,.....	96	9.8	98,000	....	98,000	....
Memphis and Ohio—Memphis to Paris, 181	181	181	1,310,000	100,000	670,000	\$740,000
Mobile and Ohio—Mobile to Cairo,....	527	118.5	1,185,000	....	486,000	749,000
Mississippi Central and Tennessee— Canton, Mississippi, to Jackson,....	..	43	430,000	100,000	544,000	86,000
North-Western, West Tennessee— Nashville to Hickman,.....	171	77	770,000	100,000	....	870,000
Memphis and Little Rock,.....			Memphis City Bonds endorsed.		802,000	48,000
<b>MIDDLE TENNESSEE.</b>						
Nashville and Chattanooga,.....	151	..	*1,500,000	....	1,500,000	
Tennessee and Alabama— Nashville to Mississippi line,.....	..	145	*200,000 1,450,000	215,000	500,000	1,365,000
M'Minnville and Manchester— Manchester to Tullahoma,.....	..	34.5	345,000	..	372,000	....
Central Southern—Columbia to Decatur, ..	..	49½	497,500	80,000	....	577,500
Louisville and Nashville— Nashville to Louisville,.....	194	45.5	455,000	....	....	455,000
Edgefield and Kentucky— Nashville to Henderson,.....	144	47	470,000	130,000	....	600,000
South-Western— M'Minnville to Danville, ..	..	85	850,000	Aid granted.	....	850,000
Winchester and Alabama— Dechards to Alabama line,.....	67	23	230,000	....	....	230,000
Nashville and North-Western in Middle Tennessee,.....	171	81	810,000	....	....	810,000
†Memphis and Louisville, via Paris and Clarksville, to State line,.....	..	86	860,000	100,000	....	960,000
Louisville and Nashville, and Edgefield and Kentucky Bridge,.....	..	..	....	200,000	40,000	60,000
<b>EAST TENNESSEE.</b>						
East Tennessee and Georgia— Knoxville to Dalton,.....	110	110	*150,000 770,000	100,000	†1,221,000	
East Tennessee and Alabama— Knoxville to Bristol,.....	180	180	*200,000 1,300,000	300,000	1,499,000	311,000
Knoxville and Charleston,.....	..	55	550,000	300,000	....	550,000
Knoxville and Kentucky— Knoxville to Danville,.....	..	60	600,000	100,000	....	700,000
Western and Charleston— Athens to Blue Ridge Road,.....	..	30	300,000	....	....	300,000
Cleveland and Chattanooga,.....	..	30	300,000	....	‡150,000	150,000
Cincinnati, Cumberland Gap and Charleston,.....	..	94	940,000	200,000	....	1,140,000
Hiwassee Rail-Road merged in East Tennessee and Georgia Rail-Road, ..	..	..	....	....	13,000	
					\$8,483,000	\$11,301,500

\* Bonds of rail-road companies endorsed by the State.

† Connects with the Memphis and Ohio Rail-Road at Paris, and with the Louisville and Nashville Rail-Road at Bowling Green, Kentucky.

‡ Of the amount charge, viz, \$1,221,000, deduct for stock owned by State in said road, \$201,000.

§ Chattanooga Rail-Road bonds endorsed.

## THE LAW OF MERCANTILE JURISDICTION.

*Analysis of the Law: From "The Commercial Law of the World."*  
By LEONE LEVI, London, 1856.

IN Great Britain, mercantile jurisdiction is subject to Superior Courts of common law and equity, the Admiralty Courts and Courts of Bankruptcy. The system is often productive of much inconvenience, both on account of the delay that necessarily arises from the want of permanent local jurisdiction and from the deficiency in practical knowledge experienced in the common juries. These defects are especially manifested in the settlement of some of the nicest questions of insurance, and they have given rise to the establishment of a court for this special object. By an act of Parliament—passed in the 43d year of the reign of Queen Elizabeth, c. 12—concerning matters of assurance used amongst merchants, a court was established for the trial of causes relative to policies of insurance in a summary way, and it authorized the Lord Chancellor to issue a commission yearly, directed to the Judge of the Admiralty, the Recorder of London, two doctors of civil law, two common lawyers and eight merchants, empowering any five of them to hear and determine all such causes arising in London; and a remedy for the party grieved by the commissioner was provided by appeal, to be made within two months, to the Court of Chancery. By another act—13 and 14 Car. 11—examination of witnesses beyond the sea, &c. But the jurisdiction of such a court was repeatedly opposed at common law.

These obstructions crippled their power and soon they fell into disuse. The county courts take cognizance of cases up to the amount of £50. In most countries of the continent mercantile disputes are decided by tribunals of commerce. In Russia, the judges are recommended by the merchants and nominated by the Emperor, and they are instituted for an undetermined period. In Sardinia they are taken from among the most respectable merchants, but not elected by them. In Spain they receive their nomination from the King, on the recommendation of the intendants of the provinces. In Mexico the junta of protection presents every year candidates for the choice of government. In Wurtemberg, in Hungary, the titular members are nominated by the general meeting of merchants. In Portugal the jury is instituted, and juries elected for one year decide as to the points of fact. In France the prefect draws up a list of the principal merchants, which is approved by the minister of the interior.

The Spanish, Portuguese and Mexican codes exact the preliminaries of conciliation. The same is in Denmark. With respect to appeals there are three sources of jurisdiction, but there is no ground for the third instance unless the first judgment has been reversed. In Wurtemberg the tribunals of commerce have ultimate jurisdiction up to the amount of 200 florins; in Mexico up to 500 piastres; in Russia up to 10,000 roubles; and in France up to 1,500 francs.

## AMERICA.

*United States.*—The Supreme Court consists of a chief-justice and eight associate justices. They are appointed by the President, by and with the advice and consent of the Senate. The court is required to hold one session annually at the city of Washington. Its duration is not prescribed by law and is discretionary with the court.

Its jurisdiction extends: *1st.* To all cases in law and equity arising under the Constitution. *2d.* To all cases arising under the laws of the United States. *3d.* To all cases arising under treaties made or to be made under the authority of the United States. *4th.* To all cases affecting ambassadors, other public ministers and consuls. *5th.* To all cases of Admiralty and maritime jurisdiction. *6th.* To controversies to which the United States may be a party. *7th.* To controversies between two or more States. *8th.* To controversies between a State and citizens of another State. *9th.* To controversies between citizens of different States. *10th.* To controversies between citizens of the same State claiming lands under grant of different States; and *11th.* To controversies between a State or the citizens thereof, and foreign States, citizens and subjects.

The Circuit Courts consist regularly of a justice of the Supreme Court and the judge of the District Court for the district in which the court sits. The District Courts are designated under the name of the Union States. The whole number of judicial districts in the United States is thirty-five.

*State of New York.*—The following are the courts of justice of this State: *1st.* The Court for the trial of Impeachments. *2d.* The Court of Appeals. *3d.* The Supreme Court, including the circuits, whose jurisdiction is of two kinds, original and appellate. *4th.* The Supreme Court of the City of New York, for the recovery, mortgage, &c., of real property. *5th.* The Court of Common Pleas of the City of New York. *6th.* The Courts of Oyer and Terminer, for public offences. *7th.* The County Courts, to review judgments of a justice's court. *8th.* The Surrogate's Courts, to take proofs of wills, &c., &c. *9th.* The Courts of Sessions, for public offences, to hear appeals from orders of the justices of the peace, &c., &c. *10th.* The City Courts of the cities of Albany, Brooklyn, Buffalo, Hudson, Oswego, Troy and Utica, for the recovery of real property and for criminal causes. *11th.* The Justices' Courts. *12th.* The Marine Court of the City of New York. *13th.* The Police Court. *14th.* The Court of Conciliation, for causes of libel, slander, malicious prosecution, assault, &c. These courts are courts of record.

The Marine Court has jurisdiction of the following actions and proceedings: *1st.* Of an action arising on contract for the recovery of money only, if the sum claimed do not exceed one hundred dollars. *2d.* Of an action for damages for an injury to the person or to real property, or for taking, detaining or injuring personal property, if the damages claimed do not exceed one hundred dollars. *3d.* Of an action for a penalty not exceeding one hundred dollars, given by statute. *4th.* Of an action upon a bond conditioned for the payment of money, not exceeding one hundred dollars; though the penalty exceed that sum, the judgment to be given for the sum actually due. When the payments are to be made

by instalments, an action may be brought for each instalment as it becomes due. *5th.* Of an action upon a surety bond of undertaking taken by them, though the penalty or amount claimed exceed one hundred dollars. *6th.* To take and enter judgment on the confession of a defendant, when the amount confessed does not exceed two hundred and fifty dollars. *7th.* In the cities of Albany, Hudson, New York and Troy, of an action upon the charter or upon a by-law of the corporation of those cities respectively, when the penalties or forfeitures do not exceed one hundred dollars. *8th.* Of an action between a person belonging to a vessel in the merchant service, and the owner, master or commander thereof, demanding compensation for the performance, or damages for the violation of a contract, for services on board the vessel during a voyage performed, in whole or in part, or intended to be performed by the vessel, though the sum demanded exceed one hundred dollars. *9th.* Of an action by or against a person belonging to or on board of a vessel in the merchant service for an assault and battery or false imprisonment, committed on board the vessel upon the high seas, or in a place without the United States, of which the ordinary courts of this State have jurisdiction, though the damages demanded exceed one hundred dollars. But notwithstanding the last subdivision of this section gives this court power to proceed, in any of the cases therein referred, to a Court of Admiralty or maritime jurisdiction.

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CORPORATIONS IN RHODE ISLAND.—One of the most important features contained in the new code of Rhode Island, is the chapter entitled "Provisions respecting Corporations in General." Its principal object is to define the powers, duties, rights, privileges and liabilities of corporations generally. It contains those provisions which are commonly found in almost all the charters established by the general assembly; such, for instance, as the power of taking, holding and conveying property, of suing and being sued, or having a common seal, &c.; providing by by-laws the mode of calling and conducting meetings, voting by proxy, selling shares, &c. It determines the manner of calling first meetings, who shall preside, power of corporations when so assembled, &c. This law, which is substantially the same as that in force in Massachusetts, will supersede the necessity for such long charters as have heretofore been passed, and which have not only materially added to the labors of the General Assembly, but have, to a great extent, been the cause of the June, or second week session of that body. Hereafter, an act of incorporation need have only those provisions requisite for creating the franchise, and affording the special powers and privileges needed for its own peculiar purposes, the general law supplying all the general and incidental powers.

This law also provides that corporations may be continued bodies corporate after the charters have expired, in certain cases; that the franchise of turnpikes, rail-roads and other corporations authorized to take toll may be taken and sold on execution; how the franchise shall be transferred, sold or redeemed, and that all records of transfers of stock of Rhode Island corporations shall be made and kept in this State, by an officer of the corporation, who shall be a resident of the State.

## THE HISTORY OF THE EXPRESS BUSINESS.

[WRITTEN FOR THE BANKERS' MAGAZINE, BY A. L. STIMSON.]

THERE is no branch of business, in this country, more extensive and important than the Express service. The ever-busy handmaid of trade, agriculture and the useful arts, there is no community so small as not to be susceptible to its usefulness. Yet, while agriculture, art and trade are world-old, the Express is comparatively only a thing of to-day. England had no part in creating it. Europe has done nothing to establish it; and twenty years ago it was *nowhere*—not dreamed of even in America, where it is now so indispensable. Peculiarly American in its origin and characteristics, it has become so thoroughly interwoven with the daily business of the country, that it seems to constitute an inseparable portion of its muscle and sinews.

The inquiry naturally arises, "If the Express service is so indispensable an institution now, how did the American people do without it prior to its creation? The fact is, that the "expressman" is only an improvement (a great improvement, it is true) upon the "common carrier" of olden times.

It was not a very rare thing, at an earlier period, to hear of a special Express run for a temporary purpose, such as the transit of news of intense public interest, or intelligence of great private moment. In those cases the enterprise employed one or more riders, with the necessary relays of fleet horses at intervals upon the road. We all remember Browning's fine poem—"How they brought the good news from Ghent to Aix"—vividly describing an Express of this kind, bearing news of peace and safety to that beleaguered city.

Twenty or twenty-five years ago, (before either Express companies or magnetic telegraphs were thought of,) liberal and enterprising politicians and political editors, eager for news of elections, or ambitious of the honor of having the earliest copy of the President's Message, would arrange for a special express for the purpose. We well remember that in 1836 or 1837, Henry F. Harrington, at that time the bustling, zealous editor of a Boston daily paper, made the trip from Worcester to Boston, a distance of 45 miles, in one hour, or a minute or two short of it. He rode upon the locomotive, which had only a tender attached to it; and in those days the engineers had so little protection from the sparks and dust, that our friend H. presented a very comical appearance, as, with that precious document, the President's Message, in his hand, he rushed from the depot to his office.

In the rousing times, still earlier, when Andrew Jackson was in the presidency, and Webster, Clay, Calhoun, Adams, Benton, Cass and Buchanan in the Senate, such enterprises were frequent—though Mr. Harrington (now, and for years past, a Unitarian clergyman in good standing) was the only editor that we ever knew of taking so active a part, personally, in the business.

But the Express service, properly so called, does not date back beyond the origin of American rail-roads. Prior to that epoch, stage-drivers had performed duties similar to those now discharged by expressmen; and "*baggage-wagons*" (so called, though they carried merchandise as well) served instead of freight-trains. With the innovation of railways, the stage-drivers and wagoners found, like Othello, their "occupation gone."

The loss of their services seriously incommoded the public; but the rail-road offered no remedy. Years passed; trade and intercommunication between town and country suffering, in the meanwhile, from this cause.

At length, hardly realizing what an improvement he was about to effect, WM. F. HARNDEN, then a conductor upon the Boston and Worcester Rail-Road, started the Express business. It was in the spring of 1839. The idea was not original with him; but to him is due the honor of having been the first to put it into execution.

● The following is a copy of his earliest advertisement—the announcement of the first Express ever in regular use—and this, it will be seen, was to run only four days in the week. We think it worthy of preservation. We find it in a Boston newspaper of February 23, 1839.

BOSTON AND NEW YORK.

(Train of cars.)

EXPRESS CAR.

IMPORTANT TO MERCHANTS, BROKERS, BOOKSELLERS AND OTHERS.

W. F. HARNDEN,

For the last five years, conductor and passenger clerk for the Boston and Worcester Rail-Road Company, has made arrangements with the Providence Rail-Road and New York Steamboat Companies, to run a car through from Boston to New York, and *vice versa*, four times a week, commencing on Monday, 4th March. He will accompany a car himself for the purpose of purchasing goods, collecting drafts, notes and bills. Orders of all kinds promptly attended to. He will take charge of all small packages of goods, bundles, &c., that may be entrusted to his care, and see them safely delivered, and attend to forwarding merchandise of all descriptions, (except that prescribed by the rail-road companies,) if directed to his care. All packages, bundles, &c., must be sent to office, No. 9 Court-street, Boston, or No. 1 Wall-street, New York.

Orders may be left at J. W. Clark & Co.'s, 6 City Hall, Colman's Pavilion, Tremont-street; E. C. Stowell, 7 Elm-street, Boston; and at J. P. Smith & Co.'s, 30 Wall-street, New York. Will leave Boston Mondays, Wednesdays, Thursdays and Saturdays, and New York the same days.

The *Boston Evening Gazette* had, in its reading columns, the annexed:

"*Accommodation*.—We are pleased to see, by a card just published by Mr. W. F. Harnden, that he intends running an extra car from Boston to New York, for the exclusive purpose of conveying small packages, bundles, &c. Our best wishes for his success in so beneficial an undertaking."

An asterisk \* was appended to this notice, leaving us to infer that the editor would not adopt it as his own. Probably our venerable friend, W. WARLAND CLAPP, Esq., then in the meridian of his long and useful life as a gazeteer, was too cautious himself to commend an enterprise so

entirely new and of such doubtful promise of remuneration. The truth is, that in the infancy of the business, expressmen found it necessary to make a little more show and noise than was absolutely requisite in the process of transportation; and notwithstanding Harnden's flourish of trumpets, and the desirableness of the facilities which he offered, the rush of parcels and freight did not come to pass, and the car was not used—at least not as soon as his sanguine and impatient spirit had anticipated.

The only through route from Boston to New York, at that time, (March, 1839,) was by rail-road to Providence, and thence to this city, by steamboat "J. W. Richmond." The Old Line of steamboats ran from Stonington to New York. Harnden had no paid agent in this city at the outset. The messengers (called, during the first year or two, *conductors*) attended to all the business. Harnden himself acted in that capacity, usually making the trip in the "J. W. Richmond," and carrying his entire Express in an ordinary valise. Upon his arrival in New York or Boston he would hasten to deliver the parcels entrusted to him by his customers, who were mostly booksellers and brokers.

After he had been running a week, he found it desirable to have a conductor through to New York, *via* Stonington; and he employed Mr. LUKE DAMON, who served him for three years upon that route. By the way, Mr. Damon has continued in the business ever since Mr. Harnden's death—working for a long time for Harnden in this country, subsequently for Harnden & Co., in England, and for six years past for Kinsley & Co., in Boston. Though not advanced beyond the meridian of life, he is the oldest surviving expressman. He deserves to be as wealthy as the best of them, but remains an unambitious employee.

The Express was run by Harnden some time before he made a contract with the Old Line of boats from Stonington to New York. His messenger paid regular fare, and carried all the packages in a carpet-bag and trunk. After the lapse of six months or a year he made a contract with the Old Company and the Stonington and Providence Rail-Road Company to run a car through. Each messenger then carried a season ticket—obtained by holding a few shares of the company's stock. According to the terms of that contract, the Boston and Providence Rail-Road Company were entitled to one-third of the gross receipts of the Express for freight; and the Providence and Stonington Rail-Road Company (including, we presume, the boats) were to receive one-third; the residue to be Harnden's.

His first contract with the owners of the "J. W. Richmond" was to convey a car or crate for him between Providence and New York. He took five or six shares of the stock, which entitled him or his messenger to a free passage.

Dexter Brigham, Jr., served as Harnden's messenger on board that steamboat for a few months in 1839; after which he located in New York as agent of the Express. He must be regarded, we presume, as the first expressman resident in this city. His office, at that time, was merely "desk-room" in a stationery store, in a basement, under, what was then, Hudson's Reading-Room, at the corner of Wall and Nassau streets. The same office was occupied in part, we believe, by James W. Hale's

New York and Boston letter-mail enterprise. It is now the publishing office of the *Daily Evening Express*.

Brigham soon removed Harnden's business to No. 2 Wall-street. His successor in the messenger's berth was Adolphus Harnden, a brother of the proprietor. The memory of this worthy, but unfortunate young man, will always be associated in our minds with the terrible fate of the steamer Lexington, which was burnt on Long Island Sound on that bitter-cold, dark, calamitous night—the 13th of January, 1840.

J. A. Pullen, now well known as Major Pullen, of the National Express Company, succeeded next as the Express conductor upon that route, and performed the duties for several years.

We have before us a letter from Harnden to Luke Damon, which, as it indicates the origin of the second Express, and the earliest "opposition," we will now copy :

Boston, May 5, 1840.

Friend Damon,—You must be home on or before the 14th, as Brigham's sister is to be married, and he wants leave of absence to attend the wedding. The Western arrived on Sunday, A. M. Burke & Co.'s Express commenced running yesterday. They did not have quite a hatfull of packages.

Yours, in haste,

WM. F. HARNDEN.

The handwriting in this letter is very legible and business-like. We like its sententious brevity, also. Burke & Co.'s Express was conducted by P. B. Burke and Alvin Adams; but the latter gentleman was the back-bone of the enterprise.

As the letter implies, the first opposition Express was run on the 4th of May, 1840.

Alvin Adams made an effort to contract, in its behalf, for privileges on the Norwich and Worcester route from Boston to New York; but Harnden being, at that time, better known, the directors gave his "well-established Express" the preference; so that he was like to have the monopoly of the facilities on both routes. As Adams was not to be defeated in that way, he went to Major Handy, agent for the Stonington line, and purchased two season tickets for himself and partner, to run as often as they pleased between Boston and New York, until January, 1841; with no other privilege, however, than to carry a trunk and valise. Their Boston office was at No. 9 Court-street. The same had just been vacated by Harnden, whose business had been removed to No. 8, opposite, where, through every change of proprietors, it has ever since remained.

Messrs. Burke and Adams were their own conductors or messengers on the Stonington route, until August 18th, 1840, when the Worcester and Norwich Rail-Road Company, becoming dissatisfied with Harnden, (believing he used all his influence in favor of the Providence and Stonington line,) gave him notice to quit: whereupon, Adams received from them a contract in favor of his firm, with the privilege of using "crates" as Harnden had done.

In the following November (1840) he dissolved partnership with Burke, and for a short time continued alone. After a few months, he sold an interest in his Express to Ephraim Farnsworth, and changed the



style of it to Adams & Company's Boston and New York Express. His new partner had charge of the New York terminus, with an office in the basement of No. 46 William-street, near Wall-street—the same as that now, and for years past, occupied by Boyd's City Penny-Post Express.

WILLIAM B. DINSMORE, who has since attained to such eminence in the Express business, was Mr. Farnsworth's assistant at that time.

D. Brigham, Jr., became the partner of Harnden in November, 1840, under the style of W. F. Harnden & Company; when he left for England to establish in Liverpool an agency for a Trans-Atlantic Express, which they had projected at his suggestion. In the following August he returned to this city, having been entirely successful in his mission abroad.

Meanwhile, the operations of the two Express firms, and especially the services rendered by them in the conveyance of news between New York and Boston, had elicited daily commendations from the newspapers of the two cities. The effect was not only to help them in public estimation, but to increase their emulation. Never was there a competition between two rival establishments carried on with more zeal, yet unobjectionably, than that between W. F. Harnden & Company and Adams & Company, during the first ten years of their history. The principals themselves were, pre-eminently, *men of action*.

WM. F. HARNDEN had not reached the meridian of life. He was a dapper little man, wide-awake, restless, smart, brim-full of vitality and thoroughly devoted to his business. He was a native of New England.

His partner, DEXTER BRIGHAM, Jr., was a young man of more than ordinary tact and enterprise. We well remember, that at the age of fifteen he was "more of a man" than many at twenty. He was a native of Westboro, Massachusetts. Prior to going into the Express business, he had been a civil-engineer and a conductor upon a rail-road. His education was good, his temperament bold and sanguine, and his ambition immense. While serving as conductor of the Boston and Worcester Rail-Road passenger train, he was once thrown from the cars by an accident, and alighting, head-foremost, on a heap of stones, was believed to be fatally injured. It would have killed any ordinary man, and Brigham, though he recovered so as in after years to execute a world of business, often suffered, temporarily, from the effects of that concussion upon his brain.

The members of the competing firm were still more remarkable for energy and zeal, if possible, than Harnden & Company. We believe them to have possessed more mature judgment, also.

ALVIN ADAMS was a native of the green hills of Vermont. He had had considerable mercantile experience in Boston, and had suffered as much as any man from severe business disasters, yet without having (what would have been to him far more bitter than pecuniary misfortunes,) any imputation upon his integrity.

There has been published, quite recently, a biography of the late Boston millionaire, AMOS LAWRENCE, under the title (we believe) of "*The Poor Boy and the Merchant Prince*," with a view to the encouragement of youth to do well, and persevere in well-doing. Mr. Adams would not thank us to institute any comparison between his more hum-

ble career and the lives of the illustrious brothers, AMOS and ABBOTT LAWRENCE, nor shall we attempt anything of the kind; but nevertheless, it is our impression that a biography of the eminent pioneer expressman would fitly succeed the little work above named, and be no less instructive to the rising generation. We have not space enough in this department of the BANKERS' MAGAZINE to do that biography justice. Suffice it for us to say, that Alvin Adams went from the country, an orphan boy, to seek his fortune in Boston. Accustomed only to rural scenes and pursuits, city sights filled him with wonder. As he trudged through Marlboro (now Washington) street, for the first time, and, to his unwonted eyes, the noise of the carts and the bustle of trade appeared almost overpowering, little did he, with all his golden dreams, imagine that he, himself, would at some future day be the owner of more wagons, and the proprietor of a larger and more important business upon that same thoroughfare, than any merchant among them all.

With such a destiny in reserve for him, young Adams, nevertheless, accepted the humblest employment. He had "put up" at one of the best of the Boston hotels. The "Lafayette Hotel" had none of the sumptuousness of the grand modern hotels; but neither in ancient nor modern times has it had any superiors as a traveller's rest. Alvin liked it, and offered to work for his board. This was acceded to, and an humble situation was given him. He discharged the duty so well, that he was soon promoted and paid good wages.

We have heard it said, by Mrs. Carpenter, (the housekeeper of that fashionable inn, at the time,) that she was much pleased with the bright, ingenuous looks and agreeable manners of the lad, when she first saw him; and this prepossession was confirmed upon her becoming satisfied that he was modest, truthful, straight-forward and well-regulated. As he had neither father nor mother to counsel him, Mrs. C. often conversed with him, and gave him excellent advice, which he received in good part. He did not remain, however, to make his fortune in the hotel. Endowed by nature with a large share of ambition and energy, and a great "faculty" for making friends, the Green Mountain boy advanced, year after year, in experience, capacity and position, until at length he was ranked among the merchants of Boston. His latest mercantile operations were in country produce; but these, after many successes, resulted disastrously, and in the prime of life he found himself not worth a dollar in the world. He was too courageous a man to be kept down by that calamity; and we find him soon after embarking, with all the zeal and hopefulness of his sanguine spirit, into competition with Harneden in the Express business.

WILLIAM B. DINSMORE, who, in 1841, succeeded Farnsworth as Adams' partner, had been, in his younger days, a saddle and harness maker, in Boston. He was a Bostonian by birth. We well remember admiring, a quarter century ago, some elegant specimens of his handicraft. He never executed indifferently anything that he undertook. He was a "West-ender," and when quite a young man, the popular and efficient captain of Engine Company No. 6. In those days, he was famous for his dry jokes and inimitable pleasantry. Our recollection of of him is radiant with facetious reminiscences.

Too ambitious to adhere to his trade, after he had become a perfect master of it, or not contented with merely mechanical employment, shortly after he had arrived at majority, he entered the service of his brother-in-law, (Mr. Bowers,) who was then largely engaged in the lumber business and Eastern land operations. Here he proved as excellent a book-keeper as he had been saddle and harness maker.

We all know the ruin which befel the lumber and land trade in Maine, about that time. Thousands of merchants and others, throughout New England, were involved in the bursting of that bubble, and many who, it was presumed, had become wealthy, were rendered penniless. Thrown out of employment by this means, Dinsmore went to the South, and entered into some business operations upon his own account. Returning to New York in 1839 or '40, he became engaged, temporarily, with David Felt & Co., stationers; and subsequently, as has been shown, with Adams & Co. Here he found himself, at length, in his element; and he became all the more popular as an expressman, because in him were blended, with uncommon executive ability, a never-failing well of wit and good humor. Incapable of circumlocution, and despising flattery and compliments, he was direct even to bluntness, but "*he had a way with him*" which rendered his plain, frank speech far more agreeable than mere suavity of manner; because downright honesty of expression is a rarity, and, when it is accompanied by a kindly jocoseness, it must be a petty spirit, indeed, that does not prefer it to polished insincerity.

Upon becoming the partner of Adams, (1841,) Dinsmore had only two assistants in the New York office, viz.: Daggett, his custom-house clerk, (since deceased,) and a lad named John Hoey. The former left shortly afterwards, by particular request, and his duties were assumed by Dinsmore, who managed to do, for a time, with no other "help" than "little Johnny Hoey." John had been thrown upon his own resources at a very early period, and had learnt to shift for himself at an age when many boys are still in leading strings. He was smart, quick-witted, nimble of motion, yet muscular, glowing with zeal in the new business, and really more serviceable in his place than any adult would have been. The newspaper editors, who conducted the New York press in 1841, '42, '43 and '44, will remember, as long as they live, we presume, a sandy-haired, rosy-cheeked, bright blue-eyed lad, who used to rush into their sanctums once or twice a day, with the "*latest news from Boston*," and desire them to give credit to Adams & Co.'s Express. That was John Hoey. Harnden's boy, doing similar duty, was known to the editors by the *expressive* soubriquet of "*Mercury Jim*."

Such a firm, with such employees as they had, were sure to succeed; and though their original *hat-full of packages* had elicited a laugh from Harnden in May, 1840, barely a year had elapsed when he was made to feel that they were formidable competitors.

About this time, Dinsmore removed Adams & Co.'s business to No. 7 (now 17) Wall-street. As prosperous as their Express was deemed to be, by outsiders, it really had not begun "to pay," and the "resident partner" found hardly margin enough to afford himself one good dinner a week.

We well remember that when, after several years absence in the Southern States, we returned in June, 1842, to New York, one of our "places of call" was Adams & Co.'s office, in Wall-street. Possibly it was because the business was duller than usual, but the place appeared very vacant, and Dinsmore found ample time to perform all the in-door work himself, "way-billing" and accounts included, without any assistance whatever. Now, how different! In this autumn of 1857, the number of persons connected with his office in New York is said to exceed seventy. He has forty horses and eighteen wagons in daily use now; in 1841, a boy and wheelbarrow sufficed.

We have been somewhat minute in our description of the two first Express firms, their men and means, because it is interesting to look back to the foundation of an institution so indispensable and powerful as the Express business has become, and to see to whom and what the country is indebted for it. Other important Express enterprises have been more recently established by other men, but the names of Harnden & Co. and Adams & Co. must always occupy by far the more prominent and larger place in every accurate history of the rise and early progress of the Express service.

During the first five or six years, the competition between these two pioneer companies was heartily participated in by every man in their employment. "*Bucking for freight*," as it was called, was carried to perfection by them, and it is almost incredible the pains any one of them, from the "boss" to the boy, would take to obtain even so small a matter as a twenty-five cent parcel; particularly if, but for this effort, it would fall into the hands of a competitor.

In the spring of 1841, the only Express routes in the world were those between New York and Boston; but, with a successful rival competing for the business of those cities, Harnden & Co. thought it due to their own credit, as pioneers, to take another stride or two, and extend their line south to Philadelphia, and west to Albany in this State. The following is a copy of a letter relating to that project:

*No. 2 Wall-street, New York, 23d April, 1841.*

Mr. Luke Damon, Sir,—As we are obliged to go to *Philadelphia*, we fully authorize you to go to *Albany*, and make arrangements for extending our Express to that city, in connection with our Philadelphia and Boston lines.

In haste,

Your obedient servants,

HARNDEN & Co.

An Express was accordingly established between Boston and Albany, and another between Albany and New York, by that firm.

About that time, Adams & Co. experienced not a little annoyance from their want of regular express facilities from New York to Philadelphia, and they used an infinity of "shifts" to put their parcels through. In the mean time, the Camden and Amboy Rail-Road directors had quarrelled with Harnden & Co. for non-payment of compensation, alleged to be due them, and had stopped their Express over that road. Nor were they more favorably disposed to make a similar contract with any one else. Still, at his partner's solicitation, Adams went to Philadelphia, to apply for a contract. Stevens, who represented the Board

upon that occasion, gave him a very decided refusal at once; but our enterprising expressman was neither to be run off the track nor "snowed under," in that summary fashion. He made another proposition, viz: to do the Express business over that rail-road in connection with the company; the latter to allow Adams & Co. a portion of the avails. This impressed Stevens more favorably, and he introduced Adams to the directors "to talk the matter over." The immediate result was a contract that Adams & Co. should fill a certain number of crates daily, and deliver the goods, receiving for their trouble a certain portion of the freight money; the rail-road company to have the rest.

When this contract went into effect, E. S. SANFORD was connected with Adams & Co.'s New York business as an outside agent, receiving a commission upon the freight which he procured for them by canvassing among the merchants. Satisfied of his rectitude and capacity, Dinsmore nominated him to his partner as a fit man to take charge of their new Philadelphia office; accordingly he was sent thither at that time, and has been located there ever since, very high in the esteem of the people of that great city.

Sanford has since attained, and deservedly, to celebrity and influence as an Express pioneer, manager and "consolidator." He, too, is a native of the Old Bay State. At the time of which we have been speaking (say 1842) he was a young man—quite sanguine, but of a ripe judgment, with a keen scent for business advantages, and an ambition not to be discouraged by obstacles. Subsequently, his health declining, it was said that he was in a consumption, and his physician advised him to retire entirely from active life. In spite of every remonstrance, however, he took hold of business with more determination than ever; and, as if by an almost superhuman effort of *will*, overcame the disease, and became a strong and fleshy man.

Shortly after becoming established in Philadelphia, Sanford became associated, also, with SAMUEL M. SHOEMAKER, of Baltimore, and run an Express between those cities. The latter gentleman had had some experience in stage lines and rail-road business in that quarter, and was probably the best man that could have been selected there to make the Express prosper.

In 1842, Harnden & Co.'s Boston and Albany Express was bought out by its Springfield agent, the enterprising Col. Thompson, and called Thompson & Co.'s Express. Messrs. Melcher & Johnson are his partners.

Gay & Co. (Gay & Littlefield) started an Express between Boston and New York, *via* Stonington, in 1842. They carried only a trunk of parcels, and had no contract. Gay would run one way, and Littlefield the other; and each had the profits which he happened to make upon each day's work, and pocketed the same—without being expected to render an account to his nominal partner. This arrangement, apparently so primitive and simple, did not work well in the long run, and Littlefield retired from it. Kinsley next joined Gay, and the firm was styled Gay & Kinsley. The latter, for some years past president of a bank at Newport, R. I., has become eminent as an expressman.

In 1844 there were Expresses between Boston and Lowell, Boston

and Salem, and on one or two other short routes in Massachusetts, and they were increasing.

The first Express west of Buffalo was established April 1, 1845, under the name of WELLS & Co. The members of that firm were HENRY WELLS, W. G. FARGO and D. DUNNING. For the want of rail-road facilities, (and when the steamers were laid up,) it was a wagon Express, between Buffalo and Detroit.

In those days it required a vast deal of industry, perseverance and hopefulness, to sustain an expressman in a pioneer enterprise of the kind in the West; and when WILLIAM G. FARGO (to whose wisdom, good address and persistent energy its final success was mainly owing) had pushed it as far as the prairies, he was ready to admit that, even upon those magnificent levels, it was *up-hill* work.

In the mean time, the bland and judicious, yet energetic HENRY WELLS, was giving his attention mainly to the line between Albany and Buffalo. His native nobleness of character made him friends on all sides, and the force of his genius rendered the Express a favorite institution in the interior of this State.

In February, 1847, W. G. Fargo and Wm. A. Livingston became sole proprietors of the Express west of Buffalo, under the style of "Livingston & Fargo." The latter is deserving of honorable mention for his industry, perseverance and sound sense. Wells & Co.'s line extended from New York to Buffalo, *via* Albany.

In 1849, BUTTERFIELD, WASSON & Co. started an Express in competition with Wells & Co.'s line, just mentioned. JOHN BUTTERFIELD'S history would interest our readers if we had space for it. Few biographies reveal more wonderfully the power that exists in some natures to overcome difficulties, and achieve success in the teeth of an untoward fortune. John was a poor, uneducated country lad. He became a stage-driver—and has never been ashamed to own it. When Billy Gray, the eccentric merchant-millionaire of Boston, was derided with the scoff that he had once been a "little drummer," he acknowledged it. "And didn't I," he asked proudly, "drum well?" John Butterfield was a driver, of the good old sort, over a country road, near Utica, we believe, in this State. He drove well, and was a sovereign judge of horse-flesh. In due time he became a stage-proprietor. Waxing rich, he took contracts for the construction of public works. To his enterprise we owe the first telegraph line through this State. He is now a genial soul, somewhat advanced in life, and quite corpulent—but not one whit lessened in physical and mental vigor.

W. F. Harnden & Co.'s *Foreign Express* elicited the applause of the community, and gave an *eclat*, at home and abroad, to their already well-known name. Still, it by no means contributed to the advantage of their Express in the United States. It only served to divide and weaken their energies. The result was, that the more concentrated efforts of their rivals here met with a larger share of success, and in 1846 Adams & Co.'s business between Boston, New York and Philadelphia was more valuable than Harnden & Co.'s.

In 1847 the EXPRESS had become a well-recognised and universally approved "*American institution*." During the seven or eight years

which had elapsed since its commencement, all the principal cities and towns in New England and New York State, also Pennsylvania, and as far south as Virginia, had become supplied with Express facilities. But nearly all the *short-route* Expresses, then in existence, were in New England—mostly in Massachusetts. A majority of them started from Boston. That city, by the way, is justly entitled to the honorable name of "The Mother of the Express Business;" and it is no more than right that the *first* Express festival, or convention of expressmen from every portion of the Union, in honor of this extensive and admirable institution, should take place in Boston.

Ten years ago, the number of Expresses in Boston, with routes of from five to fifty miles, was not less than twenty, and those were owned by as many different individuals.

The effect of the very commendable emulation between Adams & Co. and Harnden & Co., in the matter of handsome horses and wagons, was noteworthy. Every new expressman started in business with one idea more strongly impressed upon his mind than any other, viz., whatever other aids and appliances he might lack, he must, at any rate, have a smart horse and a handsome wagon. That notion has continued, until it has become a rule as unalterable as the laws of the Medes and Persians. The same laudable example has had a manifest influence in improving the taste of nearly all who own horses and carts in New York. The Express stables are well worth a visit.

WILLIAM F. HARNDEN died in 1847, greatly to the sorrow of a wide circle of friends in this country, and many in England. He was an estimable man, but (notwithstanding the success which, thus far, had attended his enterprises) died poor, leaving a wife and family in indigent circumstances. At his decease, Brigham, Fenno, Kendall and Osgood became joint proprietors of Harnden & Co.'s general business, and very much enlarged its operations abroad. In fact their Foreign Express was express only in name. They sold foreign exchange, issued letters of credit, chartered ships, acted as passage-agents, forwarded many thousands of Irish emigrants, and bought and sold quantities of English coal.

In about a year they sold out the Home Express business to Blake, Cooledge and Wheeler—Brigham retaining one-quarter interest. In 1849, Blake withdrew and C. H. Valentine—a very enterprising young man—was admitted as a partner. The same year, Kendall withdrew from the other co-partnership.

Canada was without an Express until VIRGIL & RICE started one from Troy to Montreal, *via* Lake Champlain, in the summer, and by wagons and stages in the winter. This, we think, was in 1847 or '48. Subsequently Rice retired, and Messrs. VIRGIL & Co. contracted with the Saratoga Rail-Road for a car. The Express from New York to Troy was owned by PULLEN & Co., who, in 1849, united with Virgil & Co., under the style of PULLEN, VIRGIL & Co. Under the management of these experienced and able men, the business was nursed and tended with most praiseworthy perseverance, until it grew to considerable importance.

In 1849, a new order of Express service was destined to spring up. The "California gold fever" had broken out, and thousands of young

men were thronging to the newly-acquired Golconda, when DANIEL HALE HASKELL, a highly-esteemed clerk in Adams & Co.'s Boston office, suggested to his employers the expediency of establishing a California Express. With characteristic prudence, Adams and Dinsmore at first opposed the proposition; foreseeing that the most important point of operations must necessarily be in San Francisco, many thousands of miles beyond their supervision, and they preferred to have all their business where they could give it their frequent personal inspection. However, they at length yielded to Haskell's solicitations, and he went out to San Francisco, in the steamer of September, 1849, to act as their partner in the proposed business. The building which he took for an Express office was a little shanty, of which I. C. Woods was either the owner or the owner's agent. As the business increased rapidly, this building had to be pieced out, or extended in depth every few weeks, to hold the multitudes which thronged to it to hear the news, obtain or send letters and remit their gold dust. The enterprise compensated beyond the most sanguine dreams of its sanguine projector. Let us give some idea of the prices.

The charge made by Adams & Company for freight, from New York to San Francisco, was seventy-five cents per pound, for packages not exceeding fifteen pounds each; and for parcels of less weight, not bulky, such price was made as could be agreed upon. Three dollars was their price for conveying on ordinary-sized daguerreotype; twelve dollars for a parcel not larger than a common size novel; and this was always exacted in advance. It was paid cheerfully and without any haggling. Since then, the prices have fallen about 60 per cent.

Upon the arrival of the steamer at Chagres with the Express, the freight would be sent ashore in boats—a tedious and perilous job, for the sea usually ran high, and the boats were frequently swamped. At Chagres it was transferred to river-canoes, and propelled by natives to Cruces, where it was again transferred and placed upon the backs of mules, which bore it (by a road that would have defied the locomotion of any other kind of beast) to Panama, where the Pacific steamship awaited to convey it to San Francisco. Being liable to be saturated with wet in being carried ashore at Chagres, and in crossing the Isthmus, by reason of rains and streams, it was required of shippers to put up their merchandise in water-proof packages. The load of a mule rarely exceeded 300 lbs. Usually he bore two oblong boxes or trunks weighing not over 125 lbs. each.

In the mercurial condition of the California markets at that period, it was highly important that "Express goods" should be put through promptly, say, in from thirty-one to thirty-three days, which was then considered good time, though, by means of the Panama Rail-Road, and the increased speed of the steamships, the trip from New York to San Francisco rarely occupies more than twenty-three days, and twenty-one days suffices for the return voyage. Adams & Company soon recognised the importance of having their Expresses go forward in charge of some of their own people, and they sent out FRED. STIMSON as a special messenger to accompany their freight. No one unfamiliar with the facts has an adequate idea of "the moving accidents by flood and field," the exposure



to the weather, and the risk of robbery and murder, (to say nothing of that "dreadful Chagres fever,") which this man, and his immediate successors in the business—SWETT, SANBORN, WALLACE, DUNNING, PARVOO, MORTON and TREMBLY—had to encounter. Fred. Stimson was a stout, hardy, fearless young man, loving adventure, accustomed to "roughing it," and disliking the refinements of civilized life; but he confessed, (upon his return from his voyage,) that alone in a boat, at night, with four or five Indians, who undoubtedly coveted the possession of his valuable freight, he had not found sleep quite as inviting as in his own bed at home. At that time, the natives entertained no fear of the white men's retaliation, and he might have been murdered with impunity. So with ANDREW W. SWETT and the other brave fellows; but they were all spared, though the temptation to kill them was extraordinary. Hence we are induced to think far better of the natives of the Isthmus than of the filibusters, Walker and others, who have feigned an ardent desire to *civilize* them.

Another class of messengers to which Adams & Company's Express in California gave rise, were wont to perform their service on horseback between San Francisco (and other towns) and the numerous "diggins." Sometimes they made use of mules; but, in either case, the beasts must be sure and swift of foot and easy under the saddle; or they were discarded, and better procured in their stead. To be able and willing to run fleetly at a word from its rider, was a *sine qua non* in the stead of an Express messenger; and we have heard wonderful stories of the *time* made, under the saddle, in this service. F. A. Stimson (who served in this capacity, also, for Adams & Company) could tell many an exciting yarn on this head, and a very interesting book of adventures has been published by "Old Block," the Express-rider employed afterwards by Wells, Fargo & Company.

When we think of the trackless wilderness and perilous defiles which the Express-riders had to pass through, the mountains they had to climb, and the numerous and often badly-swollen streams they had to ford, we must admit their achievements to have been almost miraculous.

Entrusted with the conveyance of considerable quantities of gold dust collected at the mines, these messengers were liable, if they escaped the rifles of prowling Indians, (of a far more savage nature than those of the Isthmus,) to murderous attacks from Mexican outlaws, and even from such of their own countrymen as had been driven by ill-success and bad habits into desperate courses. With singularly good fortune, however, they all escaped that peril. Whatever may have been the cause of the immunity, it is but just to award them great credit for manhood, zeal, prudence and fidelity. For years, the miners and journals of California were almost entirely indebted to them, or to Express proprietors, for their letters, and latest intelligence from the Atlantic States.

Adams & Co.'s California Express business was so prosperous the first year or two, that Messrs. Sanford & Shoemaker (who, in the mean time, had become partners in Adams & Co.'s business in the Atlantic States) sought and obtained an interest in it.

It was a rich treat, in the almost fabulous days of California's development by American enterprise, to be present in Adams & Co.'s office in

this city, upon the arrival of an Express from that auriferous region, and see the bags of gold dust—a multitude of them, and of every size—all silently-eloquent of the toil and trials of the diggers. If they could have spoken, what stories they would have told us! “Thereby hangs a tale.”

The bags were almost invariably of buckakin, numbered in the order in which they had been received at the Express office in San Francisco, and inscribed with their weight and estimated value, reckoning it at \$17 50 per ounce, or less, if of inferior quality. (The dust from the southern mines of California was the best.) Then there would “open up” boxes of specimens of the precious ore, remarkable either for their immense value or curious formation; or a returned miner would produce one from his pocket—which was literally “a pocket-full of rocks.” One of these specimens, as large as a child’s head, and very pure, was valued at \$33,000. Others looked as if elaborated by the cunning hand of Queen Mab’s goldsmith; and some bore beautiful impressions of clusters of berries and leaves, as if in some grand upheaving or melting down of “the earth’s crust,” a shrub had fallen into, or been submerged by a vein of molten gold which had suddenly cooled upon it, retaining the lineaments of the sprigs to astonish future generations.

There is a vast deal of interesting matter concerning the Express business in California, which, for want of space, we shall have to pass over without even a brief notice. Suffice it to say, that as long as D. H. Haskell gave the affairs and office details of Adams & Co. in California his faithful personal attention, (which was for a year or two,) they made money very rapidly. Their business extended to Oregon, the Northwest coast and the islands of the Pacific; and from San Francisco they forwarded Express freight to Canton and other ports in China. In fact it appeared as if it would soon put a girdle around the earth.

To continue our history in chronological order, we must now recur to the Express service on this side of the Pacific.

It is almost incredible that rapidly as expresses had increased in the Eastern States, after the example had been set by Harnden in 1839, they were not at all in use in most of the slaveholding States until 1850. That the plantation system is not favorable to the growth of expresses cannot be denied; but the South had had, during all that interregnum, thousands of merchants whose enterprise ought to have led them to call for the establishment of the Express service over their routes of travel, by land and water, at a much earlier date. Now they are pretty thoroughly awake to the importance of such facilities, as a commercial lever, and are seeking to supply their deficiency. But STIMSON & Co. (John K. & A. L. Stimson, and Addison Brastow) found it rather “hard sledding,” when, in 1850, they started the first regular Express that was ever in use in New Orleans and Mobile, and the far Southern and South-western States; and their expenses exceeded their income. Their office in New York was with Adams & Co.—whose business had so enlarged as to occupy the two stores, Nos. 16 and 18 Wall-street. A. & Co., in the following year, purchased a half-interest in Stimson & Co.’s business, and it assumed the style of Adams & Co.’s New York, New Orleans and Mobile Express.

Shortly afterwards John Hoey, of Adams & Co.’s New York office,

became associated with John K. Stimson, under the style of "HOEY & Co.," and started the "New York and Charleston Steamship Express." Both those gentlemen continued in the employ of Adams & Co., nevertheless, and are still connected with the company. Having perfect experience in the service, and endowed with popular address and extraordinary energy, they secured a strong foothold for their new Express; but they expended a good deal of money upon it before it became remunerative, notwithstanding that it was a great accommodation to the merchants of South Carolina, Georgia, Alabama and Tennessee.

March 18, 1850, Livingston & Fargo, Wells & Co. and Butterfield, Wasson & Co. consolidated their Expresses from New York to the West, under the style of the "AMERICAN EXPRESS COMPANY." The two firms, first named put in their Expresses at a valuation of \$50,000 each; and we think that B. W. & Co. paid in cash \$25,000 as a make weight—their business being newer and less valuable. They became members of the firm of Wells & Co., which then took the name of Wells, Butterfield & Co., which was still in use after the name of American Express Company had been adopted. So consolidated and strengthened, and having such assistants as ALEXANDER HOLLAND, E. B. MARSH and DANIEL BUTTERFIELD, together with a numerous corps of as faithful and efficient employees as were ever known, the American Express was not only highly prosperous, but contributed materially to the prosperity of the Western country.

In 1851, THOMPSON & LIVINGSTON, proprietors of the Harnden Express, commenced running Expresses on the same routes that Stimson & Co. and Hoey & Co. used. Kinsley & Co. also started an Express per steamship to New Orleans.

Adams & Co. had extended their lines also to Pittsburg, Pa., Wheeling, Va., Louisville, Ky., Cincinnati, Ohio, St. Louis and many western cities and towns.

It is now about six years since the Express companies, which, for a long time, had had their offices in the narrowest portions of Wall-street, and obstructed it vexatiously with their numerous wagons, (for all the principal expresses were there,) made an exodus thence into their present excellent and appropriate quarters in Broadway, between Wall-street and Exchange Place.

About a year after the success of Adams & Co.'s Express to California was a sure thing, Gregory & Co.'s Express and Berford & Co.'s were started; but, after a short period, were abandoned.

JOHN M. FREEMAN, an energetic and popular employee in A. & Co.'s San Francisco office, started an Express from that city to Sacramento; and the success of this led to many similar enterprises in California—most prominent among which was SAMUEL W. LANGTON'S & Co.'s Express to Downieville and Marysville. Both he and his partner, A. T. Langton, of Washington City, D. C., were very worthy men.

In 1852, the gorgeous *prestige* of Adams & Co.'s success in California led some wealthy men (among them several members of the American Express Company) to unite in a joint-stock concern to do the like business. Their style was "Wells, Fargo & Co." Their capital, \$500,000, was subsequently increased to \$600,000; and D. N. BARNEY, a sub-

stantial banker of Buffalo, made President. The cashier and sub-manager was T. N. Janes. This new Express began by reducing the price of freight to forty cents per pound; and having more or less connection with the lines of the American Express in this country, it jumped into a large business immediately. Its original New York office was that then just vacated by Adams & Co., No. 16 Wall-street. Messrs. Barney, Janes, Latham, and their principal assistants, with one or two exceptions, proved very efficient in their respective departments. We can mention their agents with commendation, also; especially James O'Neill, of Portland, Oregon.

May 1st, 1853, Pullen, Virgil & Co.'s business assumed the form of a joint-stock concern, under the style of the "NATIONAL EXPRESS COMPANY;" capital, \$250,000; President, D. N. BARNEY. Robert L. Johnson, a veteran expressman, and one of its owners, was its manager at Albany; Major PULLEN, a director and agent in New York; and E. H. Virgil, superintendent of its route, which began in New York and ran to Montreal and Quebec.

In the mean time, Adams & Co. had attempted to establish an Express at Melbourne, Australia, (sending George Mowton thither for the purpose,) but from various causes entirely beyond their control, the enterprise was a failure, and resulted in heavy loss to their firm.

In 1853, a joint-stock line, with a capital of \$500,000, D. N. Barney, President, was organized, with a view to running an Express over the New York and Erie Rail-Road. It was called the "UNITED STATES EXPRESS COMPANY." A new Express, bearing the same name, had been, shortly previous, bought up, and merged in the American Express Company. H. D. Rice (recently deceased) was the Superintendent of the present United States Express Company; E. B. Marsh, Treasurer; and — Dewitt, New York agent. This enterprise thrived, and did a considerable business on several routes of travel west of Buffalo.

July 1st, 1854, the following named Expresses were consolidated by mutual consent of their proprietors, viz.: Adams & Co.'s Eastern, Southern and Western Express; the Harnden Express; Kinsley & Co.'s Express; Adams & Co.'s New Orleans and Mobile Express, (till then owned in part by J. K. and A. L. Stimson,) and Hoey & Co.'s Charleston Express. This very important consolidation assumed the title of "THE ADAMS EXPRESS COMPANY." It is a joint-stock property, in 12,000 shares, of no specified value, but regarded as worth at least \$100 per share; making, in all, \$1,200,000. The number of its owners in 1854, soon after its organization, or at the time, exceeded thirty.

In the summer of 1854, the copartnership which had existed for five years between the old firm of Adams & Co., and D. H. Haskell, of California, expired by limitation, and was never renewed. The dissolution was advertised at the time in the *Journal of Commerce*, and other commercial newspapers of this city and San Francisco.

D. H. Haskell then associated with himself his manager, Isaiah C. Woods, as a partner, and they assumed the sole proprietorship of Adams & Co.'s California Express. Representing to Alvin Adams that as they, by their own personal exertions, had made the business what it was in California, they ought to be allowed the best possible hold upon the

name of "Adams & Co.;" they induced him to become a *special partner*, with no liability beyond \$25,000, which he was to put into the concern. This copartnership was also advertised at the time.

It was necessary for Haskell and Woods to have agents in the Atlantic States, and they employed Adams & Co., (viz., Messrs. Adams, Dinsmore, Sanford and Shoemaker,) to serve them in that capacity.

The three latter gentlemen would have no more intimate business relations with Woods, for they had no confidence in his management.

It was a fact, that a large share of the prosperity and fame of Adams & Co., in California, was owing to the industry, enterprise and remarkable ability of that individual; but with all his capacity for usefulness, they regarded him as too bold and unsafe an operator. The result corroborated their fears. Before a year had elapsed, the California Express was prostrate in inextricable and hopeless bankruptcy; the name of "Adams & Co." in the mire, and "none so poor as do it reverence."

We will not dwell upon the miserable sequel. The world is familiar with most of its disgraceful details. Blameless as Alvin Adams was in the matter, it fell heavily upon him, and to all his consequent loss was added the deep humiliation of seeing the name which, by honest enterprise and strict integrity he had made the pride of every American, dragged down to such ignominy.

Wells, Fargo & Co. succeeded to the bulk of Adams & Co.'s California business immediately after the failure, and they still do most of the gold conveyance and business in drafts and exchange; but what may be regarded, perhaps, as "the legitimate succession," was the copartnership formed at the time by JOHN M. FREEMAN, J. K. STIMSON and JOSIAH HEDDEN, and called "FREEMAN & Co.'s CALIFORNIA EXPRESS," a concern which has since attained to an extensive patronage.

In the mean time, the New Jersey Express Company, the American-European Express and Exchange Company, (H. S. LANSING, Manager,) and the Pacific Express Company, went into operation. The latter concern, a California Express, has since failed. The American-European Express is an important one, and is doing a large and constantly increasing business. Another European Express is that of W. WILLIAMS & Co.

Within a few years past, the name of N. G. HOWARD, of Philadelphia, has attained to an honorable rank among eminent expressmen. Howard & Co.'s Expresses run from Philadelphia to all the coal districts and principal towns in Pennsylvania. The HOPE EXPRESS COMPANY do business between New York and many cities and towns in New Jersey and Pennsylvania.

In Boston, WINSLOW & Co., and several other Express firms of long standing, were consolidated last January under the name of the EASTERN EXPRESS COMPANY. This concern executes a large business between Boston and Maine.

Cheney & Co., Cheney, Fiske & Co., and Fiske & Co., run Expresses from Boston to numerous towns in Massachusetts, New Hampshire and Vermont.

We regret that we have not space in this already too lengthy record

to do justice to such Boston men as Melcher, Harraden, Leonard, Woodward, Conant, Potter, Favor, Bixby, Hall, Savory and others, whose names are as familiar as household words; but we must stop some where.

Boston is wonderfully prolific in Expresses. In July last, the number had increased to 273. The majority are city and suburban Expresses, and probably the Westcott Express Company, doing the like business in this city and vicinity, with its sixteen wagons, perform as much actual service as any dozen of them.

The history which we have given is comprehensive, and covers the whole ground. And now, in closing, let us glance from what the Express business was in 1839, to what it now is, in this year of our Lord 1857. See Billy Harnden, one hot day in the summer of the former year, proud at sweating with the burden of a larger Express than usual, as he unloads a wheelbarrow of parcels in front of No. 9 Court-street. Yet, at the time, that humble wheelbarrow was the only vehicle owned by the only expressman in the world; and, small as it was, it was oftentimes too big for the business.

A few months later, on the 4th of May, 1840, mark Harnden's new competitor, Adams, hurrying to the depot, *en route* to New York, with "a hat-full of packages." Think of the Adams Express being contained in a castor! For days and weeks, (he tells us,) he had had the business in his head, and now he had it *all in his hat*. It was not until some time in 1842, that either of those two rival establishments indulged in horseflesh. Then, I believe, Dinsmore, at the New York terminus, in virtue of the superior size and sins of this city, went into the extravagance of a pony, a very small pony, it is true, but a real *live* one, for little John Hoey, his juvenile *Puck*, to use in supplying the press with the Boston newspapers, as soon as they came to hand. Any morning in the week, except Monday, John might be seen mounted upon that redoubtable pony, at the foot of Peck Slip, waiting for the passing of the Boston boat. As she passed that slip, (which is on the East River side, you remember,) Adams & Co.'s "conductor," Andrew Swett, would throw him a bundle of Boston papers. Then clutching the precious parcel, (there was no telegraph at that time,) with one hand, and jerking the bridle with the other, John would urge his impetuous pony into such a gallop round to the newspaper offices as astonished all eyes, and rendered him the admiration of the newsboys—all the prouder because he had formerly been one of them. By this means, before the boat had got round to her pier on the North River side, the editors of the *Sun*, *Herald*, &c., would be busily *excissoring* the Boston papers, furnished them by Adams & Co.

Alarmed by the security of his laurels, by that pony, Harnden launched out with desperate boldness into the expense of a horse and wagon. Of course, Adams & Co. had to follow suit, but it was a tremendous pull upon their resources. One Saturday night, about that time, upon taking account of cash, Mr. Dinsmore found the total amount on hand to be 62½ cents, as the avails of the week's work, after paying expenses.

But despise not the day of small things. As from a cloud no bigger

than a man's hand, the whole sky often becomes overcast, so, too, has the Express business grown from a beginning seemingly insignificant, to an extent and importance that can hardly be measured. The Adams Express Company (of which W. B. Dinsmore is now President) own more than two hundred wagons, and nearly three hundred horses, and give employment to not far from a thousand men. Their various lines run over 10,000 miles of Express route, and their expenses are probably not less than \$10,000 per week. The aggregate value of goods, &c., and money entrusted to them for conveyance, will average, probably, not less than a million of dollars per day for every working day in the year; or over three hundred millions of dollars per annum.

The statistics of THE AMERICAN EXPRESS COMPANY of New York are equally formidable; and if I were asked to make a rough estimate of the average amount of goods, money, bonds, &c., entrusted *daily* to the entire Express service of this country, I should "*reckon*" it to be not less than five or six millions of dollars.

The Express companies may be said to regulate all the exchanges of the country, inasmuch as they do all the transportation of specie and bullion, as well as bank notes, bills of exchange, drafts, bonds and other securities; and the price of exchange between one city and another depends entirely upon the Express charges for conveyance. Therefore, our estimate of the amount passing daily through their hands must be under-stated rather than exaggerated. The rates paid for the transportation of bank notes is usually fixed by contract in writing, and are low.

The total value of the Express property I valued, in 1856, at ten millions of dollars. The estimate is now said to be under the mark.

Four years ago, the entire number of miles of Express routes in America was estimated at 25,000. As facilities have been increased, and Express routes extended, the whole distance travelled by Express daily is probably not less than 28,000. The multifarious lines stretch in every direction, crossing each other like the threads of the spider's web. In their relation to the great body mercantile, we may compare them appropriately to the veins and arteries of the human body. *What should we do without them?*

And now we find the principal expressmen just undertaking so immense an enterprise as that of conveying the United States mail overland to California. September 15, 1857, Messrs. John Butterfield, William B. Dinsmore, William G. Fargo, Alexander Holland, J. V. P. Gardner, M. L. Kenyon, Hamilton Spencer and others, executed an agreement to that effect. The government was represented by Mr. Dundas, second Assistant Postmaster-General. The contract, which is to run six years, is to go into effect twelve months from date. Six hundred thousand dollars per annum is the price to be paid the contractors.

The extraordinary character of the labor thus confidently assumed can hardly be appreciated until the work shall have been accomplished, but that the men are equal to the task, Herculean as it is, we have no doubt. Several of them have had an experience peculiarly fitted to this duty. Certainly, the establishment of such a route is an appropriate climax to Express enterprise.

## COUNTERFEIT BANK NOTES.

At the recent meeting of the "Association for the Advancement of Science," at Montreal, an active discussion took place as to the future security against counterfeits.

Professor B. SILLIMAN, Jr., of Yale College, made some observations upon bank notes, and the means adopted for prevention of counterfeiting. He first spoke of the great importance of having some safeguard against counterfeiting, particularly in a country like this, where so much wealth is represented by paper currency. Since the invention of the photographic process there is no security in the old practice. Formerly, the chief reliance was placed in the fineness of the engraving and the combination of many kinds of work. But now, every line can be accurately copied, however elaborate and intricate may be the execution. An attempt was next made to attain security against counterfeits by printing a part of the note in red ink, which is one of those negative colors which is re-produced by the photographic process as black. This precaution has, however, been found unavailing, from the fact that there is no red ink, so far as chemists know, which cannot be removed without injury to the paper. The three methods by which bank notes are counterfeited, are the photographic process, the anastatic and the lithographic. The anastatic consists in transferring the design to zinc, as the lithographic in forming it upon stone. Against the actual reproduction of notes there can be no safeguard, for whatever has been executed by one man can be copied by another. For protection against this danger, the only reliance is the incorruptible integrity of the bank note engravers. Attempts have been made to so combine colors, that when photographed, one shall neutralize the other. Notes have been printed in blue, under the idea that as this color is reproduced as black in the camera, the effect would be the same as though the note had been made with black and white. If, then, it was understood that the genuine were blue, the imitation would be readily detected. It is found, however, that deep blue presents such a contrast to white, that it is partially reproduced. A process was invented by Mr. Seropyan, an Armenian, residing in this country, which is one of the most effectual safeguards against counterfeiting. He proposes to print the notes in two colors, between which there is no photographic contrast. The colors which he employs are light-blue and a buff-yellow. The inartistic appearance of these notes constitutes a great objection to them. For producing a fine artistic effect there is nothing like carton ink on a white surface. His design was to make use of two kinds of ink, both of which should be fugitive, and one more so than the other. Notes have been printed with sesquioxide of chromium, which resists all attempts at removal without destroying the paper. This invention originated in this Province, and seems to promise security.

Mr. A. K. EATON, of Brooklyn, then read a description of several new ternary compounds—chromites. He exhibited several bank notes printed with inks formed from them.



Mr. T. S. HUNT presented a paper upon some modes of preventing the counterfeiting of bank notes. He thought that the chief objection to Mr. Seropyan's plan was, that the fugitive black was so light as to give to the engraving the appearance of a lithograph. He did not think the ternary compounds of Mr. Eaton so agreeable to the eye as the original oxide of chromium.

Professor E. N. HORSFORD, of Cambridge, presented an article on "Surety Paper." He feared that if it were known that if a bill of a certain color was safe, the confidence which would be reposed in it would present a premium to counterfeiters. He exhibited a note, in which the printing was executed in the body of the paper, while it was in process of manufacture. Some discussion took place upon the subject of counterfeiting, it having been asserted that photographic counterfeiters were not to be feared.

Professor SILLIMAN remarked, that in a small package of notes remitted to a New York bank, there had been placed, for the sake of trial, four ten-dollar counterfeiters made by the photographic process, which were only detected to be counterfeiters by the accidental circumstance that two of them were close together, and the eye of the teller was attracted by the fact that they were both of the same number. The president regarded them as genuine until his attention was called to the circumstance. It was also observed, that Mr. Whipple, of Boston, had counterfeited a hundred-dollar note by photography, passed it to the teller, and upon telling him that he had passed such a note, the teller was unable to detect it.

Mr. CLINTON ROSEVELT spoke of the illegality of having bank notes at all.

Dr. ANDERSON expressed the hope, that the gentlemen who had so far pursued this subject, would continue their investigations until as complete a security as possible against counterfeiters was found. In so doing, they would effect an important improvement in the morals of the community, by rendering counterfeiting a matter of greater difficulty, and therefore of far less frequent occurrence.

Professor HORSFORD, of Cambridge, said, in reply to an inquiry, why this subject had been introduced into that section, that it had been so introduced because counterfeiting was regarded as one of the fine arts! Upon the general subject, he remarked, that in the Bank of England the conclusion had been come to, that there could be no complete and absolute security against counterfeiters. Whatever one man has done, another can imitate. They guarded themselves, however, as far as possible, by the use of a peculiar kind of paper, very thin, yet very strong, the manufacture of which, by any one except the person licensed, exposed a man to transportation for life. This fact, together with the circumstances that no bill was ever sent forth a second time, and that only those of a large denomination were issued at all, afforded a very considerable security against counterfeiters. On this continent, means of protection were more difficult to be devised from the multiplicity of banking institutions.

## MERCHANTS, ACCORDING TO THE LAWS OF EUROPE.

[From the Commercial Law of the World. By LEONARD LAVIS.]

MERCHANTS are those who are engaged in commercial transactions, and who make them their usual vocation. The laws controlling merchants and commercial transactions are numerous, and are treated of in detail in the article LAWS OF COMMERCE. As an analysis of these laws, it may be stated that most of the European and American countries have left uncontrolled the free action of the merchant.

In Lubeck, every merchant is required to be a citizen. Russia has established numerous restrictions. The body of merchants are divided into three guilds or classes, to which none but Russian subjects or denizens (*i. e.* naturalized foreigners) may belong. In each guild a certain tax is imposed, and a determinate amount of capital is required; also, the nature and extent of the commercial operations permitted have proportioned limitations.

Nearly every country, except Great Britain, France and the United States, prescribes the enrolment in a public register of commerce, of the name of the merchant, the nature of his business, the name of each partner of the firm, and the dormant partners included in the firm and company, the power conferred on any party to act per procuracy, and every particular connected with the formation and dissolution of the partnership. In some countries these details must be published in the gazette and newspapers. This register is either established at the tribunals of commerce or at the civil courts. Every publicity is given to such enrolments; and any person, by paying a small fee, may obtain extracts from them. The parties interdicted from engaging in trade are, with a few exceptions, only those who are laboring under a civil disqualification.

*General Regulations.*—The institutions of guilds or privileged companies are of Roman origin. Traces of them still exist in London and in Scotland; but the convivial meetings, in which are expended the grants, which, in ancient times, they received from government, are the only evidences of periodical revival. The word "Guild" was originally applied to a society of merchants, as by the statutes of the guild in 1283, and by the statute of William, c. 35, but out of them arose all the different corporations of craftsmen. A decree-arbitral, promulgated in Edinburgh, dated from "Halruidhouse, the twenty-twa day of Apryl, the yeir of God, one thousand four hundred fourscore three years," thus expresses the union of merchants and craftsmen in the guildry:

"Toward the lang controversies for the guildrie, it is finally, with common consent, appoyntit, agreit and concludit, that als weil craftsmen as merchants sall be received and admitted gild-brether, and the ane not to be refusit nor secludit therefra mair the uther, they being burgesses of the burgh, als met and qualified thairfore; and that gild-brether to have liberty to use merchandice;" and by the same decree it is ordered, "That na manner of person be sufferit to use merchandice or occupy the handiewark of any free craft within this Burgh, or yet to exerce the

liberty and privilege of the said Burgh without he be burges and free-man of the same." This decree was ratified in parliament; and, therefore, after this period, the general right of the original gilding or society of merchants of the realm, was abridged so far, that they could not trade in Edinburgh unless they were admitted as burgeses.

The commercial regulations of Lubeck are still founded on the same system; the merchants are divided into nine companies and colleges and administrators, all of which bear the stamp of antiquity. Russia, besides the forming of merchants into guilds, divides commerce into various branches, and specifies what commercial operations include, with some notices of commerce with patent. France determines what are acts of trade with regard to the competency of tribunals of commerce. Holland, Wurtemberg, and a few other countries, have similar determinations of what is comprised in commercial operations.

*Minors.*—By the English law, a minor cannot contract commercial engagements; yet he may act as a partner, and perform other functions for beneficial purposes, without being liable for contracts entered into during his minority. In Scotland, a minor may become a trader; and when he holds himself out as a major, he becomes responsible. In France, minors, by being emancipated, may engage in trade previous to the eighteenth year of their age, when authorized by a registered act, either of their parents or family council, or by civil authorities. They are allowed, in this case, to pledge or mortgage their estates. Similar principles are adopted in Spain, Portugal, Prussia, &c., &c.

The age at which minority ceases, is—

In England, Scotland, British Colonies, United States, Hungary, Roman States, France, Normandy, Two Sicilies, &c.,	21 years.
In Mauritius, British Guiana, . . . . .	24 "
In Cape of Good Hope, Ceylon, Holland, . . . . .	25 "
In Guernsey, Jersey, (Coutume of Normandy,) . . . . .	20 "

*Married Females.*—In London, a married female may engage in trade as a *feme sole*, but she must trade within the city, and on her account; she is, therefore, liable to be a bankrupt. In England she may engage in trade when authorized by her husband, but she is not responsible. Her endorsement, acceptance, negotiation of bills of exchange, are null, and no action can be maintained against her. The husband is liable for the debts contracted by her in separate trade. In Scotland, parties may settle, by marriage contract, their several rights and interests. A married female cannot act by or for herself.

In France, Spain, Portugal, Prussia and Sardinia, the authority of the husband is necessary for her engaging in trade. Her property by dowry, and that held in common, are responsible for the obligations she contracts with reference to trade. The authority of the husband ought to be made public, as also the revocation of the same. In America, the common law of England is generally retained, with some exception, in Pennsylvania, Louisiana and South Carolina. In Lower Canada and St. Lucia, same as the Coutume of Paris; and in the Mauritius it is regulated by the Civil Code. In Malta, a married woman may engage in trade with the consent of her husband, but she cannot be imprisoned

for debt. In Lubeck, married females must receive the authority of the Senate for opening a shop. In Wallachia, a married female cannot engage in trade without a marriage contract.

*Aliens.*—In Great Britain, United States and America generally, aliens enjoy the same privileges as natives with regard to trade. In France they enjoy the greatest liberty, and the same rights as the natives. In Russia and Sweden, a variety of provisions are enacted with regard to aliens, but a restriction prevails in all. In Spain and Portugal, aliens not naturalized may engage in trade, but these are established according to existing treaties with their respective governments. In Lubeck, the restrictions on foreigners are extended even to deny them the power of establishing themselves as residents, without the authority of the tribunal of judicial police.

### THE RAIL-ROAD SYSTEMS OF EUROPE AND THE U. S.

We extract, from Mr. Tooke's "History of Prices," (London, 1857,) the following remarks on the rail-road systems of Europe and the U. S.—Ed. B. M.

Among the greatest achievements are the opening up of new fields of supply, and the deepening of old channels of consumption. They have brought into profitable use mines, forests, quarries, arable and grazing districts, fisheries, harbors and rivers previously inaccessible. The produce arising from these various and numerous sources is so much additional wealth placed at the command of the community.

But still greater even than these achievements are the advantages arising from the cheap and rapid conveyance of passengers over long distances. Every enterprise is now carried on with, perhaps, ten times as much despatch, and with ten times less trouble than forty years ago; and the facility of personal superintendence is certainly twenty times greater than it was then.

It is not difficult, therefore, to comprehend, that to accelerate even by a few years the completion in a country of an extensive system of railways, is to confer upon it advantages, the real value of which it is impossible to represent in terms of money; and we shall find, in the considerations connected with this mode of viewing the facts, a correction of many prevalent errors relative to the cost of English railways.

Let us see what was the comparative progress which, at the end of 1854, had been made by the countries of Central and Western Europe, and by the United States, in providing themselves with railways.

*Railways.*—General summary of the comparative extent of railway open at the close of 1854, in different countries:

Country.	Area in Eng. Square Miles. No.	Miles of Railway open in 1854. No. of Miles.	Miles of Rail open to each 100 Sq. Miles of Area.
England and Wales.....	57,800	6,100	15.2
Scotland, .....	80,240	1,040	3.5
Ireland, .....	81,870	900	2.8
	<u>119,910</u>	<u>8,040</u>	<u>6.7</u>

Country.	Area in Eng. Square Miles. No.	Miles of Railway open in 1854. No. of Miles.	Miles of Rail open to each 100 Sq. Miles of Area.
France,.....	205,000	2,910	1.4
Germany,.....	268,000	5,400	2.0
Belgium,.....	11,000	580	4.8
	484,000	8,840	1.8
Massachusetts,.....	7,800	1,300	16.6
New York,.....	47,000	2,700	5.8
Pennsylvania,.....	46,000	2,000	4.3
	100,800	6,000	5.4
Ohio,.....	40,000	3,000	7.7
Indiana,.....	38,800	1,500	4.4
Illinois,.....	55,400	2,800	5.0
	129,200	7,300	5.6
Twenty-two other States of the Union,.....	1,351,000	8,200	0.6
<b>Totals,.....</b>	<b>2,180,040</b>	<b>32,380</b>	<b>1.5</b>

It appears, by these figures, that the only country or State possessing a greater extent of railway (compared with territorial area) than England and Wales, was the State of Massachusetts; but the area of Massachusetts is only an eighth part the area of England and Wales.

In France and Germany the progress has been less than a seventh of our own. Even in Belgium and New York, and Pennsylvania, the progress has been barely a third of ours. In Scotland, the progress has been twice as rapid as in Germany; and if fair allowance be made for the lake and mountain surface of Scotland, the progress in it will exceed the progress of Belgium, and of those Western States of the Union where railways are made with a cheapness and facility unknown any where else.

But when we speak of the progress of railways in the United States, we must refer not merely to the mileage open, but also to the mileage in progress.

The 21,000 miles open in 1854—vast, no doubt, as it was—is merely the commencement of the railway system on the North American continent; for, as appears by the next table, the mileage in course of construction in the same year, 1854, was no less than 16,740 miles.

*United States.*—Railways in operation and course of construction in 1854:

State.	Eng. Miles open and in Work. No.	Total cost of Construction. £.	Ave. cost per Mile. £.	Miles in course of Const. in 1854. No.
Massachusetts,.....	1,300	12,000,000	9,200	40
New York,.....	2,700	22,200,000	8,300	800
Pennsylvania,.....	2,000	17,200,000	8,600	1,400
	6,000	51,400,000	8,500	2,240
Ohio,.....	3,000	18,600,000	4,500	1,600
Indiana,.....	1,500	6,000,000	4,000	2,600
Illinois,.....	2,800	11,600,000	4,100	1,500
	13,800	82,600,000	6,200	7,940
Twenty-two other States,	8,200	41,000,000	5,000	8,800
	21,500	128,600,000	6,000	16,740

It is not easy to form any adequate conception of the effects to be produced on the supply of, and the demand for commodities, when the (say) 40,000 miles of railway indicated by the preceding table shall be fully at work in the United States.

We may now recapitulate the conclusions which seem to be established by the facts and statements before us, viz. :

1. That of the three hundred millions sterling actually expended in railways to the close of 1855, in the United Kingdom, fully one-half, or one hundred and fifty millions sterling, were expended during the five years, 1846, '47, '48, '49 and '50, and that of the 8,300 miles of railway, open and at work, at the close of 1855, fully one-half, or 4,150 miles, were completed and brought into operation, for the first time, during the five years now enumerated.

2. That the consequence of so prodigious an outlay in so small a space of time, has been to place the United Kingdom, but especially England, so far in advance of other countries in the possession of an extensive railway system, that, adopting the fair test of comparing territorial area with railway mileage, England has a comparative mileage three times greater than Belgium, New York and Pennsylvania, and seven times greater than France and Germany.

3. That the introduction on the largest scale into this country, and in degrees more limited into other countries, of a change so extensive, absolute and fundamental in the means of transit, has already led, and in a short time will lead still further, to important modifications in the conditions affecting the supply of and the demand for large classes of commodities—these modifications tending generally to reductions of price, as a consequence of diminished cost of production or reduced expenses in conveyance to market.

4. That as regards the 150 millions sterling expended in this country in the five years, 1846-'50, its operation was to give employment, during periods—first, of dear food, (1846-'47;) and second, of extreme commercial difficulty, (1847-'48-'49,) to a body of artisans and others, varying from upwards of a million to half a million of persons.

5. That on the other hand, the calls by the process of which the 150 millions were gradually raised from the middle and wealthier classes, who were the holders of railway shares, operated like an income tax, nearly the whole amount of which was provided by the resort to severe economy, or by additional exertions to produce augmented resources.

6. That the retrenchments and increased exertions of the contributors of calls taken in the aggregate, more than counterbalanced the consumption of the army of laborers employed in railway works; and also the expenditure for the purpose of those works on imported materials; and hence that even during the five years, 1846-'50, of an average annual expenditure of thirty millions sterling, the balance of trade was as a general result constantly in our favor.

7. That during the five years in question, the average annual return yielded by the (say) 200 millions actually expended in railway undertakings was less than two per cent. per annum; that beyond the failure of annual return there was a depreciation of market price equal to about fifty per cent. below par value; and that while the ultimate recovery of

the country, with comparative ease, from the effects of so severe a strain, abundantly indicates its resources; still the depression and losses experienced by so large a portion of the middle class during 1846-'50, and even later, may be considered to have been, to some extent, a cause of the dullness of trade and the low range of prices which prevailed during the two or three last years of the period.

8. That on the other hand the cessation after 1850 of an annual heavy demand for calls, the rapid increase of dividends on the capital previously expended, the still more rapid advance of the market price of railway stock, and, more powerful still, the effect upon production and consumption of several thousand miles of railway communication, may be regarded as explaining, in some important degree, the comparative prosperity and ease which have prevailed since 1851.

9. That finally, while it is quite true that the railway excitement of 1841-5 was, in many respects, irrational and disgraceful, and in numerous individual cases the source of crime and ruin, still it enabled this country to pass, almost at one step, and by a single, sharp and effectual effort of self-denial on the part of the middle classes, into the possession of the most complete system of railways possessed by any country; that while these railways have cost more to their projectors than would have been expended by less precipitate adventurers, there is no sufficient reason to believe that the inordinate cost falls as a perpetual burden upon the frequenters of the lines; in other words, that the cost of the line and the rates of toll, which can alone attract customers, have no necessary or close dependence on each other. And hence, that eccentric and exceptional as may have been in many cases the efforts of private enterprise, as displayed in the formation of railways in this country, no denial can be given to the broad and beneficial result. That to private enterprise we are indebted for being a generation in advance of the rest of Europe as regards the new means of internal transit.

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**THE STOCK EXCHANGE.**—The following rules have been the guide of one of our city's oldest merchants, who, in a period of twenty-five years, has never lost a dollar by stock operations:

Always buy when, from some extraneous cause, such as a temporary money pressure or a large failure, people grow timid, and are ready to "sell out."

Never sell on a falling market.

Always remember, that when stocks in ordinarily good reputation fall during a money pressure, they are as sure to rise again as the sun in the heavens.

Remember the good old proverb—"extremes produce their opposite"—whether in "panic prices" or other less important matters.

Above all, never lose confidence in intrinsically good property because temporary causes cause temporary depreciation, but "hold on," in the emphatic language of the times, for the reaction which is sure to follow.—*N. Y. Courier and Enquirer.*

**LLOYD'S, LIVERPOOL.**—There is in Liverpool an association, corresponding exactly with that of Lloyd's in London, called "The Association of Liverpool Underwriters." Most of the principal merchants and all the brokers are members. They have rooms where they transact business, a staff of officers, secretary, surveyor, &c., in all respects on the plan of Lloyd's association.

## BANKING IN IOWA.

## AMENDMENTS OF THE CONSTITUTION OF IOWA.

*Article Eight—Corporations.*

SEC. 1. No corporation shall be created by special laws; but the General Assembly shall provide by general laws for the origination of all corporations to be hereafter created, except as hereinafter provided.

SEC. 2. The property of all corporations for pecuniary profit, now existing or hereafter created, shall be subject to taxation, the same as that of individuals.

SEC. 3. The State shall not become a stockholder in any corporation, nor shall it assume or pay the debt or liability of any corporation, unless incurred in time of war for the benefit of the State.

SEC. 4. No political nor municipal corporation shall become a stockholder in any banking corporation directly or indirectly.

SEC. 5. No act of the General Assembly, authorizing or creating corporations or associations with banking powers, nor amendments thereto, shall take effect, or in any manner be in force, until the same shall have been submitted separately to the people, at a general or special election, and provided by law, to be held not less than three months after the passage of the act, and shall have been approved by a majority of all the electors voting for and against it at such election.

SEC. 6. Subject to the provisions of the foremost section, the General Assembly may also provide for the establishment of a State Bank with branches.

SEC. 7. If a State Bank be established, it shall be founded on an actual specie basis, and the branches shall be mutually responsible for each other's issues intended to circulate as money.

SEC. 8. If a general banking law shall be enacted, it shall provide for the registry and countersigning, by an officer of State, of all bills or paper credit designed to circulate as money, and require security to the full amount thereof, to be deposited with the State Treasurer, in United States stocks, or in interest-paying stocks of States in good credit and standing, to be rated at ten per cent. below their average value in the city of New York, for the thirty days next preceding their deposit; and in case of depreciation of any portion of said stocks, to the amount of ten per cent. on the dollar, the bank or banks owning said stocks shall be required to make up said deficiency by depositing additional stocks, and said law shall also provide for the recording of the names of all stockholders in such corporations, the amount of stock held by each, the time of any transfer, and to whom.

SEC. 9. Every stockholder in a banking corporation or institution, shall be individually responsible and liable to its creditors, over and above the amount of stock by him or her held, to an amount equal to



his or her respective shares so held, for all its liabilities, accruing while he or she remains such stockholder.

SEC. 10. In case of the insolvency of any banking institution, the bill-holders shall have a preference over its other creditors.

SEC. 11. The suspension of specie payments by banking institutions shall never be permitted or sanctioned.

SEC. 12. Subject to the provisions of this article, the General Assembly shall have power, to amend or repeal all laws for the organization or creation of corporations, or granting of special or exclusive privileges of immunities, by a vote of two-thirds of each branch of the General Assembly; and no exclusive privileges, except as in this article provided, shall ever be granted.

From this it will be seen, that banking institutions are most closely guarded, and that institutions of the kind, organized under this general law, will be more secure than similar ones in any other State. It cannot fail to recommend itself to the favor of every one, unless it may be to those desirous of engaging in it, but who are restrained by its stringency.

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THE ROBBERY OF BANK NOTES IN BOSTON.—The *Boston Courier* of the 1st September explains the matter:

In executing a large number of bills, some few impressions—one or two in a thousand—are often printed imperfectly, and are immediately destroyed by fire. On the occasion of the recent theft, a number of these imperfect impressions had been laid aside to be burned, and during an inevitable delay that intervened before a fire could be prepared in the furnace, a few notes, representing collectively some two hundred dollars, were purloined. Of these notes, one hundred and eighty-three dollars worth have been put 'in circulation, and all have been redeemed. Efforts were at once commenced to discover the guilty person, and, secrecy having been considered necessary to success, the circumstances have not hitherto been divulged. The premature publicity given to the case by the statement of the *Boston Mirror* may have the effect of preventing the detection of the culprit.

So much for the facts of the robbery. It will be seen that the story, as given in the *Mirror*, is an absurd exaggeration, and unworthy of serious consideration. But there are certain assertions of the possibility of extensive theft, from the office of the Bank Note Company, which require contradiction. Extra copies of notes are *not* retained in the office, except on very rare and necessary occasions, when they are always mutilated in the spaces left for signatures, so that no misuse whatever can be made of them. They are also carefully guarded, and are handled by none but responsible persons.

The collections of imperfect impressions are destroyed daily, and rarely accumulate to a larger amount than \$100 each day. The average is much more below that sum. Signed notes have only been in possession of the Company on some half dozen occasions, when sent by banks to have red or other coloring applied. Not one of these has ever been missed, and such precautions are taken both by the banks and the officers of the Company, to guard against loss, that no attempt to steal them could be successful. Since the establishment of the New England Bank-Note Company, in 1833, the loss of bank bills from the office, including the present affair, has not exceeded the sum of \$300.

## COTTON CROP OF THE UNITED STATES,

FOR THE YEAR ENDING 31ST AUGUST, 1857.

	Total.			
	Bales.	1857.	1856.	1855.
<b>NEW ORLEANS.—Export to Foreign Ports,....</b>	1,998,717			
Coastwise, .....	323,304			
Stock, 1st September, 1857,.....	7,821			
		1,594,342		
Deduct—Received from Mobile,.....	41,040			
Received from Montgomery, &c.,.....	18,996			
Received from Florida,.....	4,708			
Received from Texas,.....	17,508			
Stock, 1st September, 1856,.....	6,995			
		89,342		
		1,485,000	1,661,438	1,292,644
<b>MOBILE.—Export to Foreign Ports,.....</b>	814,989			
Coastwise, .....	174,055			
Manufactured in Mobile, &c.,.....	2,246			
Burnt at Mobile,.....	12,700			
Stock, 1st September, 1857,.....	4,504			
		508,494		
Deduct—Received from New Orleans,.....	10			
Shipment to Boston, returned, .....	802			
Stock, 1st September, 1856, .....	5,005			
		5,817		
		508,177	659,788	454,595
<b>TEXAS.—Export to Foreign Ports,.....</b>	20,907			
Coastwise, .....	63,636			
Stock, 1st September, 1857,.....	962			
		90,505		
Deduct—Stock, 1st September, 1856,.....	623			
		89,882	116,078	80,787
<b>FLORIDA.—Export to Foreign Ports—Uplands,</b>	30,889			
Coastwise—Uplands, .....	82,636			
Sea Islands, .....	30,865			
Burnt at Apalachicola, .....	2,473			
Stock, 1st September, 1857, .....	56			
		186,418		
Deduct—Stock, 1st September, 1856,.....	74			
		186,344	144,404	186,597
<b>GEORGIA.—Export to Foreign Ports—Uplands,</b>	152,228			
Sea Islands, .....	6,611			
Coastwise—Uplands, .....	158,791			
Sea Islands,.....	10,023			
Stock in Savannah, 1st September, 1857,..	1,926			
" in Augusta, " " ..	2,747			
		882,881		
Deduct—Received from Florida—Sea Islands,	6,889			
Stock in Savannah, 1st September, 1856,..	1,550			
" in Augusta, " " ..	1,781			
		10,220		
		892,111	889,445	878,694
<b>SOUTH CAROLINA.—Export from Charleston to</b>				
Foreign Ports—Uplands,.....	212,604			
Sea Islands,.....	16,561			
Coastwise—Uplands, .....	162,541			
Sea Islands,.....	6,908			
Burnt and manufactured at Charleston,...	461			
Stock in Charleston, 1st September, 1857,..	5,644			
		404,789		

Export from Georgetown, S. O., to Coastwise Ports,.....	9,500			
Deduct—Received from Florida—Sea Islands, Received from Key West, and Nassau, N. P., (wrecked)—Uplands,.....	8,907	414,884		
Received from Savannah—Sea Islands, Uplands,.....	1,599			
Stock in Charleston, 1st September, 1856, ..	3,144			
		16,908		
NORTH CAROLINA.—Export to Coastwise Ports, ..	27,147	897,831	495,976	499,373
VIRGINIA.—Export to Foreign Ports,.....	900	27,147	26,098	26,189
Coastwise, .....	5,454			
Manufactured, (taken from the ports,).....	18,541			
Stock, 1st September, 1857,.....	490			
		24,615		
Deduct—Stock, 1st September, 1856,.....		842		
Received at New York, from Memphis, Nashville, &c., (Tenn.), ..		23,778	20,459	21,000
“ at Philadelphia, from Memphis, Nashville, &c., (Tenn.), ..		2,023	2,086	1,661
“ at Baltimore, from Memphis, Nashville, &c., (Tenn.), ..		1,226	7,988	3,100
“ at Baltimore, from Memphis, Nashville, &c., (Tenn.), ..		1,496	4,191	3,500
Total crop of the United States,.....		2,989,519	2,597,945	2,647,899
Decrease from crop of 1856,.....		bales, 588,826		
Increase over crop of 1855,.....		“ 92,180		
Increase over crop of 1854,.....		“ 69,492		

## EXPORT TO FOREIGN PORTS FROM SEPT. 1, 1856, TO AUG. 31, 1857.

From	To Great Britain.	To France.	To North of Europe.	Other Ports.	Total.
New Orleans, bales,.....	749,485	258,163	156,450	129,619	1,293,717
Mobile,.....	211,281	84,840	16,570	2,848	314,989
Texas,.....	9,792	4,428	6,687	....	20,907
Florida,.....	22,125	....	1,764	....	20,889
Savannah,.....	188,694	3,504	5,976	10,665	198,889
Charleston,.....	183,876	40,821	28,296	21,192	234,185
North Carolina,.....	....	....	....	....	....
Virginia,.....	200	....	....	....	200
Baltimore,.....	....	....	....	....	....
Philadelphia,.....	820	....	....	....	820
New York,.....	145,984	21,601	23,600	803	191,988
Boston,.....	4,668	....	1,455	....	6,118
Grand total,.....	1,422,870	418,257	245,798	164,622	2,251,547
Total last year,.....	1,921,286	480,687	304,005	248,578	2,954,556
Decrease,.....	492,516	67,280	58,307	88,946	701,949

## COMPARATIVE STATEMENT OF GROWTH.

Crop of	1844—5, bales,....	1838—4, bales,....
1856—7, bales,.....	2,989,519	1,205,894
1855—6,.....	2,597,945	1,070,428
1854—5,.....	2,847,889	987,477
1853—4,.....	2,980,027	1,088,848
1852—3,.....	3,262,882	976,945
1851—2,.....	3,015,029	870,415
1850—1,.....	2,855,257	727,598
1849—50,.....	2,096,706	967,221
1848—9,.....	2,728,596	720,027
1847—8,.....	2,247,624	569,249
1846—7,.....	1,778,651	509,158
1845—6,.....	2,100,587	
1844—5,.....	2,994,508	
1843—4,.....	2,080,409	
1842—3,.....	2,278,875	
1841—2,.....	1,688,574	
1840—1,.....	1,684,945	
1839—0,.....	2,177,885	
1838—9,.....	1,860,523	
1837—8,.....	1,801,497	
1836—7,.....	1,422,980	
1835—6,.....	1,260,725	
1834—5,.....	1,254,222	
1833—4,.....		

**CROP OF SEA ISLAND COTTON.**—The crop of this staple the past year (included in the general statement) was as follows: Florida, 20,365 bales; Georgia, 9,764, and South Carolina, 15,185; total, 45,314 bales, against 44,512 in 1855-6; 40,841 in 1854-5; and 39,686 in 1853-4.

#### CONSUMPTION.

Total crop of the United States, as before stated,.....	bales, 2,989,519
Add stocks on hand at the commencement of the year, 1st September, 1866:	
In the Southern ports, .....	20,014
In the Northern ports,.....	44,157
	<u>64,171</u>
Makes a supply of.....	3,053,690
Deduct therefrom the export to Foreign ports, .....	2,252,857
Less Foreign included, .....	1,161
	<u>2,251,496</u>
Stocks on hand, 1st September, 1867:	
In the Southern ports,.....	28,580
In the Northern ports,.....	25,678
	<u>49,258</u>
Burnt at New York and Baltimore,.....	798
	<u>2,201,552</u>
Taken for home use,.....	bales, 702,188

#### QUANTITY CONSUMED BY AND IN THE HANDS OF MANUFACTURERS NORTH OF VIRGINIA.

1856-7, bales,.....	702,188	1845-6, bales,.....	492,597	1835-6, bales,.....	286,788
1855-6,.....	652,789	1844-5,.....	389,006	1834-5,.....	216,839
1854-5,.....	598,584	1843-4,.....	346,744	1833-4,.....	196,413
1853-4,.....	610,571	1842-3,.....	395,129	1832-3,.....	194,412
1852-3,.....	671,009	1841-2,.....	267,850	1831-2,.....	173,800
1851-2,.....	608,029	1840-1,.....	297,368	1830-1,.....	182,142
1850-1,.....	404,108	1839-40,.....	295,193	1829-30,.....	196,519
1849-50,.....	487,769	1838-9,.....	276,018	1828-9,.....	104,853
1848-9,.....	518,069	1837-8,.....	246,068	1827-8,.....	120,598
1847-8,.....	581,772	1836-7,.....	222,540	1826-7,.....	108,488
1846-7,.....	427,967				

We give below our usual table of the amount of Cotton consumed the past year in the States South and West of Virginia, and not included in the receipts at the ports. Thus:

	1850.	1851.	1852.	1853.	1854.	1855.	1856.	1857.
North Carolina, bales,.....	20,000	18,000	15,000	20,000	20,000	12,500	22,000	25,000
South Carolina, .....	15,000	10,000	10,000	10,000	12,000	10,500	15,000	17,000
Georgia,.....	27,000	18,000	22,000	20,000	22,000	20,500	25,000	23,000
Alabama,.....	6,000	4,000	5,000	5,000	6,000	5,500	6,500	5,000
Tennessee,.....	12,000	8,000	7,000	5,000	6,000	4,000	7,000	9,000
On the Ohio, &c.,.....	27,500	12,000	16,000	20,000	28,000	26,000	42,000	28,000
Total to Sept. 1, bales,.....	107,500	60,000	75,000	90,000	105,000	85,000	117,500	117,000

To which, if we add (for the past year) the stocks in the interior towns, 1st inst., (say 2,000 bales,) the quantity now detained in the interior, (say 5,000 bales,) and that lost on its way to market the past year, to the crop as given above, received at the shipping ports, the aggregate will show, as near as may be, the amount raised in the United States the past season—say, in round numbers, 3,014,000 bales, (after

deducting 100 bales new crop received this year to 1st inst., and some 50,000 bales detained in the interior, September 1st, 1856, which came forward the past season, and is already added to the receipts at the ports,) against

1856, bales,.....	3,335,000	1853, bales,.....	3,360,000	1850, bales,.....	2,212,000
1855,.....	3,178,000	1852,.....	3,100,000	1849,.....	2,840,000
1854,.....	3,000,000	1851,.....	2,450,000	1848,.....	2,357,000

The whole consumption of the United States the past year, to September 1, 1857, was 840,000 bales against 788,000 bales the year before.

The quantity of new cotton received at the shipping ports to 1st September was—

1857, bales,.....	100	1853, bales,.....	5,125	1848, bales,.....	3,000
1856,.....	1,800	1851,.....	3,200	1847,.....	1,121
1855,.....	34,079	1850,.....	255	1846,.....	200
1854,.....	1,890	1849,.....	575	1845,.....	7,500
1853,.....	716				

### BANKS OF BOSTON, August 20th, 1857.

NAME.	Par.	Capital.	Value.		Last Sales.
			From	To.	
Atlantic Bank,.....	\$100	\$500,000	\$101	\$102	\$100 25
Atlas Bank,.....	100	500,000	107	108	107 00
Bank of Commerce,.....	100	2,000,000	104	105	104 00
Bank of North America,.....	100	750,000	103	104	103 50
Blackstone Bank,.....	100	750,000	107	108	107 75
Boston Bank,.....	50	900,000	58	59	59 00
Boylston Bank,.....	100	400,000	116	117	116 00
Broadway Bank,.....	100	150,000	101	102	.....
City Bank,.....	100	1,000,000	105	106	105 00
Columbian Bank,.....	100	750,000	108	109	109 00
Eagle Bank,.....	100	700,000	110	111	111 25
Eliot Bank,.....	100	600,000	102	103	102 50
Exchange Bank,.....	100	1,000,000	120	121	121 00
Faneull Hall Bank,.....	100	500,000	110	112	110 50
Freeman's Bank,.....	100	400,000	117	118	.....
Globe Bank,.....	100	1,000,000	117	118	117 50
Granite Bank,.....	100	900,000	101	102	101 00
Hamilton Bank,.....	100	500,000	120	121	118 00
Howard Bank,.....	100	500,000	97	98	97 00
Market Bank,.....	70	540,000	87	88	87 00
Massachusetts' Bank,.....	250	800,000	253	255	253 12
Maverick Bank,.....	100	400,000	93	94	94 00
Mechanics' Bank,.....	100	250,000	107	110	109 00
Merchants' Bank,.....	100	4,000,000	105	106	105 75
National Bank,.....	100	750,000	100	101	101 00
New England Bank,.....	100	1,000,000	112	113	113 00
North Bank,.....	100	750,000	99	100	99 00
Shawmut Bank,.....	100	750,000	107	108	107 00
Shoe and Leather Dealers' Bank,.....	100	1,000,000	118	120	118 00
State Bank,.....	50	1,800,000	66	67	66 50
Suffolk Bank,.....	100	1,000,000	132	133	132 00
Traders' Bank,.....	100	600,000	102	103	101 75
Tremont Bank,.....	100	1,250,000	113	114	113 50
Union Bank,.....	100	1,000,000	112	113	111 00
Washington Bank,.....	100	750,000	106	107	106 25
Webster Bank,.....	100	1,500,000	103	104	104 00

## BANK FAILURES.

WALL-STREET was taken by surprise on Monday, 24th August, by the announcement that the New York agency of the Ohio Life and Trust Company had suspended payment and closed its doors. Payments hitherto by this agency (as well as by private bankers generally) have not been made in money but by checks upon banking institutions. Parties having checks drawn upon by the Trust Company agency, upon their deposit bank, (the American Exchange Bank,) presented them for certification, which endorsement was refused, and the checks, therefore, went to protest. In some cases these checks were drawn on the morning of failure, in payment of drafts drawn upon the Trust Company by their Western correspondents. Finding the checks not "good," the holders, in one or more cases, demanded the return of the original draft or drafts, which at first was refused by the Company, but finally acceded to under a writ of replevin. It was known on the Saturday preceding that the agency was in some trouble, as certified checks upon it, dated one day ahead, were offered to brokers on Friday, for the purpose of raising gold.

The most serious inconvenience has resulted to the Western correspondents of the agency, consisting of a large number of private bankers and banking institutions, who have kept accounts with the agency for a number of years, and their balances must for a short time be unavailable.

The capital of the Ohio Life and Trust Company at Cincinnati was about two and a half millions of dollars, all of which is invested on bond and mortgage. The liabilities of the Company otherwise were as follows at their last published return:

Trust fund,.....	\$188,872
Due to banks and bankers,.....	760,124
Due individual depositors, at Cincinnati,.....	1,330,284
Miscellaneous,.....	31,988
<b>Total liabilities,.....</b>	<b>\$2,311,268</b>

Their investments at the same date were as follows:

Notes and bills discounted,.....	\$1,418,948
Specie,.....	20,230
Notes of other banks,.....	240,157
Balances due by other banks and bankers,.....	170,635
Balance held in New-York,.....	163,705
Bonds of United States and State of Ohio,.....	82,703
Real estate and personal property,.....	23,002
Miscellaneous resources,.....	196,888
<b>Total resources,.....</b>	<b>\$2,311,268</b>

We have ascertained from the office of the "Ohio Life Insurance and Trust Company," that the Company was not engaged in the business of Life Insurance. They had not a single policy of Life Insurance, so that, happily, the accumulations for the support of families, contemplated by Life Insurance, are not interfered with by the failure of that Company. Their business operations for many years past have been in banking alone, and they enjoyed a high credit throughout the West.

The loans by the New York agency of the Ohio Life Insurance and Trust Company, it is understood, have been made upon stock collaterals and "on call." The heavy decline in many of these securities will entail a loss upon the Company, but only to affect the capital (not the creditors) of the Company. This business of loaning "on call" is pursued by nearly every bank and banker in the city. Such loans are made with the understanding that they shall be returned promptly on the demand; but the lenders are usually cautious enough to require a liberal margin, which it seems was not done in the present case.

The financial agency of the State of Ohio for the payment of State interest is in the same office with the Trust agency, William-street; but we suppose that the State funds are not controlled by the agency or mixed up with the present suspension. The Trust Company was for many years, until 1852, the agent of the State of Ohio for payment of interest at New York.

The following notice was issued in New York:

OFFICE OF THE OHIO LIFE INSURANCE AND TRUST COMPANY,  
New York, August 24, 1857.

The unpleasant duty has devolved upon me to state, that this Company has suspended payment. This event has mainly been brought about in consequence of making loans here to parties who are unable to respond at this time.

I would add that the capital of the Company, two millions, is sound and reliable, exclusive of such loss as may arise from insufficiency of securities pledged for loans above referred to.

C. STETSON, *President.*

The Board of Directors of the Trust Company held a meeting on Monday evening, August 24, and issued the following card:

THE OHIO LIFE INSURANCE AND TRUST COMPANY,  
Cincinnati, August 24, 1857.

Having very unexpectedly received advices from New York that the office of this Company in that city had suspended this day, the Board of Trustees deem it expedient to close its doors and suspend payment until they can be fully advised of the true situation and condition of that office. The Board of Trustees also deem it proper to say to the public that they regard the means of the Company ample to meet all its engagements, and that early steps will be taken to resume business.

By order of the Board.

S. P. BISHOP, *Assistant Cashier.*

Various attachments were granted before the Supreme Court, Judge Peabody presiding. Annexed is a list of the banks, private banking houses, &c., in behalf of which attachments have thus far been granted, with amount claimed to be due by the Trust Company to each:

American Exchange Bank,.....	\$446,969 26
Ocean Bank,.....	140,000 00
Phenix Bank,.....	35,875 00
Corn Exchange Bank,.....	15,000 00
Mercantile Bank,.....	2,322 00
Bank of America,.....	5,000 00
James Robb, Phenix N. Wood, Thomas C. Hallett, J. Hamilton Wilson and Charles B. Wilson,.....	23,264 94
Felix Ingoldsby, David C. Halstead, Francis P. Cantiffe, E. M. Ingoldsby and Addison B. Smith,.....	316 93
James H. Stebbins and John Bloodgood, Jr.,.....	20,000 00
Edw'd Prime, Nath'l Prime and Edw'd Prime, Jr.,...	70,393 00
Brown Brothers & Co.,.....	100,000 00
Charles Abernethy, Henry Collins, James Sullivan and Heman L. White,.....	563 00
Alexander Dennistoun and others,.....	73,166 67
Total,.....	\$932,870 80

The *Cincinnati Commercial* of the 21st says: "The well-known Trust Company building, southwest corner of Third and Main streets, has been sold at private sale to the Merchants' Bank of Cleveland, at \$125,000. The Trust Company was indebted to the Merchants' Bank in a sum greater than that at which the building was valued. The balance of indebtedness has been liquidated by the transfer of other real estate, so that all legal proceedings commenced by the Cleveland Bank have been withdrawn."

New York.—The Reciprocity Bank, at Buffalo, failed on the 29th August. In relation to the failure of the Reciprocity (Sackett's Harbor) Bank, the *Buffalo Courier* says:

The suspension of the Reciprocity Bank has been the principal topic of conversation among our citizens since it occurred, on Saturday last, and profound regret is expressed by all at the misfortune. We have no information either as to the extent or liabilities of the bank or its resources, and should therefore be unwarranted in making any statement as to its condition; but it is proper and just to say that its officers and directors are gentlemen of the highest probity, and possess the confidence and esteem of our citizens.

Mr. William Williams has been appointed Receiver for the bank, and gives security to the amount of \$350,000, with the following names as sureties: Miles Jones, Samuel F. Pratt, George C. White, H. E. Howard, William H. Greene and H. W. Rogers.

*Buffalo.*—The Hollister Bank, Buffalo, failed early in September. Alanson Robinson has been appointed Receiver, and has filed bonds with two sureties for forty thousand dollars each. Buffalo has had until now thirteen banks, with a gross capital of only \$2,600,000, whereas, if their means had been concentrated in three or four, they could have done more good. The Oliver Lee & Co. Bank, at Buffalo, failed on the 4th September. The items of liabilities, &c., are as follows:

	<i>Loans.</i>	<i>Specie.</i>	<i>Circul'n.</i>	<i>Deposits.</i>
March Report, . . .	\$614,251	\$12,421	\$75,800	\$263,108
June " . . .	605,602	10,216	94,060	340,775
Decrease, . . . . .	\$8,650	\$2,205		
Increase, . . . . .			\$18,200	\$77,667
Capital, \$170,000.				

In relation to the suspension of the Oliver Lee & Co. Bank, the *Buffalo Courier* remarks:

It was known to many of the business men of the city that the large amount of suspended debt held by the bank against the Buffalo Car Company, amounting in the aggregate to about \$264,000, together with a large amount of liabilities against other parties, who have failed within the year past, had seriously embarrassed its resources, and consequently deprived it of the power to extend to its dealers such financial facilities as their wants required. A gradual diminution of the number of its customers was a natural consequence, and unless some accession of strength could be obtained, it would not be the part of sound policy to carry it on.

The disasters to the Reciprocity and Hollister Banks had increased the inconveniences to which, in common with all our city banks, it had been subjected. Added to this came a call from the City Comptroller for the funds belonging to the city, amounting to forty thousand five hundred dollars; all of which taken together and coming together, formed a combination of circumstances so untoward and paralyzing, that to avert suspension seemed scarcely possible. But the officers of the bank were still hopeful that the proprietors would take some action to relieve it from peril. Up to half-past 10 o'clock on Thursday night, it was believed funds would be advanced sufficient to free it from embarrassment.

*Utica.*—The *Utica Herald* makes the following statement relative to the affairs of the Ontario Bank of that city: It becomes our duty to record the fact that Deputy Sheriff George Klinck yesterday morning made a levy on the Ontario Bank, and took possession of the specie in the bank, amounting to over \$3,000, and of about \$13,500 of the bills of this institution. The levy was made under a judgment obtained by H. A. Johnson & Co., of New York, for \$12,560 61. The suit was based on certificates of deposit held by the plaintiff, and which the President refused to pay. An answer was put in in the usual form for individuals; but it seems that something more than this is requisite on the part of a moneyed corporation. The law on this point is of so much moment in the circumstances, that we quote the section. It is section 5 of chapter 226, Laws of 1840, and is as follows: "After the expiration of twenty days from the service of any summons, or 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 plaintiff 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 affidavit." No such affidavit was made, nor was an order for the stay of proceedings asked for, during the twenty days, and at the end of that time judgment was taken, and the levy made, as we have stated. Of course the announcement struck the street with astonishment, and no one was more surprised at the levy than Mr. Johnson, who expected that the suit would go to trial in due course. Application was made to Judge Bacon to stay proceedings. He gave an order to show cause why the judgment should not be set aside, and staying proceedings till that order should be returned and decided. The order was made returnable before Judge Bacon. The money levied upon by the sheriff remains in his possession, until the argument before Judge Bacon, and a decision whether or not the judgment shall stand.

Edmund A. Wetmore has been appointed Receiver of the Ontario Bank, and accepted the office, giving bonds in the sum of twenty thousand dollars. The provisions of the appointment require him to make deposits whenever he shall receive as much as \$5,000. The *Utica Herald* says:

This is the end of the Ontario Bank. Its powers as a bank have ceased. All paper becoming due there must be paid without renewal of favor. The Receiver will collect the assets and pay the various creditors, and provide for the redemption of the bills. No doubt is entertained that all claims against the bank will be paid, though the loss to the stockholders is variously estimated.

The new issue of bills by the Ontario Bank, under its recent organization, are still redeemed on demand. They are marked with their denomination in red ink, and bear date subsequent to January 1, 1856. Of this issue, only \$14,036 is in circulation, besides \$49,498 held by the redeeming agents in New York and Albany.

The old issue, being the notes of the old Ontario Bank and its Branch, are not now redeemed, but are a debt of the bank. Of these, there are out \$47,135, of which \$40,842 are bills of the Branch, and \$6,493 of the old Ontario. Since about the middle of July the bank returned to the Bank Department to be cancelled \$91,230 of its circulation.

*Albion.*—In the Supreme Court at Buffalo, on Friday, September 18, Judge Davis presiding, in the case of *Harvey Goodrich vs. The Bank of Orleans*, motion was made for an injunction and for the appointment of a Receiver. Injunction order granted, and Elizur Hart, of Albion, appointed Receiver—to give bail in \$30,000, with sureties to justify in \$75,000.

*New York City.*—The Mechanics' Banking Association failed on the 31st August. The following is a list of the Directors: Frederick Pentz, P. T. Ruggles, J. Harriott, William Tucker, J. Randall, R. F. Carman, James Van Norden, J. T. B. Maxwell, J. A. Bunting, R. E. Mount, P. J. Bogert, L. Kirby, R. Suckley, Sheldon Smith, Mason Thompson, Wyllis Blackstone, N. Ludlum.

*Private Bankers.*—The failure of Messrs. Beebe & Co. was announced on Monday, August 31st, with liabilities variously estimated at from \$1,000,000 to \$1,200,000.

The suspension of Messrs. Atwood & Co. occurred on Saturday, August 29th. Messrs. William J. Bell & Co., September 12th.

Among the failures of private bankers in this State, we announce the following: Brewster & Co., Rochester; John W. Bates, Troy.

*New York City.*—Mr. John Thompson, No. 2 Wall-street, failed. The following is a copy of Mr. Thompson's assignment:

I, John Thompson, Banker, of the city of New York, being largely indebted to

numerous persons, and having become unable to meet and pay my debts and obligations, and being very desirous to make a just, equitable and fair distribution of my property and assets among my creditors:

In consideration of the premises, and of one dollar, to me in hand paid, do hereby grant, bargain and sell, release, assign and transfer and set over unto Platt Adams, transacting business in this city as publisher, all my property, real and personal, wherever situated, including shares in the capital stock of any company or association, bonds, land warrants, Breckenridge coal in Snow's coal yard in New York, and in Bicker's yard in Brooklyn, notes, bills receivable, book accounts, bank notes, current and uncurrent, books of account, vouchers, choses in action, equitable interest, and all other assets and effects of every nature and kind. And I do covenant at the earliest practicable moment to furnish to said Platt Adams, an inventory, to the best of my ability; but this indenture is intended to convey all the property, whether inventoried or not, and to take effect presently, without awaiting the completion of the inventory; many of the said items of property hereby assigned appear on my books and by my papers, to which reference is made, and a list and statement of all the items of my property shall be made and delivered to Platt Adams without delay.

This conveyance is in trust for the following purposes: Platt Adams shall take possession of all the property hereby assigned and convert it into money, and in trust to collect the debts due and to fall due to me, and thereupon to execute all necessary conveyances, acquittances, releases and discharges. And with the proceeds of the property, Platt Adams shall first pay and discharge the necessary expenses and legal charges in the execution of this assignment; and with the residue proceeds, he shall discharge my indebtedness to the holders of certificates of deposit now unredeemed; with the remainder of the proceeds, Platt Adams shall pay all the other demands of John Thompson now existing or incurred, whether due or to become due; and in case of an insufficiency to pay such debts in full, then the proceeds to be distributed among all my creditors *pro rata*, share and share alike, according to their respective amounts.

And I hereby confer upon Platt Adams all powers necessary and proper to the complete execution of the trusts hereby created, with authority to execute, discharge, and to do all other acts in and about the execution of the true purpose hereof, which I might have done but for this instrument.

Sealed and signed this 31st day of August, 1857, by both parties.

J. THOMPSON,  
PLATT ADAMS.

Accepted by PLATT ADAMS.

**Ohio.**—We are sorry to learn of the suspension of the Citizens' Bank in Cincinnati, owned by Smead, Collard & Hughes. This is an old house, and one that has stood high in Cincinnati for many years. Mr. Smead commenced business many years ago, and acquired sufficient capital to enable him to rank as one of the leading banking houses in Cincinnati. In 1854 this house suspended payment in consequence of a run upon them. They, however, paid up in full, *with interest*, and in this were the exception of all the suspended banking houses in that city. At the time of their first suspension they had a discount line of \$1,700,000. Their business has always been exclusively local, and no inconvenience will be felt outside of Cincinnati. The causes are stated to be the illness of the senior partner, and the common financial troubles.

**Cincinnati.**—The suspension of Messrs. Hatch & Langdon, bankers, at Cincinnati, followed that of Messrs. Beebe, New York, in consequence of the balance held by the latter firm, now unavailable to the former house.

**Newark.**—The banking firm of E. Franklin & Son, Newark, Ohio, suspended on the 26th August, and assigned their effects to Messrs. Smyth & Sprague, for the benefit of creditors.

**MICHIGAN.**—The suspension of Mr. J. L. Lyell, at Detroit, occurred early in September, in consequence of the failure of Beebe & Co., New York. By arrangements made with his creditors, Mr. L. has been enabled to resume business, and we hope will be fully sustained by his friends. It appears that the Ohio Life Insurance and Trust Company were his chief correspondents in New York, with

whom, it is reported, he had \$98,000. Mr. Lyell is in New York, having gone thither on the first intimation of apprehended disaster to his correspondents. His doors were closed by his direction, communicated by telegraph. During the afternoon one or more attachments were sued out against Mr. Lyell's effects, by large depositors, and his office was taken into possession by the sheriff. One of the suits was commenced at the instance of Messrs. Stephens & Field, grocers. Considerable public excitement was produced as the intelligence of Mr. Lyell's misfortune spread. He has possessed the highest public confidence for many years, and his depositors were numerous and among the heaviest in the city. We cannot venture a guess as to the amount of his deposits. We hear but one expression among our citizens—that Mr. Lyell will do everything in his power to protect his creditors, among many of whom we observe the expression of much confidence as to his ability, as well as his disposition, in this respect. On inquiry, we cannot learn that any other banking house in this city had relations with the Ohio Life Insurance and Trust Company, or that any other is at all affected by the crisis at the Eastward.—*Detroit Free Press.*

### BANK ITEMS.

**New York.**—The failure of the Mechanics' Banking Association, No. 88 Wall-street, on 24th August, created much excitement. Capital, \$632,000; circulation, \$211,000; deposits, \$906,000. The Island City Bank, New York, suspended on the 3d September. Capital, \$300,000; circulation, \$90,000; deposits, \$500,000.

The following is a summary of the capital, circulation, specie, deposits and loans of the suspended banks, according to their quarterly reports in June, 1857.

	Capital.	Circulation.	Deposits.	Loans.	Specie.
Mechanics' Banking Association, ..	\$632,000	211,000	906,000	1,165,000	88,000
Island City Bank, .....	300,000	90,000	211,000	428,000	15,000
* Reciprocity Bank, .....	300,000	148,000	64,000	860,000	8,900
Hollister Bank, .....	300,000	99,000	164,000	428,000	7,500
Oliver Lee & Company's Bank, ...	170,000	94,000	340,000	607,000	10,300
Huguenot Bank, .....	125,000	98,000	41,000	170,000	2,500
Ontario Bank, .....	410,000	183,000	65,000	673,000	6,100
Ontario County Bank, .....	50,000	49,000	37,000	73,000	500
Western Bank, Lockport, .....	50,000	58,000	141,000	296,000	2,800
* Yates County Bank, .....	100,000	183,000	29,000	307,000	8,900
Medina Bank, .....	50,000	45,000	45,000	96,000	2,300
Bank of Canandaigua, .....	50,000	115,000	74,000	100,000	1,600
Niagara River Bank, .....	104,000	95,000	93,000	182,000	1,800
Farmers' Bank of Saratoga, .....	200,000	108,000	9,000	296,000	800
Chemung County Bank, .....	50,000	58,000	28,000	80,000	600
* Bank of Orleans, Albion, .....	200,000	158,000	95,000	387,000	5,600
Agricultural Bank, Herkimer, .....	125,000	80,000	61,000	167,000	1,500
Dairymen's Bank, Newport, .....	100,000	91,000	25,000	111,000	1,200

**Fulton.**—Amos A. Bradley, Esq., formerly Cashier of the Luther Wright's Bank, Oswego, was on the 3d September elected Cashier of the Citizens' Bank, Fulton, in place of George Grosvenor, Esq., resigned.

The Albany *Evening Journal* has obtained from the Bank Department a statement of its business for the past thirty days. It was sought in consequence of the report set afloat that the amount of the State stocks taken up for bills returned did not exceed \$100,000. This table shows that the net amount of bills

\* Safety fund or chartered banks.

returned and destroyed is over \$1,000,000, for which only \$611,000 of securities were withdrawn. The *Journal* says: "Thus the banks have voluntarily retired from circulation \$489,000, for which they neither asked nor received a dollar of their securities, or a single new circulating note."

Burned circulating notes of the Free Banks, from 15th August to 16th September,.....	\$950,000
Stock surrendered during same period,.....	\$501,000
Bonds and mortgage during same period,.....	110,000
<hr/>	
Total securities surrendered,.....	\$611,000
In addition to this the incorporated banks have turned.....	169,000
They have received new notes,.....	50,000
<hr/>	
	\$119,000

*Buffalo.*—Three bank suspensions have occurred at Buffalo, owing to the temporary loss of credit. These were the Reciprocity Bank, (formerly Sacketts Harbor Bank,) with a capital of \$200,000. 2d. Hollister Bank, capital \$200,000. 3d. The Oliver Lee & Co.'s Bank, on the 4th September, with a capital of \$170,000.

*Rhode Island.*—The Farmers' Bank at Wickford suspended payment the last week in August. The 3d of September was assigned for the hearing of the application for an injunction against the bank, before Judge Shearman. In the morning a motion for a postponement was made in behalf of the bank. This the court denied, unless supported by evidence. In the afternoon the President and Cashier declined to be examined, and the injunction was made perpetual. Stephen T. Olney was appointed Receiver. The apprehension is, that the affairs of the bank will turn out badly. One of the reasons given by the commissioners in their petition was, that they had reason to believe that the circulation of the bank exceeded its capital.

*Fall River.*—The Supreme Court at Newport, on Friday, 4th September, made the injunction against the Tiverton Bank permanent, and appointed William H. Dart, Receiver. The President of the bank returned from New York with a part of the assets, which had been carried away by the Cashier, it was said, to raise money upon. These assets were found in the hands of a broker, who held them as collaterals. He surrendered about \$80,000.

*Indiana.*—The Bank of the Capitol, at Indianapolis, suspended on the 17th. The bills in circulation are quite limited, and, together with the deposits, will be paid off in full.

*Connecticut.*—The Annual Report of the Bank Commissioners for May, 1857, shows the progress of banking in Connecticut for the past ten years; the leading aggregates of which are as follows:

Year.	Capital.	Circulation.	Specie.	Loans.
1848,.....	\$8,726,000	\$4,891,000	\$517,000	\$13,424,000
1849,.....	8,985,000	4,511,000	575,000	13,740,000
1850,.....	9,907,000	5,253,000	640,000	15,607,000
1851,.....	10,575,000	6,839,000	774,000	18,100,000
1852,.....	12,509,000	7,118,000	825,000	20,552,000
1853,.....	13,950,000	11,217,000	1,259,000	25,833,000
1854,.....	15,641,000	11,207,000	1,206,000	27,397,000
1855,.....	17,145,000	6,833,000	812,000	23,999,000
1856,.....	18,852,000	9,197,000	1,006,000	27,201,000
1857,.....	20,505,000	9,990,000	1,121,000	32,639,000

From this tabular return it will be seen that the circulation is much reduced since May, 1853-4, and that it is now no more than is actually required for the wants of such an active people. Besides the specie on hand in their vaults, they maintain bank balances, equivalent to specie funds, at Boston and New York, for the redemption of their bills.

The stock in the new *Ætna Bank*, at Hartford, was subscribed in August, and a large excess was taken. At a meeting of the Directors, Eliphalet A. Bulkley was unanimously chosen President of the bank. Sales of its stock have already realized 2½ a 3 premium. This is probably the Hartford bank to which the *Herald* alluded lately as being in trouble. The trouble was not inside the bank, but outside, and the pressure was to get the stock, not to sell it. Appleton R. Hillyer, Esq., has been appointed Cashier. He is a son of Charles T. Hillyer, President of the Charter Oak Bank, in which institution he has been several years a Teller.

*Hartford*.—The notes of the Bank of Hartford County, (Hartford, Conn.,) were discredited on the 22d ult. by the Suffolk Bank, Boston, and by the Metropolitan and American Exchange Banks of this city. The loans of the Bank of Hartford County have been too liberally extended to Western rail-road companies, and the notes forced upon them for redemption too suddenly. The Bank Commissioners have placed an injunction upon further proceedings of the bank. Its liabilities in April last, according to the official report before us, were as follows:

Capital paid in,.....	\$600,000
Bills in circulation,.....	584,000
Due other banks,.....	37,000
Individual deposits,.....	100,000
Miscellaneous,.....	27,000

Total liabilities,..... \$1,348,000

The resources to meet this indebtedness are ample, viz:

Discounted bills,.....	\$711,000
Loans to individuals out of Connecticut,.....	286,000
Loans to corporations in Connecticut,.....	147,000
Loans to directors,.....	45,000
Specie on hand,.....	64,000
Bank balances and bank notes,.....	91,000
Miscellaneous,.....	4,000

Total,..... \$1,348,000

*Norwalk*.—The Bank of Norwalk, (Fairfield County,) commenced operations on the 6th September, with an authorized capital of \$300,000, of which \$90,000 has been paid in. President, Ebenezer Hill, Esq.; Cashier, Charles G. Rockwood, Esq., of the late firm of Rockwood, Hazards & Co., Mauch Chunk, Pa.

*VERMONT*.—F. W. Anderson, Esq., has been elected Cashier of the White River Bank, Bethel, in place of William M. Pinory, Esq., resigned.

*MASSACHUSETTS*.—The Hide and Leather Bank, at Boston, chartered in 1857, has been organized by the election of Lee Claffin as President, and John S. March as Cashier. The bank will commence business early in October. This is the only bank chartered this year for location in Boston.

*Milford*.—A. G. Underwood, Esq., has been elected Cashier of the Milford Bank, in place of Rufus Brewer, Esq., deceased.

*NEW HAMPSHIRE*.—The condition of the banks of New Hampshire on the first of this month is represented in the following aggregates:

Capital paid in,.....	\$4,041,000
Individual deposits,.....	1,101,000
Circulation,.....	3,469,000

Total,..... \$8,611,000

Loans,.....	8,731,000
Specie in vaults,.....	226,000
Bills of other banks,.....	143,000
Deposits in Boston, &c., for redemption of circulation,.,	835,000

Total,..... \$9,935,000

MARKET VALUES OF RAIL-ROAD BONDS AT NEW YORK, SEPTEMBER 25, 1857.

NAME OF COMPANY.	AMOUNT OF LOAN.	DESCRIPTION OF BONDS.	RATE INT.	INTEREST PAYABLE.	WHERE PA'D'LE.	DUE.	OFF'D.	ASKED.
Alabama & Tennessee River, .....	\$838,000	1st Mortgage, convertible, .....	7	1 Jan. 1 July, ...	N. Y.	1872	....	85
Buffalo & State Line, .....	500,000	1st Mortgage, inconvertible, .....	7	April, October, ..	"	1866	....	....
Central Ohio, .....	1,250,000	1st Mortgage, conv., east. sect., .....	7	Divrs, .....	"	1861-64	....	....
do, .....	800,000	2d Mortgage, inconvertible, .....	7	March, Sept., ...	"	1865	....	78
Cincinnati, Hamilton & Dayton, .....	500,000	1st Mortgage, inconvertible, .....	7	20 Jan., 20 July, ..	"	1867	....	87
Cincinnati & Marietta, .....	2,500,000	1st Mortgage, conv. till 1862, .....	7	January, July, ...	"	1868	70	75
Cincinnati, Wilmington & Zanesville, .....	1,300,000	1st Mortgage, convertible, .....	7	May, November, ...	"	1862	....	75
Cleveland, Painesville & Ashtabula, .....	567,000	1st Mortgage, inconvertible, .....	7	February, Aug., ...	"	1861	90	92½
Cleveland & Toledo, .....	800,000	1st Mortgage, convertible, .....	7	February, Aug., ...	"	1860	....	93
Cleveland & Pittsburgh, .....	525,000	1st Mortgage, inconvertible, .....	7	February, Aug., ...	"	1863	....	86½
Chicago & Mississippi, .....	1,000,000	1st Mortgage, convertible, .....	7	February, Aug., ...	"	1863	....	75
Chicago & Mississippi, .....	400,000	1st Mortgage, inconvertible, .....	6	April, October, ...	"	1862-72	....	76
Covington & Lexington, .....	1,500,000	1st Mortgage, convertible, .....	7	April, October, ...	"	1875	....	....
Delaware, Lackawanna & Western, .....	1,500,000	1st Mortgage, conv. till 1863, .....	7	January, July, ...	"	1878	....	80
Fort Wayne & Chicago, .....	1,250,000	1st Mortgage, conv. till 1857, .....	7	February, Aug., ...	"	1863	....	91
Galena & Chicago, .....	2,000,000	1st Mortgage, inconvertible, .....	7	May, November, ...	"	1875	72	73
do, .....	2,000,000	2d Mortgage, inconvertible, .....	8	10 April, 10 Oct., ..	"	1863	....	92½
Green Bay, Milwaukee & Chicago, .....	400,000	1st Mortgage, convertible, .....	7	May, November, ...	"	1866	....	90
Indiana Central, .....	600,000	1st Mortgage, convertible, .....	7	May, November, ...	"	1860-61	....	80
Indianapolis and Bellefontaine, .....	450,000	1st Mortgage, convertible, .....	7	January, July, ...	"	1866	....	80
Indianapo. & Cin. (form. Law b. & U. M.) .....	500,000	1st Mortgage, conv. till 1857, .....	7	March, Sept., ...	"	1866	....	85
La Crosse & Milwaukee, .....	450,000	1st Mortgage, conv. till 1864, .....	8	May, November, ...	"	1874	....	86
do, do, Sinking Fund, .....	500,000	1st Mort., 1st sec. conv. till 1864, .....	8	May, November, ...	"	1877	....	85
Lake Erie, Wabash & St. Louis, .....	3,400,000	1st Mortgage, conv. till 1859, .....	6	February, Aug., ...	"	1865	....	46
Little Miami, .....	1,500,000	1st Mortgage, inconvertible, .....	7	2 May, 2 Nov., ...	"	1888	....	81
Michigan Central, .....	1,000,000	No Mortgage, convertible, .....	8	April, October, ...	Bost.	1860	....	101
do, .....	600,000	No Mortgage, convertible, .....	8	March, Sept., ...	"	1869	....	100
Milwaukee & Mississippi, .....	600,000	1st Mort., 1st sec. conv. till 1857, .....	8	January, July, ...	N. Y.	1863	....	98
do, do, .....	650,000	1st Mort., 2d sec. conv. till 1858, .....	8	April, October, ...	"	1863	....	90
do, do, .....	1,250,000	1st Mort., 3d sec. conv. till 1858, .....	8	June, December, ..	"	1877	....	85
Northern Cross, .....	1,200,000	1st Mortgage, convertible, .....	8	January, July, ...	"	1873	....	92½
Ohio & Indiana, .....	1,000,000	1st Mortgage, convertible, .....	7	February, Aug., ...	"	1867	....	90

Ohio & Pennsylvania, .....	1,750,000	1st Mortgage, convertible, .....	7	January, July, .....	"	1865-66	90
do. do. ....	1,675,000	Income, convertible, .....	7	April, October, .....	"	1872	77
Pennsylvania, (Central), .....	5,000,000	1st Mortgage, conv. till 1860, .....	6	January, July, .....	Phila.	1880	80
Peoria & Oquawka, (Western Section), .....	500,000	1st Mort. & \$5,000 per mile, conv., .....	8	May, November, .....	N. Y.	1863	80
do. do. (Eastern Section), .....	500,000	1st Mortgage, conv. till 1870, .....	8	June, December, .....	"	1873	80
Racine & Mississippi, .....	680,000	1st Mortgage, conv., sink'g fund, .....	8	February, Aug., .....	"	1875	85
Stenbenville & Indiana, .....	1,500,000	1st Mortgage, convertible, .....	7	January, July, .....	"	1865	80
Terre Haute & Indianapolis, .....	600,000	1st Mortgage, convertible, .....	7	March, Sept., .....	"	1866	101
do. do. ....	1,000,000	1st Mortgage, convertible, .....	7	February, Aug., .....	"	1868 <sup>7</sup> 72	50
The above quotations are ex-interest.		The follow ing include the accrued interest.					
Baltimore & Ohio, .....	\$2,500,000	Mortgage, .....	6	April, October, .....	Balk.	1885	77
do. do. ....	1,128,500	Mortgage, .....	6	January, July, .....	"	1875	80
Chicago & Rock Island, .....	2,000,000	1st Mortgage, conv. till 1858, .....	7	10 Jan. 10 July, .....	N. Y.	1870	87
Erie Rail-Road, .....	3,000,000	1st Mortgage, .....	7	May, November, .....	"	1867	96
do. do. ....	4,000,000	2d Mortgage, convertible, .....	7	March, Sept., .....	"	1869	70
do. do. ....	6,000,000	3d Mortgage, .....	7	March, Sept., .....	"	1883	60
do. do. ....	4,000,000	Not conv., Sink'g Fund, \$420,000, .....	7	February, Aug., .....	"	1875	50
do. do. ....	4,351,000	Convertible, Inscription, .....	7	February, Aug., .....	"	1871	35
do. do. ....	3,500,000	Convertible, .....	7	January, July, .....	"	1862	42
Hudson River, .....	4,000,000	1st Mortgage, Inscription, .....	7	February, Aug., .....	"	1869-70	95
do. do. ....	2,000,000	2d Mortgage, Inscription, .....	7	16 June, 16 Dec., .....	"	1860	75
do. do. ....	3,000,000	3d Mortgage, convertible, .....	7	May, November, .....	"	1870	50
Illinois Central, (Construction), .....	17,000,000	Mortgage, inconvertible, .....	7	April, October, .....	"	1875	84
do. do. (Free Land), .....	3,000,000	M'ge, 345,000 acrs.-priv. 7 shares, .....	7	March, Sept., .....	"	1860	87
Michigan Southern, .....	1,000,000	1st Mortgage, inconvertible, .....	7	May, November, .....	"	1860	80
New York & Harlem, .....	1,800,000	1st Mortgage, inconvertible, .....	7	May, November, .....	"	1861-73	68
New York & New Haven, .....	750,000	No Mortgage, inconvertible, .....	7	June, December, .....	"	1855 <sup>60</sup> 66	82
New Haven & Hartford, .....	1,000,000	1st Mortgage, inconvertible, .....	6	January, July, .....	"	1873	94
Northern Indiana, .....	1,000,000	1st Mortgage, inconvertible, .....	7	February, Aug., .....	"	1861	80
do. do. Goshen Branch, .....	1,600,000	1st Mortgage, inconvertible, .....	7	February, Aug., .....	"	1868	80
New York Central, .....	8,287,000	No Mortgage, inconvertible, .....	6	May, November, .....	"	1883	79
do. do. ....	3,000,000	No Mort. conv. from June, '57-'59, .....	6	15 June, 15 Dec., .....	"	1864	90
do. do. ....	250,000	Convertible till 1858, .....	7	January, July, .....	"	1866	100
Panama, .....	1,245,000	1st Mortgage, .....	6	January, July, .....	Phila.	1860	79
Reading, issued 1848, .....	3,379,000	2d Mortgage, .....	6	April, October, .....	"	1870	69
do. do. 1844, '48, '49, .....							

U. S. GOVERNMENT SECURITIES.				INT. PAYABLE.	OFFERED PER CENT.	ASKED PER CENT.
}	Loan, 6 per cent.,	X	1862..	January, July,	110½	.....
	do. 6 do.	X	1867..	do.	117½	.....
	do. 6 do.	X	1868..	do.	117½	.....
	do. 6 do. Coupon Bonds,	X	1868..	do.	117½	.....
	do. 5 do. Texas indem.,	X	1865..	do.	106½	.....
STATE SECURITIES.						
}	New York, .....	6	per cent., 1860-61-62..	Jan. Ap. Jul. Oct.	100	108
	do.	6	do. 1864-65..	do. do.	.....	109
	do.	6	do. 1-66-67..	January, July,	.....	110½
	do.	6	do. 1872-73..	Jan. Ap. Jul. Oct.	105	110
	do.	5½	do. 1860-61..	do. do.	.....	100
	do.	5½	do. 1865..	do. do.	.....	100
	do.	5	do. 1858-60..	do. do.	95	99
	do.	5	do. 1866-74..	do. do.	.....	99½
	do.	4½	do. 1858-59-64..	do. do.	.....	99
		Ohio, .....	6	do. 1860..	January, July,	91
	do.	6	do. 1870..	do.	90	100
	do.	6	do. 1875..	do.	92	100
	do.	6	do. 1886..	do.	94½	95½
	do.	5	do. 1865..	do.	80	85
	Pennsylvania, .....	5	do. Coupon, 1877..	February, Aug.	79	80
	do.	5	do.	do.	82	82½
	Massachusetts, .....	5	do.	.....	.....	.....
	Kentucky, ... Bonds,	6	do. 1869-72..	January, July,	99	100
	Illinois, Int. Imp. ...	6	do. 1847..	do.	106	115
	do.	6	do. Interest..	do.	84	90
	Indiana State, .....	5	do.	do.	80	81
	do.	2½	do.	do.	50	55
	do. Canal Loan, 6	do.	do.	do.	.....	.....
	do. Canal Pref., 5	do.	do.	do.	.....	.....
	Maryland, .....	6	do.	Jan. Ap. Jul. Oct.	100	103½
	do.	5	do.	do. do.	.....	.....
	Alabama, ... Bonds,	5	do.	May, Novem'r,	82	90
	Louisiana, ... Bonds,	6	do. Divers..	January, July,	78	80
	Tennessee, ... Bonds,	5	do. Divers..	do.	.....	78
	do.	6	do. Divers..	do.	75	76
	Virginia, ... Bonds,	6	do. 1885-1890..	do.	84	86
	Missouri, ... Bonds,	6	do. 1872..	do.	69	70
	North Carolina, B'ds,	6	do. 1873..	do.	91	92
	Georgia, ... Bonds,	6	do. 1872..	do.	.....	100
	California, ... Bonds,	7	do. 1870..	do.	55	57
	do.	7	do. 1875..	do.	55	56
CITY SECURITIES.						
}	New York, .....	5	per cent., 1858-60..	Feb'y, May, }	90	95
	do.	5	do. 1870-75..	August, Nov. }	85	90
	do.	5	do. 1890-98..	..... }	90	93
	Albany, ... Bonds,	6	do. X 1871-81..	February, Aug.	.....	101
	Alleghany, ... Bonds,	6	do. X 1875-77..	January, July,	.....	75
	Baltimore, .....	6	do. 1870-90..	Jan. Ap. Jul. Oct.	90	95
	Boston, ... Bonds,	5	do. X .....	April, October,	.....	100
	Brooklyn, ... Bonds,	6	do. X long .....	January, July,	.....	97½
	Cleveland, W W B'ds,	7	do. X 1879..	do.	99½	100
	Cincinnati, ... Bonds,	6	do. X Divers..	Divers, .....	.....	88
	Chicago, ... Bonds,	6	do. X 1873-80..	January, July,	75	77½
	do.	6	do. X .....	do.	.....	97½
	Detroit, W W Bonds,	7	do. X 1873-78-83..	Feb'y, August,	.....	.....
	Jersey City, ... Bonds,	6	do. X 1877..	March, Sept'r,	99	101
	Louisville, ... Bonds,	6	do. X 1880-83..	Divers, .....	.....	80½
	Memphis, ... Bonds,	6	do. X 1882..	January, July,	.....	66



CITY BONDS.		DEPT. PAYABLE.	OFFERED PER CENT.	ASKED PER CENT.
Milwaukie, ... Bonds, 7 per cent. X.	1873-74-75..	March, Sept'r,	65	70
New Orleans, .. B'ds, 6	do. X R.R. 1872-74..	January, July,	....	73
do. Municipal, 6	do. X.....1892..	do.	....	81
Philadelphia, .....	do. ....1876-90..	do.	86	86½
Pittsburgh, ... Bonds, 6	do. X...1869-78-83..	Divers, .....	....	70
Peoria, (Ill.) .. Bonds, 7	do. X.....1873..	Divers, .....	....	93
Quincy, .....	do. X.....1868..	January, July..	....	88
Racine, (Wis.) Bonds, 7	do. X.....1873..	Feb'y 10, Aug.	....	80
Rochester, ... Bonds, 6	do. X.....long..	Divers, .....	....	96½
St. Louis R. R. B'ds, 6	do. X.....Divers..	Divers, .....	....	80
do. B'ds, 6	do. X...Municipal..	Divers, .....	75	80
Sacramento, Bonds, 10	do. X...1862-73..	Divers, .....	....	65
San Francisco, B'ds, 10	do. X.....1871..	May, Novem'r,	86	89
do. B'ds, 10	do. X p'able N. Y...	January, July,	....	....
do. B'ds, 6	do. X do. 1873..	do.	....	51
Wheeling, Mp. B'ds, 6	do. X Sink. F'd, 1874	March, Sept'r,	....	81
do. R. R., B'ds, 6	do. X.....Divers..	Divers, .....	....	67
Zanesville, ... Coup., 7	do. X.....	April, October,	....	90
COUNTY BONDS.				
St. Louis, (Missouri), 6 per cent. X.	.....	January, July,	....	78
Alleghany, (Penn.), 6	do. X divers issues..	Divers, .....	....	65
Fayette, .. (Kent'y), 6	do. X...1881-83..	January, July,	70	80
Bourbon, .. do. 6	do. X...1881-82..	do.	75	81
Mason, .... do. 6	do. X...1881-83..	do.	....	80
Boyle, .... do. 6	do. X.....	.....	....	75
Clark, .... do. 6	do. X.....1883..	Ap. 15, Oct. 15,	....	73
Montgomery, do. 6	do. X.....1883..	do. do.	....	70
Bath, .... do. 6	do. X.....1883..	do. do.	....	68
Ross, .... (Ohio), 7	do. X.....Divers..	Divers, .....	....	95½
Belmont, .... do. 7	do. X.....1862..	January, July,	....	93
Shelby, .... (Tenn.) 6	do. X.....1884..	April, Novem'r,	....	70
Des Moines, (Iowa), 8	do. X...1874-75..	Divers, .....	....	100
Henry, .... do. 8	do. X...1871-75..	Divers, .....	....	100
RAIL-ROAD COMPANIES.				
Baltimore & Ohio, .....	100.. 3	April, October,	52½	53
Chicago & Rock Island, .....	100.. 5	do.	65½	66
Cincinnati, Hamilton & Dayton, ..	100.. ..	do.	....	67
Cleveland, Columbus & Cin., .....	100.. 5	January, July,	82	80
Cleveland & Pittsburgh, .....	50.. 5	do.	15	15½
Cleveland & Toledo, .....	50.. 4	March, Sept'r,	33½	34
Erie, .....	100.. ..	April, October,	16½	17
Galena & Chicago, .....	100.. 5	February, Aug.	67	68
Harlem, .....	50.. ..	do.	7½	8
do. Preferred, .....	50.. ..	January, July,	20	24
Hudson River, .....	100.. ..	May, Novem'r,	16	16½
Illinois Central, .....	100.. 3½	January, July,	89	90
Little Miami, .....	50.. 5	June, Decem'r,	90	91
Macon & Western, .....	100.. 5	February, Aug.	88	90
Michigan Central, .....	100.. 5	December, .....	54	55
Michigan South'n & North'n Ind., 100..	5	January, July,	19	20
Milwaukie & Mississippi, .....	100.. 5	do.	33½	34
New Jersey, .....	50.. 5	February, Aug.	120	122
New Haven & Hartford, .....	100.. 5	April, October,	119	120
New York Central, .....	100.. 4	February, Aug.	65½	66
Ohio & Pennsylvania, .....	50.. ..	January, July,	....	....
Panama, .....	100.. 6	do.	80	81
Pennsylvania, .....	50.. 4	May 15, Nov'r,	98	98½
Reading, .....	50.. 4	January, July,	88	89

## Notes on the Money Market.

NEW YORK, SEPTEMBER 28, 1857.

*Exchange on London, at Sixty days' sight, 6½ a 7 premium.*

THIS has been the most eventful month in financial circles that we have had occasion to comment upon since the commencement of our work, in July, 1846. Those whose recollection goes back as far as the spring of 1837, when (during the months of March, April and May) the banks and merchants almost universally suspended payment, cannot bring to mind any period in the interim when such a sudden and severe revulsion has occurred as we have witnessed since the 24th ultimo. Within the past five weeks the Stock Market has evinced a steady decline, and to such an extent that loans cannot be negotiated upon stocks as collaterals, even with a large margin. Several banking institutions in the State have suspended; the circulating bills have been returned upon all the banks to an extraordinary degree, forcing upon all of them a system of contraction of loans that has forced a large number of mercantile firms into suspension. Among these there are many having abundant resources and surplus, unavailable at present, which will shortly enable them to resume payment and also to resume active operations.

This state of things may be primarily ascribed to two things. 1st. Unfavorable foreign trade. 2d. Unsound banking. Over thirty-two millions of gold were shipped from this port alone for the thirty-seven weeks ending 19th inst.; thereby draining the city banks of their specie reserve, and forcing them to draw upon other cities, in turn, for coin. At the same time there were systematic efforts on the part of one or two New York journals to create a panic in the money market, by a discredit of rail-road securities and rumors prejudicial to the credit of the city and country banks. Secondly. The crisis may be traced to unsound banking, in which we include—1st. The efforts of various banks and bankers to obtain large deposits from the interior by offers of a high rate of interest on balances. These offers made for twelve or eighteen months past have induced Western banks and bankers to maintain larger balances in the hands of their New York correspondents than they otherwise would, and the effect was to increase the bank balances in New York from \$72,000,000, as in February, 1855, to within a fraction of \$100,000,000, as in May and August, 1857. The loans, of course, kept pace with this increase of capital; or from \$88,000,000 in February, 1855, to \$122,000,000 in August, 1857. These deposits were sought by New York parties for the purpose of loaning out at a profit of 2 or 3 per cent. per annum; the average rate of interest paid being 4 per cent., while the loans were ordinarily made at 7 per cent. *on call*, or in extraordinary cases at 8, to 12 per cent.

At the same time the wants of several of our rail-road companies have forced them to obtain loans in Wall-street at high rates of interest. The New York and Erie Rail-Road Company, the Hudson River Rail-Road Company, the Michigan Southern Rail-Road Company, and other rail-road companies, have been large borrowers; whose paper as collaterals (either in the shape of acceptances, of bonds or of shares) has been sold at 1 to 3 per cent. per month. Thus loaded with an accumulation of rail-road paper, upon which loans on call had been made, and to which loans the borrowers could not, on demand, respond, the lenders were unable to meet their engagements when suddenly a pressure arose. The suspension of the Ohio Life and Trust Company, who were borrowers of the banks to the extent of about two millions of dollars, may be traced to this source; and that of Messrs. Beebe & Co., and Messrs. Atwood & Co., (we mention as instances,) also to the same cause. If the loans of these parties had been upon *bona fide* business paper of short dates, judiciously selected; of houses well known, and in moderate sums, no such calamity would have occurred, nor would the suspension of numerous other firms (elsewhere recorded) have occurred. In our opinion, the contraction by our banks, the diminution of bank circulation, the fall in stocks, the lamentable series of mercantile suspensions and bank failures, the panic and contraction in various cities, are mainly owing to these departures of two or three houses from their legitimate course as bankers. It is a sound principle of banking, now a legal statute in some States, that not over eight or ten per cent. of their capital shall be loaned to any one concern. This principle should never be departed from by any private banker or incor-

porated bank; and it would be more sound, we think, if the per centage were limited to five instead of eight or ten.

The pressure prevailing in the Money Market up to the 17th inst., was heightened at that time and for some days afterwards by the intelligence of the loss of the California steamer "Central America," having on board about two millions of gold, according to present estimates.

The very prompt and commendable action of the Board of Underwriters, on hearing of the accident, will do much to mitigate the inconvenience of the loss. *They pay on advice of the amount, at once.* All drafts drawn against the gold will, therefore, be honored on presentation at the respective banks and banking-houses on which they are drawn, on this timely assurance, whether acceptance be waived or otherwise. The same promptness, it is understood, will govern where the gold is insured in London. The arrangement in every case authorizes the insured to draw for the money on the first evidence of loss, the satisfactory nature of which is acknowledged in New York.

The panic among the community at large has induced such a drain upon the banks for gold, that on Friday, (25th inst.,) the Bank of Pennsylvania and the Girard Bank at Philadelphia both suspended specie payment. This was followed on Saturday by a general suspension of the banks of that city, and on the same day by those of Baltimore. This intelligence, communicated in a few minutes by telegraph, has led many of the banks of Virginia, Pennsylvania and other States to suspend likewise.

*State Loans.*—Nearly all these are quoted at a discount, merely because money is wanted for the actual demands of commerce. Those who have money, and those who have not, feel no less confidence than before in the value of State loans; but capital can at the present moment be more profitably invested in other channels. New York State Sixes are quoted at par to 110 a 112, with no buyers. Georgia and Maryland Sixes are quoted at par—with these exceptions, the whole list is at a discount. Ohio Sixes, lately held at 104 to 110, can now be had at 91 a 95.

We annex the prices of State loans at the close of the past eight weeks :

	Aug. 7th.	14th.	21st.	28th.	Sept. 4th.	11th.	18th.	25th.
U. S. 6 per cents, 1867-8, .....	116½	116½	116½	116½	117	117	117½	117½
Ohio 6 per cents, 1886, .....	104½	104½	104½	103	95	94	94½	94
Kentucky 6 per cents, .....	93	93	99½	99½	97½	97	99½	99½
Indiana 5 per cents, .....	82	81	82½	81½	76	80	80	80
Pennsylvania 5 per cents, .....	85	85	84½	83½	83	82	80	79
Virginia 6 per cents, .....	91	91	90½	89½	89	87½	86	84
Georgia 6 per cents, .....	100	100	100	100	100	100	100	98
California 7's, 1870, .....	56	56	60	50	57	55	56	55
North Carolina 6 per cents, .....	94	93	92	91	91	91	91	91
Missouri 6 per cents, .....	79½	79	73	73½	78½	70½	71	70
Louisiana 6 per cents, .....	84½	83	84	84	75	76	78	80
Tennessee 6's, .....	84½	84½	84½	84	80	74	75	75

*Rail-Road Stocks.*—There is a still further decline among all these, good, bad and indifferent. There seems to be no disposition to purchase even the strongest and most reliable, although there are no new circumstances affecting the incomes of the first class roads. New York Central, Michigan Central, Reading, Boston and Worcester, Panama, Illinois Central, &c., will continue to pay their dividends, having no diminution of active traffic.

We annex the closing rates for leading Rail-Road Shares for the past eight weeks :

	Aug. 7th.	14th.	21st.	28th.	Sept. 4th.	11th.	18th.	25th.
N. Y. Central R. R. shares, ....	88½	81	76½	74½	76½	70½	69½	65½
N. Y. & Erie R. R. shares, .....	88½	81½	28½	22	21½	20½	18	16½
Harlem R. R. shares, .....	10½	9	9	8	7½	6	7½	7½
Reading R. R. shares, .....	73	69	68	60½	51½	44½	46½	85
Hudson River R. R. shares, ....	..	21	19	18	19	19½	18	18
Michigan Central R. R. shares, ..	84½	88½	77	69	66	64½	60	54
Michigan Southern R. R. shares, ..	53	85	26½	18½	24	21½	19½	19
Panama R. R. shares, .....	97½	93	91	82	85	80	82	81
Baltimore & Ohio R. R. shares, ..	68½	67½	61½	68	60½	59½	53½	53
Illinois Central R. R. shares, .....	119½	117	118	92	99	98	98	69
Clev. and Toledo R. R. shares, ..	56½	50½	43	40½	40½	35½	37½	34
Chicago and Rock Island R. R. ..	94½	98	95	80	82	78½	72½	65½
Milwaukee and Miss. R. R., ....	54½	50½	43	41½	38½	36	38½	36

*Rail-Road Bonds.*—The market values for these early in the year were sustained because money could at all times be borrowed upon them at reasonable rates, with a fair margin. Now there are no facilities for obtaining loans upon them, at any rates. Holders have been compelled to sell out at ruinous sacrifices. Thus Erie Sinking Fund Bonds (negotiated at 80) are reduced to 54; Erie Convertibles of 1871, at 40; Baltimore and Ohio Rail-Road Sixes are held at 79 & 81; Chicago and Rock Island Sevens at 87 to 89; Michigan Southern Sevens at 55 to 60, secured by a general mortgage; Reading Mortgage Sixes, 70 & 90.

We annex the closing prices of Miscellaneous Securities for the last eight weeks:

	Aug. 7th.	14th.	21st.	28th.	Sept. 4th.	11th.	18th.	25th.
Erie R. E. sevens, 1859,.....	94	94	94	94½	—	88	87	70
Erie R. E. bonds, 1875,.....	79½	79½	79½	78½	60	60	54	50
Erie Convertibles, 1871,.....	65	66	63	61	52	50	40	35
Hudson River R. E. 1st mort.,...	94½	94½	94½	95	90	98	88	98
Panama R. E. bonds,.....	100	95	95	90	—	—	95	94
Illinois Central sevens,.....	99½	99½	99	94½	88	87½	85½	88
New York Central sixes,.....	86½	86½	86½	86½	84	88	80½	74½
Canton Company shares,.....	19½	19	18	17	16	16½	15½	15
Pennsylvania Coal Company,...	68½	85	78	64½	75	69	71½	66
Cumberland Coal Company,....	17	16½	14½	18½	18	10½	10½	9½
Del. and Hudson Canal Co.,....	118½	118	115	110	109½	106	106½	105

The extraordinary changes in leading Shares since 1st January last, may be seen in the annexed summary:

	Jan. 1st.	Feb. 1st.	Aug. 1st.	8th.	15th.	22d.	Sept. 1st.	25th.
Chicago and Rock Island R. E.,	95	99½	95	95	92	90½	75	65½
Cleveland and Pittsburgh R. E.,	58	55	40	40½	37	30	15	14
Cleveland and Toledo R. E.,...	75½	77	57	57	49	43	35	34
Cleveland, Col. and Cin. R. E.,	102	108	97	95	95	94	92½	92
Galena and Chicago R. E.,.....	120	104	91	92½	90	86½	77½	67
Illinois Central R. E.,.....	124	122	118	119½	116	112	84	89
La Crosse and Milwaukee R. E.,	74	72	84½	86	81	22	10	12
Michigan Central R. E.,.....	98½	96½	88½	84½	82½	75½	64	54
Michigan Southern R. E., pref.,	—	92	77	75	65	53½	35	38
Milwaukee and Wis. R. E.,.....	77½	72	59	58½	49	49	31	26
New York and Erie R. E.,.....	68½	26	34½	33½	31½	27½	19½	16½
New York Central R. E.,.....	94½	91½	88	83½	80½	76	72	65½
Panama R. E.,.....	98	96	96	96	92½	90	81	81
Reading R. E.,.....	87½	82	73	71½	69½	67	55	38
Indiana State 5's,.....	84	85	83½	82½	81	81½	77	80
Louisiana State 6's,.....	92½	85	83½	85½	85	85	73	73
Missouri State 6's,.....	86	86	79½	79½	78	78	70	70
New York Central 7's,.....	100	101	99	99	97	95	92	90
Ohio State 6's,.....	102½	102	100	99½	99½	99½	95	94
Tennessee State 6's 1859,.....	90	90½	84	85	85	84	75	75
Virginia State 6's 1850,.....	90	92	91	91	91½	90½	78½	84

These changes indicate a scarcity of money, not a loss of confidence in the shares or bonds generally. We hope to see a restoration of State bonds to par before many months, and the rail-road system placed upon such a footing as to secure the confidence of the community in them, as substantial investments for capitalists.

## DEATH.

IN ROCKLAND, MAINE. 8th September, Hon. KNOTT CROCKETT, aged 65 years, President of the Lime Rock Bank for many years.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES. NOVEMBER, 1857.

No. 5.

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HISTORY OF THE POST OFFICE.

WRITTEN FOR THE BANKERS' MAGAZINE, BY PLINY MILES.

- I. SKETCH OF EARLY POSTAL AFFAIRS. II. THE FIRST NATIONAL POST OFFICE. III. THE BRITISH POST OFFICE. IV. INTRODUCTION OF CHEAP POSTAGE. V. POSTAL STATISTICS, AND RATES OF POSTAGE IN OTHER COUNTRIES. VI. THE UNITED STATES POST OFFICE.

THE Post Office, as it exists to-day, is essentially a modern institution. Some writers have traced the origin of the Post to a very early period in the political history of the world. They find the origin of the word post in the Latin, *positus*, as applied to the postal couriers who were placed or posted at certain intervals or stations on the route over which letters or messages were conveyed. Herodotus, Xenophon and other ancient historians speak of postal couriers that were employed by kings, rulers and commanders of armies. In Persia, in the time of Cyrus, stations were kept at regular intervals along the principal highways of the country, and messages were forwarded for the government by couriers, who acted as post-riders. In the Roman empire, in the time of Julius Cæsar, and during the reign of Augustus, a similar method of communication was kept up between the central government and the principal military stations. Marco Polo tells us, and his narrative is confirmed by other travellers, that Kublai Khan, the Emperor of Tartary,

had regular post establishments throughout his vast empire. This was in the thirteenth century. In his narrative we find the following, which is particularly interesting, as giving an account of a regular Post among a comparatively barbarous people, that was quite equal to the postal establishments of many modern Christian nations :

"From the city of Kanbalu there are many roads leading to the different provinces, and upon each of these, that is to say, upon every great high road, at the distance of twenty-five or thirty miles, accordingly as the towns happen to be situated, there are stations, with houses of accommodation for travellers, called *yamb* or post-houses." [These are "*mansiones equorum*;" in the Chinese language *tchan*, and in the Persian *markileh*.] "These are large and handsome buildings, having well-furnished apartments, hung with silk, and provided with everything suitable to persons of rank. Even kings may be lodged at these stations in a becoming manner, as every article required may be obtained from the towns and strong places in the vicinity; and for some of them the court makes regular provision. At each station four hundred good horses are kept in constant readiness, in order that all messengers going and coming upon the business of the Grand Khan, and all ambassadors may have relays, and, leaving their jaded horses, be supplied with fresh ones. Even in mountainous districts, remote from the great roads, where there are no villages, and the towns are far distant from each other, his majesty has equally caused buildings of the same kind to be erected, furnished with every thing necessary, and provided with the usual establishment of horses. He sends people to dwell upon the spot, in order to cultivate the land, and attend to the service of the post; by which means large villages are formed. In consequence of these regulations, ambassadors to the court and royal messengers go and return through every province and kingdom of the empire with the greatest convenience and facility."

This is a picture of a very complete postal establishment. The Incas of Peru, in the sixteenth century, had a similar system of postal couriers to keep up communication between different parts of the country.

There was a system of postal communication in France, as early as the time of Charlemagne, and used principally for the conveyance of government dispatches. Louis XI. also employed postal couriers. "A permanent establishment of messengers for the conveyance of letters was attached to the University of Paris from the beginning of the thirteenth century, and indeed, was not abolished until the year 1719, long after a general post had been settled in France. Other universities were similarly provided. Sometimes powerful or opulent individuals established posts for mercantile purposes, and the convenience of a particular district."\*

The date of the first regular post establishment in modern time was not far from the year 1497. There is a general coincidence in point of time of a number of leading discoveries, conquests, inventions and improvements. Printing was invented in 1441. Constantinople was

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\* Encyclopedia Britannica.

taken by the Ottomans, the Greeks driven from the East, and the Turkish empire founded in 1453. Postal couriers were employed in Great Britain as early as 1464. Printing was introduced into England in 1474. The kingdom of Spain was established by the union of Arragon and Castile, in 1479. The Cape of Good Hope was discovered in 1486, and America in 1492. The Post Office was established in Germany about the year 1497. Africa was circumnavigated in 1498. The Reformation commenced in 1517. A system of punctuation by marks and pauses was introduced in 1520. Hungary was united to Austria in 1521. Magellan completed the first circumnavigation of the globe in 1522. The astronomical system of Copernicus was proclaimed in 1532. In India, as early as 1570, a system of foot-posts was established by Akbar, the head of the Mogul empire. Indian runners, noted for their speed, were employed, and one messenger without relief, we are told, would often travel from eighty to ninety miles in a day.

#### THE FIRST NATIONAL POST OFFICE.

The first regular Post Office was established by Maximilian, Emperor of Germany, near the close of the fifteenth century—about the year 1497. At the head of this post establishment the Emperor placed Francis, Prince of Thurn and Taxis, the first postmaster-general mentioned in history. This establishment, originally started like all other government posts as a general errand-boy and message-bearer of government, soon became a powerful monopoly, and claimed the sole right of transmitting the correspondence of the people. From the time of its foundation to the present day the German post establishment has been held as a hereditary fief or property by the princes of the house of Thurn and Taxis. It has been a subject of frequent discussion whether postal business should be entirely carried on by government. There are arguments on both sides, and many against it can be found in the history of this German postal union. The Catholic religion being the religion of the State, Protestants made frequent and just complaints against the suppression and violation of correspondence in the cause of political tyranny and religious intolerance. We are informed that this was one of the direct causes of the Thirty Years' War. Lammoral, Prince of Thurn and Taxis, a military leader (Catholic) as well as postmaster-general, by the assistance of his allies defeated and dispersed the Protestant Union under Frederick, the Elector Palatine. This was followed by the "Massacre of Prague," the "horrible persecution of all malcontents," the "banishment of thirty thousand Protestant families, and the total suppression of the Protestant religion." In this work the Post Office was used as a machine for annoyance, espionage, persecution and warlike conquest. The very same postal concern is this day a stumbling-block and a serious impediment in the way of cheap postage between nations on the west—France, Great Britain and the United States—and people living in the eastern part of Europe. But the house of Thurn and Taxis own the post, pocket large profits, are deaf to all considerations of public good, and insist on the very highest-paying (transit) rates of postage.

## THE BRITISH POST OFFICE.

The Post Office of Great Britain, at once the most efficient, economical and profitable of modern times, has a most interesting history. We find mention of postal couriers employed by government as early as the reign of King John. He summoned his barons to form the parliament by issuing "letters patent." During this reign State accounts exhibit frequent items of charge for the carriage of letters. In the time of Edward II., there were fixed *posts* or stations where horses were kept for post-riders. In 1481, Edward IV., during his wars with Scotland, established, as stated by Gale, certain posts, twenty miles apart, where the riders relieved one another, and in this way conveyed letters one hundred miles a day. Long before there was any account of a national Post Office, we meet with the superscription of letters, "haste, poste haste." In 1581, during the reign of Elizabeth, Camden states that Thomas Randolph was chief postmaster of England, but nothing is mentioned as to his functions as a transmitter of letters.

Among the early records of postal affairs in Great Britain are various accounts of the violation of letters, particularly in the reign of Henry VIII. The English ambassador at the Court of James V., King of Scotland, (Sir Ralph Sadler,) gives numerous instances of the violation of letters by Cardinal Beaton. One messenger, a soldier from Berwick-on-Tweed, was employed to relieve the courier from the south on his way to Edinburgh, with dispatches for the ambassador. He was called "the post." While on the way, he fell into the hands of Beaton's emissaries, and they seized the letters that were addressed to Sir Ralph Sadler, and refused to give them up. They were finally delivered after they had been kept some days, and opened; "which," as Sir Ralph says, "being in cipher, they had kept the longer to prove their cunning in the deciphering of them, which (as I credibly am informed) they could do." A letter from the Earl of Angus, "Sir George Douglas hath to convey by post, and will, as he hath written to me, ride himself therewith to Berwick, because he dare trust no other man to carry it." He adds, "it is much ado to convey letters safely in this country." One messenger of King Henry was taken by the Cardinal's party, who "threatened to hang him with all his letters about his neck." But on two notable occasions the wily Cardinal—the Pope's *legatus à latere* in Scotland—had the tables turned upon him. One of his own couriers was shipwrecked and cast ashore near Bamborough castle, was captured, and by the Cardinal's letters found on him, it appeared that he ("through the authority of the Bishop of Rome") (the Pope) intended to get all power, spiritual and temporal, from the King of Scotland, while professing to be his friend. King Henry reported this to King James through his ambassador. When he heard it, the incensed monarch said, "whatsoever he be in Scotland that we may know, doth not his duty both in the execution of God's laws above all, and also in the ministration of indifferent justice to our lieges; by God," quoth he, "if we may know him, we shall not lett to punish him, be he spiritual or temporal."



The last notable act of this kind was when Cardinal Beaton sent Norman Leslie, son of the Earl of Rothes, and others, to Edinburgh, from his strong hold at St. Andrews. Suspecting foul play, they "fingered the packet," and found they were the bearers of their own death-warrants. They returned by night, and at a very early hour in the morning, while the drawbridge of the castle was lowered, rushed in and stabbed the Cardinal in his own room. The journals and correspondence of this period contain various other instances of the violation of correspondence.

The earliest mention of a postmaster, who had the charge of correspondence, and whose duties and privileges were defined, was in the reign of James I. of England. He was charged with "the sole taking up, sending and conveying of all packets and letters into foreign parts." The office was filled by Mathew le Quester, and by Mathew le Quester, his son.

In 1635, King Charles issued a proclamation "for settling of the letter-office of England and Scotland." "This," says an English writer, "may properly be regarded as the origin of the British Post Office." By royal command, Thomas Witherings, Esq., was Postmaster-General. Posts were established from London to the Continent, and to Scotland and Ireland. In 1644, the parliament made Edmund Prideaux Postmaster-General, and he established a weekly mail. Cromwell made important improvements. He had an act passed "to settle the postage of England, Scotland and Ireland." By this it was enacted that "there shall be one General Post Office, and one officer styled the Postmaster-General of England, and the comptroller of the Post Office." This officer was to have the "horsing" of all persons "riding in post." The rates of postage were fixed, and all other persons "forbidden to "set up or employ any foot-posts, horse-posts or packet-boats." The postage of a letter eighty miles from London was two pence sterling; above that distance, in England, three pence; to Scotland, four pence, and to Ireland, six pence. Double letters were double these rates. The post-riders were required to ride seven miles an hour in summer and five in winter. Cromwell farmed the post-office out for £10,000 a year; and on the restoration of Charles II. in 1660, the office was rented for £21,500 a year. In 1663, the entire profits were settled on the king's brother, the Duke of York, (afterwards King James II.,) and his heirs male. In 1685, by an order in council, a Post Office was established on this continent "for the better correspondence between the colonies of America."

During the reign of James II., William Dockwra set up a local system of letter and parcel distribution in London. He was allowed to continue it for several years, until it proved profitable, and then his local letter system was seized under pretence that it encroached upon the royal prerogative. In the more modern history of the Post Office there are parallel cases.

In 1688, an act was passed for the establishment of a General Post Office in Scotland. In 1698, King William made a grant of the whole revenues of this office to Sir Robert Sinclair, with a subsidy besides of £300 a year. Even at this rate Sir Robert found it a losing business,

and threw it up. In 1710, (9 Anne, ch. 10.) an act was passed that may be considered the charter of the British Post Office. This act established a General Post Office throughout Great Britain and Ireland, the North American colonies and the West Indies. It was all put under the control of one officer, styled her Majesty's Postmaster-General. The act provided for one chief letter-office in Edinburgh, one in Dublin one in New York and others in the West Indies. For a considerable period after the act of 1710, there were no relays of post-horses, one man or boy, and a horse, accomplishing an entire journey like the one from Aberdeen to Edinburgh, travelling by day and stopping at night. Up to 1763, there was only a tri-weekly mail from London to Edinburgh. That year the trips were increased to five times a week. The time required for the mail coach to go between the two cities was from eighty-two to eighty-five hours. Until 1788, there was no direct mail from London to Glasgow.

It is instructive to note the progress in the income of the British Post Office for a period of two hundred years. The net and gross income of the British Post Office at different periods will be seen in the following table, the last column giving the gross income in United States currency, reckoning five dollars to the pound sterling :

<i>Year.</i>	<i>Net Revenue.</i>	<i>Gross Receipts.</i>	<i>Gross Receipts. Dollars.</i>
1653.....	£10,000	....	....
1663.....	21,500	....	....
1685.....	65,000	....	....
1696.....	67,222	£90,440	\$452,200
1711.....	90,223	111,426	557,130
1764.....	97,865	210,663	1,053,315
1760.....	83,493	230,146	1,150,730
1770.....	156,062	305,015	1,525,075
1780.....	136,409	418,862	2,094,310
1790.....	331,179	571,863	2,859,315
1800.....	720,981	1,083,950	5,419,750
1810.....	1,138,889	1,855,746	9,278,730
1820.....	1,385,493	2,191,562	10,957,810
1830.....	1,304,020	2,265,481	11,327,405
1840,*.....	500,789	1,359,466	6,797,330
1845.....	761,982	1,887,576	9,437,880
1850.....	803,898	2,264,684	11,323,420
1855.....	1,065,056	2,716,420	13,582,100
1856.....	1,207,725	2,867,954	14,339,770

To give the different rates of postage that have been levied at various periods since the act of Queen Anne would require a long tabular statement. In 1710 the charge for a single letter from London to Edinburgh, and from London to Dublin, was six pence. In England the rates were three or four pence, according to distance; in Scotland, two, three or four pence, and in Ireland two or four pence. The rates were altered, and generally increased in amount and also in number, in each of the three kingdoms—and without uniformity in either two—in

\* The first year of penny postage.

1765, 1784, 1797, 1801, 1805 and 1812, and in Ireland in 1813 and 1814. From two or three rates in 1710, they went on increasing in number until they reached the climax of absurdity and inconvenience in twelve different rates in England and Scotland, in 1812, and thirteen rates in Ireland, in 1814. In Scotland, in 1813, an additional half-penny was levied on all letters that were conveyed in mail coaches. These absurd, complicated, troublesome and multifarious rates of postage remained on the statute books until they were blown from existence by the reduction of all rates to one uniform charge of a penny, through the exertions of Mr. Rowland Hill, in 1840. From 1711 to 1839, more than 150 acts relating to the Post Office were passed, and during the latter year the various acts were consolidated in one, (1 *Vic.* chap. 32,) repealing at once about one hundred acts and parts of acts.

The next great improvement in the mail service of Great Britain was the introduction of mail coaches, in 1784. This was principally accomplished by the exertions of Mr. John Palmer. Like most new improvements, it was the project of an outsider, Mr. Palmer not being an officer of the Post Office, but the manager of a provincial theatre. That extraordinary fatality usual in such cases took possession of nearly all prominent officials; and the Postmaster-General, members of parliament and other dignitaries denounced the scheme as preposterous, undignified and impracticable. The projector was pronounced a visionary zealot, and as unreliable as a madman. It appeared to Mr. Palmer that when passenger coaches travelled regularly over the principal roads at a much more rapid rate than the horse-posts usually did, that the mails could, with advantage, be transported by them. At this day we can scarcely see tangible grounds for a violent opposition to a plan to adopt the swiftest and most reliable conveyance for the mails, except in that official jealousy, which never bears a rival near the throne, or that rents the assumption of an outsider in presuming to know any thing better than the servant of routine who is paid to carry on a concern that he feels no interest in improving. The mails were transferred to stage-coaches, all the opponents of the plan were put to shame, and Mr. John Palmer received from the treasury the sum of £50,000, and an annuity of £3,000 a year for life, for the benefits he had conferred on the nation in augmenting the national income, and increasing the facilities for correspondence.

#### MR. ROWLAND HILL'S IMPROVEMENTS.

We now come to the most important era in the history of the British Post Office. Mr. Rowland Hill, an English country gentleman, in no way connected with the Government or the Post Office, set to work, in 1836, to devise a plan to effect some permanent improvements in the regulation and management of the postal establishment. He found, by referring to the official records of the Post Office department, that while the population, the business of the country and all branches of the national income (the post excepted) had greatly increased during the preceding twenty years, the revenue and business of the Post Office had, with some fluctuations, actually decreased. He compared the postal income to

the revenue derived from stage-coaches, a branch of business that afforded a good index to the prosperity of the country. The following table exhibits at one view a comparison of the revenue from stage-coaches, with the net postal income; and a column showing what the net revenue of the Post Office would have been, in 1835, had the receipts kept pace with the revenue from coaches :

<i>Date.</i>	<i>Revenue from Stage Coaches.</i>	<i>Per cent. Increase.</i>	<i>Net. P. O. Revenue.</i>	<i>Revenue which would have been.</i>	<i>Comparative loss.</i>
1815,....	£217,671	....	£1,557,291	£1,557,291	....
1820,....	273,477	25	1,479,547	1,946,000	£466,453
1825,....	362,631	66	1,670,219	2,685,000	914,781
1830,....	418,598	92	1,517,952	2,990,000	1,472,048
1835,....	498,497	128	1,540,300	3,550,000	2,009,700

Believing that the legitimate demand for the conveyance of letters and distribution of correspondence had increased as fast as that for the conveyance of persons and parcels, it was evident that, in effect, there was a loss in Post Office revenue, amounting to £2,000,000. These facts and others were first submitted privately to the government, and, in 1837, to the public, in a pamphlet, entitled "Post Office Reform, its Importance and Practicability." It was received with great favor, and in a short time passed through three editions. The author came to the following conclusions: He demonstrated clearly that the actual cost of conveying a letter by coach in the mail from London to Edinburgh—400 miles—was only one-thirty-sixth part of a penny. It must be evident that the actual difference of expense between transporting a letter one mile and delivering it, and carrying one four hundred miles to be delivered, did not justify a different rate of charge. He came to the conclusion that the large cost of distributing letters was the result of complex arrangements in the Post Office, arising from many rates of postage. That these complex arrangements would be avoided if postage were charged, without regard to distance, at a UNIFORM rate. That all letters should be charged by weight, those reckoned as single letters that did not exceed half an ounce each. That the uniform charge for letters, including their delivery, should be one penny. That this rate of charge would afford the greatest facilities to the public, put a stop to correspondence through private channels, and eventually prove the most profitable to the government. That with the simplicity and economy of arrangement attending the uniform charge of a penny, there would be but little more expense attending a four-fold increase of correspondence, than there was with the then numerous rates of postage. That the effect of a uniform penny rate would be to increase correspondence "in all probability at least five-and-a-quarter fold."\* That the necessary cost of primary distribution, instead of being 84 hundredths of a penny, as it was under the numerous rates of postage, would only be 32 hun-

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\* In 1856 the number of letters in the kingdom (478,393,803) had increased more than six-fold beyond the number in 1839, (then 75,907,572,) the last year of the old rates.

dredths of a penny, the difference, 52 hundredths of a penny, arising from the expensiveness of the arrangements, the excessive charges and the consequent restriction of correspondence. That the secondary distribution of letters (the delivery) ought to be untaxed, so as not, in any degree, to interfere with the simplicity of arrangements attending a uniform and low rate.

A verification of Mr. Hill's predictions, almost amounting to prophecy, has been established by the working of the system. In his pamphlet, published in 1837, he predicted that the increase of correspondence, and the attendant economy of management that would result from a uniform rate of a penny, "would afford a probable net revenue"—that is, in a reasonable time—"of £1,278,000." In 1856 the net revenue was exactly £1,208,725. One statement will show the great economy of management under a uniform rate of postage. Taking the cost of carrying on the British postal establishment, (transportation excepted,) in 1837, before there was uniform postage, and in 1854, (with the uniform charge of a penny,) and looking also at the number of letters at each period, we can see what the handling, sorting, distribution and delivery amounts to per hundred or per thousand letters. The following is the official record:

<i>Date.</i>	<i>Expense of Distribution.</i>	<i>Number of Letters.</i>	<i>Expense of each 1000 Letters.</i>
1839,.....	\$2,528,332	*82,470,596	\$30
1854,.....	3,233,195	448,649,301	7

By the efforts of Mr. Wallace, M. P. for Greenock, Lord Ashburton and others, a parliamentary committee was appointed; and after numerous sittings, and the examination of nearly a hundred witnesses, from all classes and ranks of society, they made their report in two formidable blue-books, giving the entire testimony, and a great mass of official, statistical information. It is a fact worth mentioning in this place that all great postal improvements, both in Great Britain and the United States, were commenced, carried on and prosecuted to a successful termination by citizens entirely unconnected with the postal establishment. So far from deriving aid from those who would be supposed to possess the ability and disposition to afford it—viz., those in the Post Office—they have uniformly opposed all reforms. It was singularly true in the present inquiry. "It was found, by the commission, to be a matter of the greatest difficulty to extract from the Post Office any information necessary for the elucidation of the inquiry." "Not only has the Post Office been utterly barren of improvement itself, but its weight is thrown into the opposite scale." "Whenever the Post Office attempted to give facts and estimates to combat Mr. Hill"—to quote from an eminent writer—"it was found that Mr. Hill was always right, and the Post Office always wrong." A Chancellor of the Exchequer described the "gentlemen of the Post Office" as "unwilling horses." Petitions to the number

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\* This number included both franked and paid letters. Omitting free letters, the number was 75,907,572.

of 320, from 262 different places, and bearing over 38,000 names, were sent to parliament, asking for the adoption of Mr. Hill's plan. In 1839 franking was abolished, and an act passed, authorizing the lords of the Treasury to adopt a uniform rate of one penny on all single letters, without regard to distance. The penny postage went into operation on the 5th day of January, 1840.

The official reports of the Post Office, showing the revenue and expenditure, and the amount of correspondence, comprise the best eulogy of the principle of the uniform penny rate. It is no disparagement to Mr. Rowland Hill, to say, that while he was once in favor of pre-payment of postage being compulsory, he has long since receded from that idea. Pre-payment is not, nor never has been compulsory in Great Britain, all letters being forwarded to the persons addressed, whether pre-paid or not, with the exception of letters weighing over four ounces; and these, if not pre-paid, are at once opened and returned to the writer. Letters not pre-paid are charged double, and such letters, if refused or not delivered, are returned to the writer from the Returned-Letter office, and the double postage then due may be collected by compulsory process. By this means the distribution of circulars and advertising sheets through the mails, without pre-payment, is effectually prevented. In Great Britain it is customary to refuse all unpaid matter unless a name or the handwriting on the outside shows who the sender is, and so near universal is pre-payment of all postage, that more than 98½ per cent. of all letters have their postage paid before mailing.

In Great Britain there is no Dead-Letter office, and there are no "dead" letters. There is a "Returned-Letter office," and all letters and even papers and printed packages that have not, for any reason, been delivered, are at once opened or examined, and where possible, returned to the senders. When the name is printed or written on the outside of the letter, or impressed in the seal, or where a coat of arms or device reveals the writer, the letter or package is returned unopened. As there is a letter delivery by carriers daily or several times a day, at almost every Post Office and post village, refused, mis-directed or other "stray" letters are at once known, and, by the above regulations, almost all letters that in other countries, (and particularly in the United States,) would be pronounced "dead," and condemned to a hopeless imprisonment for months, and then, perhaps, to be burnt, are here sent back to the writers and rightful owners, and usually in less than a week from the day they are mailed. The practice now is to dispatch every letter on the day it is received at the Returned-Letter office. The last annual report, (1857,) says: "By recent arrangements, returned letters are sent back to the writers much more quickly than formerly; every such letter, (except from abroad,) being now opened, [where necessary,] re-directed and re-posted on the day of its arrival at the Returned-Letter office. The number of letters returned to the writers last year, (1856,) owing to failure in the attempts to deliver them, was nearly the same as in the previous year, viz., about 2,400,000, or about 1 in 200 of the whole number of letters posted. Owing to the same cause, about 550,000 newspapers, also, were undelivered, being about 1 in 129 of the whole number."

In the case of letters that cannot be delivered, even though by the fault of the writers, the British Post Office is supposed to be just as much the servant of the people as in the case of letters when originally mailed and correctly addressed, and every such letter is looked upon as a piece of property, to be sent to the person addressed, when possible, and when not, returned to the owner. All letters and packages that are pre-paid, when returned, are delivered to the senders without any charge; and when not pre-paid, double postage is exacted. With such system, simplicity and facility is the returning of letters carried on, that each clerk returns two hundred per day.

The principle and operation of the British Penny Postage system is this: A minimum rate of postage is sought for that shall not be an exorbitant charge for the smallest packages the shortest distances, and this postage is paid by a stamp. Now the object is to make this stamp cover as large a number and variety of packages—written and printed—as possible. Each letter is called a “single” letter that does not exceed half an ounce in weight, and each package of printed matter—newspapers, circulars, handbills, pamphlets or books—done up open at the ends or sides, is considered “single” up to four ounces. Here is the value, convenience, simplicity and utility of UNIFORM postage, both to the public at large and to those who handle, sort, rate and attend to the letters and mails. Drop-letters, or more properly local letters—for they are not permitted to “drop” and become “dead”—and all local mail matter, is charged at the same rate of those that are transported five hundred miles. The consequence is readily seen. The penny stamp covers almost—more than nineteen-twentieths—of all packages that are mailed. A letter, not weighing over half an ounce, local or otherwise, a newspaper, pamphlet or other printed package, not weighing over a quarter of a pound, have the postage pre-paid by the all-powerful, all-convenient, universal, uniform penny stamp. Then in larger packages the rates are not cut up so fine as to be inconvenient to either the citizen or the postmaster. Letters from half an ounce to an ounce are two postages, and after the first ounce each ounce or fraction of an ounce in excess is reckoned as two postages. In printed matter, after the first half pound, the reckoning is made by half pounds; each half pound or fraction of a half pound being charged two postages—two pence. All the items in this simplicity and uniformity of arrangement save a vast amount of time and trouble to the people and the clerks and postmasters, in a nation that writes and sends by mail annually nearly six hundred million letters and printed packages, particularly as each letter and printed package has to go through from four to eight different processes or operations in the hands of the citizen, and from fifteen to twenty after it gets into the Post Office. Would any other system but one that combines so much wisdom, economy, convenience, simplicity, uniformity and utility, bring nearly six hundred million letters and packages through the Post Office in a single year? A record of the business and the revenues and correspondence of the Post Office of the kingdom for a few years will do something towards answering the question.

## STATISTICS OF THE BRITISH POST OFFICE.

*Revenue, Expenses, Number of Letters and Number and Amount of Money Orders in the United Kingdom, during a series of years, commencing with 1815, and ending with 1856.*

<i>Date.</i>	<i>Gross Receipts.</i>	<i>Expenses.</i>	<i>Net Revenue.</i>	<i>Number of Letters.</i>	<i>Number of Money Orders.</i>	<i>Amount of Money Ords.</i>
1815...	\$11,619,175	\$3,523,195	\$8,095,980	....	....	....
1825...	11,343,088	3,286,800	8,056,298	....	....	....
1835...	11,216,469	3,482,866	7,733,603	....	....	....
1836...	11,753,012	3,608,699	8,144,313	....	....	....
1837...	11,698,690	3,436,568	8,262,122	....	....	....
1838...	11,731,390	3,433,841	8,297,549	....	....	....
1839...	11,953,318	3,784,997	8,168,321	75,907,572	188,921	\$1,565,623
1840...	6,797,332	4,293,385	2,503,947	168,768,344	587,797	4,804,878
1841...	7,497,093	4,690,845	2,806,248	196,500,191	1,532,845	15,637,538
1842...	7,890,729	4,887,522	3,003,207	208,434,451	2,111,980	21,685,889
1843...	8,104,338	4,903,252	3,201,086	220,450,306	2,501,523	25,564,204
1844...	8,525,339	4,925,553	3,599,786	242,091,684	2,806,803	28,476,977
1845...	9,437,883	5,627,971	3,809,912	271,410,789	3,176,126	32,066,805
1846...	9,819,237	5,693,726	4,125,511	294,686,762	3,515,079	35,355,284
1847...	10,905,084	5,982,600	4,922,484	322,146,243	4,031,185	39,515,386
1848...	10,718,400	7,016,253	3,702,147	328,830,184	4,203,651	40,756,475
1849...	10,826,749	6,622,814	4,203,935	337,399,199	4,248,891	40,763,219
1850...	11,323,421	7,303,928	4,019,493	347,069,071	4,439,713	42,472,493
1851...	12,110,841	6,520,816	5,590,023	360,647,187	4,661,025	44,402,104
1852...	12,171,634	6,719,536	5,452,098	379,501,499	4,947,825	47,191,389
1853...	12,872,039	7,003,399	5,868,640	410,817,489	5,215,290	49,540,976
1854...	13,509,313	7,532,781	5,976,532	443,649,301	5,466,244	52,312,059
1855...	13,582,100	8,256,820	5,325,280	456,216,176	5,807,412	55,046,395
1856...	14,339,770	8,301,145	6,038,625	473,393,803	6,178,982	59,027,810

The money columns give the amounts in United States currency, calculating five dollars to the pound sterling. It will be seen that the gross and net revenue of the Post Office for twenty years, from 1815 to 1835, actually declined. Then there were twelve or fourteen rates of postage for letters, averaging about six and a half pence sterling (13 cents) a letter. With a reduction to the uniform rate of a penny—less than one-sixth of the former rates—the postal revenue more than recovered in eleven years, while the number of letters sent by mail annually, increased from 75,907,572, in 1839, to 478,393,803, in 1856. The remittances of money, in money orders, increased from a million and a half in 1839, to fifty-nine millions in 1856. To make a direct comparison between the use of the Post Office in Great Britain and in the United States, it may be stated that after a careful estimate, the number of letters sent through the Post Office in this country since 1789, to 1856, inclusive—a period of sixty-seven years—has been 1,652,104,643, while in Great Britain, in the years 1853, 1854, 1855 and 1856 the number of letters was 1,789,076,769; or more in that country in four years, with low and uniform postage, than in this country since the formation of the government, now nearly three-quarters of a century! During ten years—from 1847 to 1856, inclusive—the population of London alone sent by post 920,527,039 letters, or more than in the entire United States during the same period; the latter numbering



888,527,549 ! But in Great Britain there was one uniform rate for letters and one uniform scale by weight for printed matter, while in this country there are three rates of postage on letters, and on printed matter, from a small newspaper to a large book, the number of rates is almost one thousand ! Under the monarchical rule of Great Britain, there is a free letter delivery, a safe way of remitting money by money orders, that is used to the extent of about sixty millions a year, and one low rate of postage that brings an annual income of over fourteen millions of dollars. In the United States the postage is higher ; there is no uniformity, no letter delivery, and no money order system, and our population scarcely pay seven millions in postage. The people of Great Britain can scarcely, one-half of them, read or write, and yet they write and send by mail almost 500,000,000 letters in a year.

The population of the United States, numbering just about the same as Great Britain, and nearly all able to read and write, only write and send by mail 131,000,000 letters in a year. Are further facts and illustrations necessary to show the comparative superiority of the two postal systems ?

The correspondence between Great Britain and several of her colonies, and foreign countries, for the year 1856, will be seen in the following table :

*Estimated number of Letters, Newspapers and Books between Great Britain and certain Colonies and Foreign Countries.*

	Letters Outward.	Letters Inward.	Inward and Outward.	Newsp's and Books Outward.	Newsp's and Books Inward.	Inward and Outward.
Africa, West Coast of.....	23,800	22,836	51,636	22,884	4,632	27,516
Australia.....	918,788	.....*	.....*	1,342,466	.....*	.....*
Belgium.....	825,511	250,564	574,575	202,740	185,460	389,200
Brazil.....	66,229	20,076	146,228	123,408	60,084	182,492
Bremen.....	57,166	49,588	106,704	19,608	.....*	.....*
Canada.....	853,234	296,915	755,199	908,028	421,416	1,282,444
Ceylon.....	23,722	27,542	66,264	114,084	22,122	186,206
East Indies, viz : Bombay, Calcutta, Madras, Aden, Penang, and Singapore.....	610,482	647,800	1,253,282	979,068	220,687	1,199,755
France.....	2,184,916	2,021,610	4,206,526	718,296	614,204	1,282,500
German Postal Union.....	911,957	626,145	1,547,102	566,968	184,280	771,248
Hamburg.....	335,445	257,649	648,094	149,592	127,668	277,460
Holland.....	238,682	179,627	418,459	61,636	44,508	126,444
Hong Kong.....	72,522	78,299	150,750	105,930	59,222	165,152
Mauritius.....	20,780	16,580	37,260	43,164	26,250	69,414
Mediterranean, including Malta, Alexandria and Ionian Islands,	234,786	175,056	409,842	92,802	9,420	102,222
Spain and Portugal, viz : Lisbon, Oporto and Gibraltar.....	171,846	164,082	335,928	75,402	4,860	80,262
Sweden.....	26,015	17,258	43,273	4,776	8,264	13,040
United States.....	1,783,745	1,547,054	3,290,799	1,068,584	672,664	1,741,248
West Indies and Pacific.....	222,716	231,700	604,416	572,412	122,496	694,908

\* No returns.

The total amount of correspondence in each of the three kingdoms, as well as the local and other letters in London, for seventeen years, is exhibited in the following table :

*Number, as nearly as can be ascertained, of Chargeable Letters delivered in Great Britain in the year immediately preceding the first general reduction of Postage, on the 5th day of December, 1839, and in each complete year subsequent thereto.*

Year.	By Country Office.	London Districts exclusive of Local Letters.	Localities in London District.	Total in England and Wales.	Total in Ireland.	Total in Scotland.	Total in United Kingdom.	Increase per cent. on the previous year.
1839	.....	.....	.....	59,982,520	8,301,904	7,623,148	75,907,572	.....
1839	.....	.....	.....	6,172,284	1,054,508	836,232	6,568,024	.....
1840	88,071,308	23,559,885	20,872,382	132,008,525	18,210,642	18,554,167	168,768,344	122½
1841	103,895,677	27,966,722	23,108,722	154,471,121	20,794,297	21,234,772	196,500,191	16½
1842	111,115,489	29,886,282	23,889,942	168,890,718	22,328,154	22,215,583	208,434,451	16
1843	117,704,474	30,908,743	24,881,410	178,494,627	23,482,463	23,473,216	220,450,306	5½
1844	129,096,028	33,575,986	26,980,460	189,652,419	25,937,188	26,502,077	242,091,684	9½
1845	147,227,431	36,097,711	30,828,486	214,183,628	28,687,993	28,669,168	271,410,789	12
1846	162,624,024	39,993,681	33,261,050	235,878,755	32,572,947	31,135,060	299,586,762	10½
1847	175,023,407	43,757,540	34,680,817	253,411,764	36,473,316	33,261,163	322,146,243	7½
1848	180,716,102	45,991,153	38,672,747	260,380,002	34,887,481	33,563,101	328,880,134	2
1849	187,382,329	45,845,683	33,960,398	267,188,410	35,463,913	34,746,376	337,399,199	2½
1860	192,508,628	44,856,170	38,887,844	276,252,642	35,869,895	35,427,534	347,069,071	2½
1861	199,746,304	47,819,499	40,585,952	288,151,755	35,992,782	36,512,649	360,647,187	4
1862	212,633,733	51,171,423	40,403,207	304,208,363	37,449,953	37,843,182	379,501,499	5½
1863	232,504,177	54,402,023	42,816,314	339,722,514	40,419,665	40,675,310	410,817,489	8½
1864	254,922,967	57,186,159	46,191,569	358,300,696	41,234,596	44,114,009	448,649,301	8
1865	268,037,937	59,647,549	46,844,968	368,530,340	41,832,834	45,859,002	466,216,176	2½
1866	275,453,824	64,961,321	47,894,708	388,309,853	41,851,003	43,232,942	478,393,803	4½

*Postal statistics of twenty-five leading Cities and Towns of Great Britain, giving the number of persons employed, and the postal revenue, local expenses and money remitted in money orders.*

Cities.	Popula- tion.	Clerks, Sub. P. M. Rec., &c.	Letter Carr's.	Local Expenses.	Postal Revenue.	Money Orders.		
					1855.	1856.	Issued.	Paid.
					£	£	£	£
London,.....	2,362,336	1,397	1,835	215,658	817,338	834,927	2,202,229	3,336,679
Liverpool,....	375,955	149	82	14,029	92,842	100,379	358,646	360,874
Manchester,..	316,213	160	123	12,765	78,121	85,301	325,029	366,809
Glasgow,....	329,097	123	134	10,066	57,788	63,441	163,810	192,199
Edinburgh,...	160,302	82	74	11,043	41,922	56,270	128,271	205,388
Dublin,.....	258,361	124	109	19,980	48,499	55,103	266,043	210,558
Birmingham,...	232,841	90	64	7,364	35,695	38,849	192,443	305,374
Bristol,.....	137,328	119	53	6,158	28,510	29,967	132,477	208,289
Leeds,.....	273,613	98	42	5,123	19,525	21,433	110,485	140,229
Newcastle,...	87,784	51	25	2,983	18,434	19,647	97,230	83,302
Hull,.....	84,690	67	46	3,900	16,575	16,960	97,192	118,395
Sheffield,....	135,310	46	22	2,642	14,509	14,783	83,604	93,487
Bath,.....	54,240	82	47	3,366	18,765	14,384	78,264	72,997
Bradford,....	149,543	37	25	1,866	11,824	13,186	45,032	41,228
Belfast,.....	100,300	39	20	1,869	10,352	12,123	41,506	44,375
Exeter,.....	40,688	60	30	2,307	10,118	11,915	63,899	77,395
Norwich,....	68,195	81	41	2,883	11,229	11,870	50,823	61,737
Southampton,.	35,305	54	24	2,614	12,228	11,585	76,901	70,714
Nottingham,..	57,407	52	28	2,206	10,528	11,366	80,727	66,701
Aberdeen,....	71,973	50	20	1,707	10,918	11,130	32,509	42,426
Portsmouth,..	72,096	13	16	1,637	10,858	10,894	90,555	70,043
Plymouth,....	52,221	29	19	1,767	10,197	10,221	64,115	67,649
Wolverh'mton,	119,748	23	14	1,336	8,086	8,780	50,213	33,437
Derby,.....	40,609	44	20	2,171	8,202	8,659	40,448	43,194
Leicester,....	60,584	27	23	1,649	7,227	7,853	47,689	45,788

The rate of letter-postage between Great Britain and each of her colonies—over forty in number—is six pence sterling, except to the Cape of Good Hope, Natal, Labuan, Gambia, Island of Ascension, Falkland Islands and Vancouver's Island. A book-post, for the transmission of every species of printed matter, has also been established with the most of the colonies. The above table exhibits at one view the population, annual postal revenue, local post expenses—for rent of post-offices, salaries, &c., not transportation—amount of money remitted by money orders in a year, together with (second column of figures) the number of clerks, postmasters, sub-postmasters and letter-receivers, and (third column) the number of town and rural letter-carriers in (and around) twenty-five of the leading cities and towns of Great Britain. The population is from the census of 1851, the local expenses and number of persons employed, for the year 1854, the money orders for 1856, and the postal revenue for both 1855 and 1856.

The British money order system is one of the most important adjuncts to the Post Office. This was first started as a private enterprise by certain officers of the Post Office, in the year 1792. The commission charged was eight pence to the pound sterling, making the whole business complicated and expensive. The consequence was, it afforded little profit to the projectors, and but very trifling accommodation to the public. The three officers engaged in it received less than two hundred pounds sterling each, in annual profits, the entire commissions amount-

ing in a year to less than four thousand pounds. August 13th, 1838, the money order office was attached to the Post Office, and the officers compensated for their rights. At first the commissions were put at six pence sterling for all orders less than two pounds, and one and six pence for orders between two and five pounds. These commissions were reduced on the 20th of November, 1840, to six pence and three pence respectively. No order is granted for more than five pounds. The number of persons employed in the money order office at first was three. This was in 1838. In 1841 there were thirty-seven, and now in the money order office in London alone there are nearly two hundred. We have seen in a table published on a previous page, the vast increase in the money order business in the kingdom. In 1839 the number of orders was less than two hundred thousand, and the amount of money emitted about \$1,570,000. In 1856, the number of orders had increased to over six millions in number, and the amount in a year to about sixty million dollars. The money order is a draft from one postmaster on another, and is paid at sight in specie to the person in whose favor it is drawn. It is as safe as a duplicate bank check before it is endorsed, and if proper care is used in remitting it; if it gets lost or stolen, it will be impossible for any but the rightful owner to obtain the money on it, even by committing forgery, as a casual finder will not know the name of the person in whose favor it is drawn. It is safe to say that not one money order in five hundred thousand gets appropriated by the wrong person. All Post Offices are not money order offices.

There are in the United Kingdom 10,866 Post Offices. Of these 845 are Head Post Offices, and 10,021 Sub-Post Offices. The number of Post Offices where money orders are bought and sold is 2,095. The net profit on money orders during several years was as follows: In 1849, £322; in 1851, £7,437; in 1854, £16,167; and in 1856, £22,674. The commissions averaged less than one per cent.

One vast superiority of the British Post Office consists in the facilities for rapid delivery and local distribution in cities and towns. The postage on each local letter being one penny, the same as for letters the longest distance, there is a very large profit on the local distribution of letters, admitting that the carriers deliver every thing "free" that comes from other places. The clear profits on the local distribution of letters, in London alone, after deducting the entire expense of letter-carriers, receivers and mail men, is over \$900,000 a year. At this time it is not far from one million dollars. It will then be seen that the term "free letter delivery" is a misnomer. By the figures in a table on a previous page it will be seen that the number of local letters in London annually is over forty seven millions. The machinery for the local distribution of letters in London consists of about 1,400 letter-carriers, one or two score of mail men, with horse and cart, and about 500 sub-postmasters and letter receivers. In all the densely-populated parts of London there are hourly deliveries through the day, and more than four-fifths of the first morning delivery is accomplished between the hours of seven and a quarter past nine. More than one-half is done before nine o'clock. In addition to the "receiving houses," where stamps can be purchased

and letters can be posted at all hours of night and day, there are now in use a large number of "letter pillars" of cast iron. These convenient receptacles of letters have given great satisfaction, and are rapidly coming into use in cities, towns and country districts. There is but one assignable cause for the extensive use, large income and great profit of the British Post Office. The charges are simple, uniform and low; the accommodations numerous, and the deliveries rapid and punctual. The estimated number of book packages that passed through the British Post Office in 1856 was 3,000,000, the newspapers, 71,000,000, and the letters, 478,393,803, being a total number of 552,393,803 packages. This is probably one-half of the entire number sent by mail in the civilized world.

The *personnel* of the Post Office of the United Kingdom is as follows :

Postmaster General,*	1
Secretary of the Post Office,†	1
Assistant Secretaries,	2
Secretaries for Scotland and Ireland,	2
Surveyors,	15
Heads of Departments, &c.,	19
Mail Guards,	204
Clerks,	1,593
Letter Carriers and Messengers,	10,427
Postmasters and Receivers,	10,866
<b>Total,</b>	<b>28,130</b>

The expenses of the British Post Office for 1856 were as follows :

Salaries, Wages, &c.,	£909,094
Hereditary Pensions,	29,310
Buildings,	33,330
Mail Conveyance by Railway,	376,363
Conveyance by Coaches, &c.,	162,837
Conveyance by Water,	14,309
Manufacture of Postage Stamps,	26,164
Miscellaneous,	108,822
<b>Total,</b>	<b>£1,660,229</b>

It is an invariable rule in the British Post Office, that all persons appointed shall be of a suitable age, and shall submit to a rigid examination, to see if they possess the necessary qualifications. Letter-carriers and sorters must be between the ages of 17 and 27 at the date of their original appointment, and shall undergo an examination by a physician to see if they possess the requisite health and strength. Wages and salaries are not exorbitant, but none are discharged, except for some fault or dereliction of duty; and after a certain number of years of faithful service, they are permitted to retire on a pension, amounting to from one-third to two-thirds of their salary, according to the length of time they have served.

We will close our account of the Post Offices of Great Britain by giving the revenue and expenditure, the rates of postage, and the vari-

\* Office now filled by the Duke of Argyll.

† Rowland Hill, Esq.

ous improvements introduced into the Post Offices of the principal British Colonies since the introduction of the penny postage into England in 1840. The revenue and expenses in each case are for 1854, except for Canada, which is for 1855.

<i>Colony.</i>	<i>Nature and Date of Improvements.</i>	<i>Rate or rates of Letter Postage.</i>	<i>Revenue.</i>	<i>Expenses.</i>
Barbadoes, . . . .	Inland post, (1852,) uniform postage and stamps.	<i>Cents.</i> 2	\$6,225	\$9,750
Canada, . . . . .	Reduced postage (1851) and postage stamps.	1 to 5	387,525	510,485
Ceylon, . . . . .	Reduced postage, (1846.)	2, 3, 6, 9 and 12,	35,855	42,975
Gold Coast, . . . .	Post established in 1853.	12, 18 and 24	....	....
India, . . . . .	Uniform postage and postage stamps, (1854-5.)	1½	1,375,835	1,515,220
Jamaica, . . . . .	Charge by weight instead of pieces, (1843.)	8, 12, 16, 20 and 24	65,040	59,410
Mauritius, . . . .	District Post Offices and postage stamps.	4	2,915	4,900
New Brunswick,	Reduced postage and postage stamps, (1851.)	5	40,550	51,125
Newfoundland, .	Inland posts, (1852.) and uniform postage, (1853.)	5	1,810	3,620
New S. Wales, .	Reduced postage and postage stamps, (1851-4.)	2 and 4	120,635	261,665
New Zealand, . .	Uniform postage and postage stamps.	4	11,045	11,950
Nova Scotia, . . .	Reduced postage and postage stamps, (1851-3.)	1½ and 5	27,330	19,595
Pr. Edward's Isl.	Uniform postage, (1851.)	4	4,715	10,455
South Australia,	Uniform postage, (1854.)	4	37,385	47,790
Tasmania, . . . .	Reduced postage and postage stamps, (1851-3.)	2 and 4	40,990	81,455
Trinidad, . . . . .	Uniform postage and postage stamps, (1851.)	2	7,665	9,225
Victoria, . . . . .	Reduced rates and postage stamps, (1850.)	4 and 8	384,745	729,330
West. Australia,	Reduced postage and postage stamps, (1852-4.)	2 and 4	7,180	10,265
Total, . . . . .			\$2,507,445	\$3,489,315

Nearly or quite all of the improvements introduced into the Colonial Post Offices appear to be the direct result of the success of the penny postage in Great Britain. It will be seen that many of them cling to the old absurdity of a number of rates, all entailing great inconvenience on every person that mails a letter, and greatly multiplying the operations and increasing the labor and expense in the Post Offices.

#### POST OFFICES OF EUROPE AND SOUTH AMERICA.

There are certain peculiarities and features of interest in many of the Continental Post Offices of Europe that deserve notice, leaving the prominent statistics to be given in tabular form. In the German Postal Union, in Prussia, Switzerland, Spain and some other countries, the

Post Office undertakes the carriage of passengers and small parcels as well as letters and mail matter. In this species of traffic the government does not hold an absolute monopoly, but, like stage proprietors that get the mail contract, they are enabled to hold an undue competition with all outsiders, resulting from their advantages as mail carriers. In nearly all the continental cities the government post makes the delivery of letters a part of the postal business.

The absurdities in some of the postal systems of the continental states consist generally of a varied scale of charges, and the adoption of so low a standard of weight as to make a great deal of useless labor in the rating of letters, besides putting other states that enter into postal relations with them to serious inconvenience. The half-ounce scale for letters is in use in the United States, Peru, New Granada, Equador, Brazil, Great Britain, Spain, Holland, Denmark, Iceland, Prussia, Austria, Baden, Bavaria, Frankfort-on-the-Maine, Hamburg, Hanover, Lubeck, Saxony, Wurtemberg and sixteen British Colonies. The quarter-ounce scale is used only in France, Switzerland, Sardinia and Tuscany, while a weight equivalent to one-third or three-eighths of an ounce is used in Portugal, Belgium and Brunswick. Russia, Chili and Bremen adopt the ounce scale for single letters, Sweden a weight that is equivalent to about five-eighths of an ounce, and the Kingdom of Naples still uses the old plan of charging by the sheet. The half-ounce scale being in such extensive use, is it too much to expect that the time may soon come when all the principal commercial nations will adopt that standard, without waiting for a uniform system of weights and measures? France is the principal nation now in the way of such an arrangement. By insisting on a quarter-ounce scale for foreign letters, that government puts the public and the postal authorities of other nations to great inconvenience, and there is nothing gained by it. Such a rate can be adopted as will prove remunerative, and by having a scale reducible to greater convenience and simplicity, much labor is saved. To see this in the most striking light, let us look at the former rates in use a few years ago in Spain. Domestic letters were considered single up to six-sixteenths of an ounce, and the postage charged was one real, (5 cents,) with the addition of one cent for each eighth of an ounce beyond the weight considered as single. Then all letters sent to the Spanish Islands were considered single up to *five*-sixteenths of an ounce, and charged thirty-five cents, with the addition of ten cents for every sixteenth of an ounce beyond! Is not this excessive fineness as absurd—except in degree—as it would be to weigh and reckon by the single grain? This old absurdity and inconvenience in weighing and rating letters in Spain has been swept away by the adoption of the regular half-ounce scale. In Great Britain, up to two ounces, there are but three rates of postage for letters, while in the United States there are nine rates. When will the convenience and economy of simplicity in the arrangement of matters, having such a vast detail as postal operations, be clearly understood by the nations? Let us look at one fact. There are passing through the British Post Office in a year, in round numbers, five hundred million (500,000,000) letters, and each one of these, in the various processes of sorting, rating, stamping, mailing and delivery, goes through not far from twenty (not less) distinct processes, besides what

is done in bulk, like weighing and transportation. This is by the employes of the Post Office, independent of all the care and labor of the public in considering the various charges, rates, weights and adjustments of differences. Here, then, are *ten thousand million*—let us see how it will look in figures—10,000,000,000—different and distinct handlings and processes of separate letters, each of them consuming and requiring more or less time, toil, talent and care; and every useless or needed operation, turn or thought bestowed on a letter in its passage through the mail in Great Britain, entails at once an additional five hundred million (500,000,000) processes or operations on the postal laborers annually! Will those who make laws for the Post Office think of these things? Will it, need it, any longer be a matter of wonder that the annual correspondence of Great Britain has increased from 75 million letters to about 500 millions; that it is all done for a penny a letter, and that about one gross half of the revenue is clear profit?

*Postal Revenue and Expenses of different Nations at different periods, together with the number of rates of postage on single letters, with those rates at the present time, (as near as it can be told from an examination of official reports,) all sums being given in United States currency; the rates of postage in cents, and the revenue and expenses in dollars.*

Country.	Letter Postage. Cents.	No. of Rates.	Date.	Postal Revenue.	Postal Expenses.	Date.	Postal Revenue.	Postal Expenses.
Austria,.....	2½ to 7½	3	1841	\$3,153,400	\$2,086,845	1852	\$4,584,025	\$4,199,800
Baden,.....	2½ to 7½	3	1841	453,570	346,570	1852	481,815	374,645
Bavaria,.....	2½ to 5	3	1842	354,170	....	1853	383,340	....
Belgium,.....	2 to 4	2	1848	698,095	308,060	1852	700,355	333,340
Brazil,.....	2½	1	1842	50,980	82,405	1851	114,886	151,510
Bremen,.....	2 to 3	2	....	....	....	1856	5,000	2,500
Brunswick,.....	1½ to 3	3	1843	83,745	64,315	1853	105,960	74,700
Chili,.....	5	1	....	....	....	1852	70,405	48,585
Denmark,.....	2	1	1841	397,780	271,019	1852	354,815	352,025
Equador,.....	12 to 30	4	....	....	....	1852	12,475	11,140
France,.....	2 to 4	2	1847	10,659,185	7,096,465	1852	9,321,900	6,623,925
Frankfort,.....	1 to 7½	4	....	....	....	....	....	....
Great Britain,.....	2	1	1840	7,797,389	4,298,855	1856	14,339,770	8,301,145
Hamburgh,.....	2½ to 7½	3	1851	39,730	16,535	1852	41,045	15,310
Hanover,.....	3	1	1849	178,310	62,350	1852	157,960	60,200
Holland,.....	2 to 6	3	1849	562,735	199,635	1852	576,065	311,305
Iceland,.....	free	1	....	....	....	....	....	....
Lubeck,.....	2½ to 7½	3	....	....	....	1852	22,065	13,165
Naples,.....	2 to 4	3	....	....	....	....	....	....
New Granada,.....	8 to 12	2	1850	83,330	....	1852	101,625	....
Oldenburg,.....	2½ to 3	2	1851	63,630	54,550	1852	61,305	60,000
Parr,.....	6 to 48	6	....	....	....	1852	28,000	33,000
Portugal,.....	2½	1	....	....	....	1853	184,500	133,375
Prussia,.....	2½ to 7½	3	1843	5,615,130	4,479,220	1853	6,437,950	5,665,505
Russia,.....	8	1	1843	2,327,745	1,309,940	1852	3,855,400	2,449,690
Sardinia,.....	4	1	1850	625,590	335,190	1852	642,530	398,935
Saxony,.....	1 to 4½	3	1849	588,730	396,185	1852	667,865	458,370
Spain,.....	5	1	1844	1,271,000	768,000	1852	1,631,650	1,041,250
Sweden,.....	2 to 10	9	1839	260,000	224,500	1852	334,440	323,940
Switzerland,.....	1 to 3	3	1850	1,035,730	886,130	1852	1,303,925	963,490
Tuscany,.....	2½	1	1839	152,975	79,595	1852	225,545	142,415
United States,.....	1 to 10	3	1840	4,548,522	4,713,326	1854	7,620,622	10,407,968
Wurtemberg,.....	1 to 4	3	....	....	....	....	334,980	371,435



Nearly all of the European (continental) nations make it a part of their postal business to transport passengers and parcels as well as mails. In consequence of this arrangement, an accurate comparison of the financial results of the different postal systems cannot be given. The total annual revenue of the Post Offices on the continent of Europe, at the latest dates given above, amounted to \$32,409,405—probably one-third of this being for goods and passengers—and the total annual expenses to \$24,362,450. The Post Offices of South America had an annual revenue of \$368,890, with expenses to the amount of \$249,235. If we assume that one gross third of the postal revenue and expenses on the continent of Europe are on account of passenger and parcel traffic, we shall be able to make the following summary statement of the postal affairs of different nations and different parts of the world; the figures standing exclusively for the legitimate postal traffic—letters, papers and printed documents:

<i>Nations.</i>	<i>Revenue.</i>	<i>Expenses.</i>
Great Britain,.....	\$14,339,770	\$8,301,145
British Colonies,.....	2,497,420	3,148,280
United States,.....	7,620,822	10,407,868
<b>Total,.....</b>	<b>\$24,458,012</b>	<b>\$21,855,243</b>
Continental Europe,.....	\$21,606,270	\$16,241,633
South America,.....	338,890	249,235
<b>Total,.....</b>	<b>\$21,943,160</b>	<b>\$16,490,868</b>
<b>Grand total,.....</b>	<b>\$46,401,172</b>	<b>\$38,346,111</b>

If we add to the above the one-third part of the postal revenue of European countries that was deducted for parcel and passenger traffic, we shall have the sum of \$57,204,307, as the total annual revenue of all the Post Offices in the world, (that we have given above,) and \$46,466,928 as the total annual expenses. Of the legitimate postal traffic—letters and printed matter—more than one-half of the revenue is in the United States, Great Britain and the British Colonies.

A fair estimate of the amount of letter correspondence may be arrived at by the following calculation: The rates of postage in Great Britain being much lower than in most other countries, we may assume that one dollar of revenue in that country represents as many letters as two dollars throughout the rest of the world. The annual postal revenue of Great Britain is \$14,339,770, of the British Colonies, \$2,497,420, and of the rest of the world, \$29,563,982. From this we conclude that the correspondence by mail in Great Britain and the British Colonies amounts to rather more than the correspondence in all the other nations referred to. The correspondence through British Post Offices amounts to about 500,000,000 letters annually, and—including this number—in all the nations under consideration, not far from 1,000,000,000. In this calculation, of course, we do not include China, Turkey and other countries, of which no statistics are given. Of the fifty-one nations and colonies mentioned in the preceding and a former table, (page 354,) thirty-six adopt the half-ounce scale for letters. Ten of the nations and nine British Colonies have uniform postage, while in one only

(Iceland) the postage is free, the entire expense being defrayed from the national treasury.

The following table has been compiled to show the actual and comparative amount of money paid in postages in each of seven different countries, during the same year, (1853,) along with the population, and columns, also, showing the cost of each thousand letters, together with the number of letters in a year, the number for each thousand persons, and the money paid annually (on the average) by each thousand persons. The last line gives the same statistics for Great Britain for 1839, the year before the penny postage was established. Except this last, the statistics are all for the year, 1853 :

Country.	Population.	Postal Revenue.	Postal Expenses.	Number of Letters.	Cost of 1,000 Letters.	Rev. per 1,000 Letters.	Letters per 1,000 Persons.
Switzerland,...	2,392,740	\$447,572	\$341,028	19,773,625	\$23	\$187	8,239
Holland,.....	3,056,591	288,162	156,784	13,349,853	22	94	4,367
Belgium,.....	4,426,202	755,648	327,118	11,521,955	66	171	2,603
Spain,.....	13,936,218	1,281,761	1,095,398	30,775,686	42	94	2,209
France,.....	35,783,170	9,321,900	6,623,925	150,000,000	62	260	4,192
United States, 23,191,876	5,940,724	7,982,757	102,139,148	58	256	4,404	
Great Britain, 27,833,501	12,872,039	7,003,399	410,817,489	31	462	14,760	
G. Brit., 1839, 26,988,910	11,953,318	3,784,997	82,470,596	145	443	3,055	

In those countries where the Post Office engages in passenger and parcel traffic, the revenue has, in the above table, been given only for the letters and mail matter.

#### THE UNITED STATES POST OFFICE.

Having taken a rapid survey of the postal affairs of other countries and other times, we will glance at the progress and condition of the Post Office in the United States. Probably the earliest mention of a legal post in the British Colonies of North America is found in the General Court records of Massachusetts, in 1639. We find it there recorded as follows: "It is ordered that notice be given, that Richard Fairbanks, his house in Boston, is the place appointed for all letters which are brought from beyond the seas, or are to be sent thither, are to be left with him; and he is to take care that they are to be delivered or sent according to the directions; and he is allowed for every letter 1d., and must answer all miscarriages through his own neglect in this kind, provided that no man be compelled to having his own letters except he please." In 1667, in consequence of the uncertainty and loss attending correspondence, a petition was signed by some twenty persons, "*To the Honorable General Court, now sitting in Boston.*" That petition set forth that "several of us being sensible of the loss of letters, whereby merchants, especially with their friends and employers in foreign parts are greatly damaged; many times the letters are imputed and thrown upon the exchange, so that those who will may take them up; no person, without some satisfaction, being willing to trouble their houses therewith," &c., &c. They then request that the honorable court "will depute some mete person to take in and convey letters according to directions." After due deliberation, they did "make choice of Mr. John

Hayward, the scrivener, to be the man." There are no records to show how long John Hayward kept his office, or what amount of business he did. In 1657, the colony of Virginia passed a law requiring each plantation to provide a messenger to convey the government dispatches as they arrived, each planter in succession sending a messenger to the next, and so on to the final destination. The penalty for neglecting this duty was a hogshead of tobacco. In 1672, Governor Lovelace, of New York, established "a post to goe monthly" from New York city to Boston and back. This purported to be in obedience to his Majesty's commands, "who enjoynes all his subjects in their distinct colonys to enter into a strict allyance and correspondency with each other, as likewise for the advancement of negotiation, trade and civill commerce, and for the speedy intelligence and dispatch of affayres." It gave notice that a messenger would start on the first of January, 1673, and that "If any, therefore, have any small letters or portable goods to be conveyed to Hartford, Connecticut, Boston, or any other parts on the road, they shall be carefully delivered according to the directions, by a sworne messenger and post, who is purposely employed in that affayre. In the interim, those that bee disposed to send letters, lett them bring them to the Secretary's office, where, in a lockt box, they shall be preserved till the messenger calls for them. All persons paying the post before the bagg be sealed up." The mails at this period did not appear to have a very rapid transit. The post-riders set out from New York and Boston simultaneously, on Monday morning, and on the Saturday evening following, they met at the half-way house, Saybrook, Connecticut, where they exchanged mails, and each wended his way back, arriving on Saturday of the following week. At the present time, instead of two weeks being required, and a semi-monthly mail only, the mails are transported between Boston and New York three times a day, each way, in from eight to eleven hours; two weeks being ample time to convey the mails from New York to Copenhagen, Denmark, to Marseilles, Berlin, Vienna or Trieste.

It is shrewdly suspected that the fatherly care exhibited by King Charles for a mail service, and a "strict allyance and correspondency" between the American Colonies, was with an eye to the profits, which all went to a member of the royal family.

In 1683, William Penn established a Post Office in Pennsylvania, and appointed Henry Waddy postmaster. The mails were sent to the principal towns in Pennsylvania, and to the neighboring colonies, once a week, the times of departure being regularly published "on the meeting-house door and other public places." Postal affairs in the colonies received marked attention in England, in 1685, on the accession of King James, who owned the Post, and put the profits in his own privy purse, and an order in council was made "for the better correspondence between the Colonies of America." In 1686, an order was made in New York, that all letters coming from beyond sea should be delivered at the custom-house. The postage was "four pence half-penny for a single letter, and nine pence for every packett or double letter," "one-half of the money to be given to the poor," under the direction of the Captain-

General and the Council, and the other half to the officers of the custom-house.

In 1691-2, Thomas Neal, by letters patent, was appointed Postmaster General, with authority to erect Post Offices in the American Colonies. It appears, however, that he did not act himself, but appointed Col. Andrew Hamilton, of New Jersey, Postmaster General for all the colonies. In 1692, by the recommendation of Col. Hamilton, the Common Council established a Post Office in New York city. It was located in Broadway, opposite the end of Beaver-street. The rates of postage were, for eighty miles or under, four pence half-penny, from New York to Philadelphia nine pence, and to Virginia twelve pence. The expense, however, was found greatly to exceed the income. For ten years there was no regular Post further east than Boston, or further west than Philadelphia. Lord Cornbury wrote home, in 1704, saying "there is no other Post upon all this continent. If I have any letter to send to Virginia or to Maryland, I must either send an express, who is often retarded for want of boats to cross those great rivers they must go over, or else for want of horses; or else I must send them by some passengers who are going thither. The least I have known any express to take hence to Virginia, has been three weeks." At this period the mail was carried twice a month in stage coaches, between Boston and New York and Philadelphia; and from New York to Albany by a foot-post, once a month.

In 1732, a General Post Office was established in Virginia, and a Post Office in each county. In 1736, there was a weekly mail from Philadelphia to New York and Boston. In 1737, Col. Spottswood, formerly Governor of Virginia, appears to have been Postmaster General, and he appointed Benjamin Franklin postmaster at Philadelphia. The following is an advertisement from Franklin's newspaper, at this period:

"October 27, 1737.—Notice is hereby given, that the Post Office of Philadelphia is now kept at B. FRANKLIN'S, in Market-street, and that Henry Pratt is appointed Riding Postmaster for all stages between Philadelphia and Newport, in Virginia, who sets out about the beginning of each month, and returns in twenty-four days, by whom gentlemen, merchants and others, may have their letters carefully conveyed, and business faithfully transacted, he having given good security for the same to the Honorable Colonel Spottswood, Postmaster General of all his Majesty's dominions in America."

Colonel Spottswood died in 1753, and the home government appointed Franklin as his successor, and he held the office for twenty-one years, till 1774, when the difficulties occurring between the colonies and the mother country, Franklin was unceremoniously turned out of office. He sympathized too strongly with the people of the colonies in their wrongs, hardships and oppressions to be a fit instrument of the crown. He is not the last, or the only, instance of a postmaster losing his office for political opinions.

During Franklin's administration of the Colonial Posts, numerous improvements were made. At one time he took his own conveyance, and in company with his daughter, made a journey of several hundred

miles, visiting all the principal Post Offices in Pennsylvania, New Jersey, New York and New England. With that attention to details which always marks the man of large business capacity, he set about making numerous reforms in the administration of the Post.

He had as associate or assistant, Mr. William Hunter. By the terms of their appointment, they were to have six hundred pounds a year, *provided they could get it!* Franklin, in giving an account of the Post Office during his administration of its affairs, after he had been turned out of the office by George the Third, makes the following pithy summary :

"The American Post Office had, hitherto, (*i. e.* before 1753,) never paid any thing to that of Britain. We were to have six hundred pounds a year between us, if we could make that sum out of the profits of the office. To do this, a variety of improvements were necessary; some of these were inevitably, in the beginning, expensive; so that in the first four years the office became above nine hundred pounds in debt to us. But it soon after began to repay us; and before I was displaced by a freak of the minister's, we had brought it to yield three times as much clear revenue to the crown as the Post Office in Ireland. Since that imprudent transaction, they have received from it—not one farthing!" After the first sound of the musketry at Lexington, and the booming of the cannon at Bunker Hill, it is not at all incredible that the Colonial Post Office yielded nothing to Great Britain.

The practice of sending newspapers in exchange, free, dates from Franklin's administration of the Colonial Post Office. He was editor and publisher of a newspaper, and he received his exchanges free, and accorded the same privilege to other journals. The philosopher undoubtedly soon recovered his equanimity after that "freak of the minister's," for though he suffered official decapitation, he was soon after reinstated in office by a more competent authority, being unanimously appointed Postmaster General of the United Colonies, by the Continental Congress.

In 1776 he vacated the office, on being appointed ambassador to France. On the 7th of November of that year, Richard Bache was appointed to the office. He held the place for a little over five years, and on the 28th of January, 1782, Ebenezer Hazard was appointed Postmaster General, and remained in office until the adoption of the constitution, in 1789, when Samuel Osgood was appointed. The different incumbents of the office of Postmaster General since the revolutionary war broke out, were as follows :

Benjamin Franklin, in 1775; Richard Bache, 1776; Ebenezer Hazard, 1782; Samuel Osgood, 1789; Timothy Pickering, 1791; Joseph Habersham, 1795; Gideon Granger, 1802; Return J. Meigs, 1814; John McLean, 1823; William T. Barry, 1829; Amos Kendall, 1835; John M. Nile, 1840; Francis Granger, March, 1841; Charles A. Wickliffe, September, 1841; Cave Johnson, 1845; Jacob Collamer, 1849; Nathan K. Hall, 1850; Samuel D. Hubbard, 1852; James Campbell, 1853; and Aaron V. Brown, in 1857.

The rates of postage from 1776 to 1816 were from 7 to 33 cents, according to distance. In 1816, the rates were fixed by Act of Congress,

at 6½, 10, 12½, 18½ and 25 cents for each single letter, according to distance. These rates remained till the Act of 1845, which established the half-ounce scale for single letters, and fixed the rates at five and ten cents.

The Act of March 3d, 1851, established the following rates: one cent for drop letters, three cents for all single letters, (half-ounce,) for every distance, not over three thousand miles, when pre-paid, and five cents, if not pre-paid; and double these rates when over three thousand miles. The law of 1855 fixed the rates at one cent for drop letters, three cents for letters all distances under three thousand miles, and ten cents when over that distance, and all to be pre-paid, or retained and sent to the dead-letter office. This law went into operation as far as it was found practicable, on the first of April, 1855. After the first of January, 1856, all letters were required to be pre-paid by stamps. In March, 1856, a law was passed making pre-payment compulsory on all transient printed matter; and this law went into effect on the 1st of April, 1856. The inconveniences and inconsistencies of the law making pre-payment compulsory, are numerous. During the first year of its operation, at least a million letters that had been mailed inadvertently, without pre-payment, were seized, kept several months, sent to Washington, and there destroyed, without any regard to the rights of the writers or owners of the letters. With the same disregard of the rights of the citizen, some four million dead letters are annually burned by the Post Office Department, when, at an expense of less than one hundred thousand dollars, nearly all might be returned to the writers in a brief period of time after they fail or miscarry. The usage of our government is in strong contrast to that of Great Britain, where all dead or returned letters are sent to their writers at once, unless they are anonymous, or without date or post-mark. In all laws and regulations for compulsory pre-payment, there is a useless destruction of valuable documents. Those having a large correspondence may find some pecuniary saving in this regulation, but the loss or detention of one valuable letter is of more consequence than the convenience derived from its entire operation.

In Great Britain, without compulsory pre-payment, it is customary to refuse all letters and other matter, when not pre-paid, unless some name, reason, apology or handwriting on the outside makes it advisable to receive it. Then, when refused, they are returned without the least delay to the sender, and he is obliged to pay double postage. So nearly universal is pre-payment in Great Britain, that over 98½ per cent. have the postage paid before mailing.

It is instructive to observe the progress of our postal correspondence beyond the increase of population and the augmentation of almost all other national and domestic transactions. During each period of ten years, from 1790 to 1850, the average increase of the population of the country has been 34 per cent., the exports 42 per cent., the expenses of government 95 per cent., Post Office revenue 120 per cent., and correspondence by mail 140 per cent. Thus, while the population of the country has increased in sixty years seven fold, letter correspondence has increased four hundred and forty fold, or sixty-three times as fast as the population. In 1790, the letters sent by mail in the United States

were estimated at 265,545; and in 1856, 131,450,409. The following table gives, for a period of sixty-seven years, the leading items:

*Statistics of the United States Post Office.*

<i>Date.</i>	<i>Post Offices.</i>	<i>Miles of Post road.</i>	<i>Expense of Transp'm.</i>	<i>Total Expense.</i>	<i>Revenue.</i>	<i>Number of Letters.</i>
1790,...	75	1,875	\$22,081	\$32,140	\$37,985	265,545
1791,...	89	1,905	23,293	36,697	46,294	324,058
1792,...	195	5,642	32,731	54,581	67,444	472,108
1793,...	209	5,642	44,734	72,040	104,747	733,229
1794,...	450	11,984	53,005	89,973	128,947	902,629
1795,...	453	13,207	75,359	117,898	160,620	1,124,340
1796,...	468	13,207	81,489	131,572	195,067	1,365,469
1797,...	554	16,180	89,382	150,114	213,998	1,497,986
1798,...	639	16,180	107,014	179,084	232,977	1,630,839
1799,...	677	16,180	109,475	188,038	264,846	1,853,922
1800,...	903	20,817	128,644	213,994	280,804	1,965,628
1801,...	1,025	22,309	152,450	255,151	320,443	2,248,101
1802,...	1,114	25,315	174,671	281,916	327,045	2,289,315
1803,...	1,258	25,315	205,110	322,364	351,823	2,462,761
1804,...	1,405	29,556	205,555	337,502	389,450	2,726,150
1805,...	1,558	31,076	239,635	377,367	421,373	2,949,661
1806,...	1,710	33,431	269,033	417,234	446,106	3,122,742
1807,...	1,848	33,755	292,751	453,885	478,763	3,351,841
1808,...	1,944	34,035	305,499	462,828	460,564	3,223,948
1809,...	2,012	34,035	332,917	498,012	506,634	3,546,438
1810,...	2,300	36,406	327,966	495,969	551,684	3,861,788
1811,...	2,403	36,406	319,166	499,099	597,247	4,110,729
1812,...	2,610	39,378	340,626	540,165	649,208	4,544,456
1813,...	2,740	39,540	438,559	681,012	703,155	4,922,085
1814,...	2,870	41,736	475,602	727,126	730,370	5,112,590
1815,...	3,000	43,966	487,779	748,121	1,043,065	7,301,455
1816,...	3,260	48,976	521,970	804,022	961,782	6,732,474
1817,...	3,459	51,800	559,189	916,515	1,002,973	8,023,784
1818,...	3,618	59,473	664,611	1,035,832	1,130,235	9,041,880
1819,...	4,000	67,586	717,881	1,117,861	1,204,737	9,637,896
1820,...	4,500	72,492	782,425	1,160,926	1,111,927	8,895,415
1821,...	4,650	78,808	815,681	1,182,923	1,056,658	8,453,264
1822,...	4,799	82,763	788,618	1,167,572	1,117,490	8,939,920
1823,...	5,043	84,860	767,464	1,169,886	1,114,345	8,914,760
1824,...	5,182	84,860	768,939	1,169,199	1,156,812	9,254,496
1825,...	5,677	94,062	785,646	1,206,584	1,262,061	10,016,468
1826,...	6,150	94,062	885,100	1,309,316	1,388,417	11,110,336
1827,...	7,003	105,336	942,345	1,373,239	1,473,551	11,788,408
1828,...	7,651	114,586	1,086,312	1,623,333	1,598,134	12,785,072
1829,...	8,050	114,780	1,133,646	1,782,133	1,707,418	13,659,344
1830,...	8,450	115,176	1,274,009	1,932,708	1,850,583	13,804,664
1831,...	8,686	116,000	1,252,226	1,936,123	1,997,812	17,980,308
1832,...	9,205	104,467	1,482,507	2,266,172	2,258,570	20,327,130
1833,...	10,127	119,916	1,894,688	2,930,415	2,616,538	23,648,842
1834,...	10,693	112,500	1,922,431	2,896,591	2,823,707	25,443,363
1835,...	10,770	112,774	1,719,007	2,757,350	2,993,557	26,942,013
1836,...	11,091	118,264	1,638,052	2,755,624	3,398,455	30,586,095
1837,...	11,767	141,242	2,081,786	3,303,428	4,100,605	36,905,445
1838,...	12,519	134,818	3,131,308	4,621,837	4,255,078	38,115,702
1839,...	12,780	133,999	3,301,922	4,654,718	4,477,614	40,298,526
1840,...	13,468	155,739	3,213,043	4,718,236	4,543,522	40,891,698
1841,...	13,778	155,026	3,034,314	4,499,528	4,407,726	39,669,584
1842,...	13,733	149,732	4,192,196	5,674,752	5,029,507	45,265,523
1843,...	13,814	142,295	2,982,512	4,374,754	4,296,225	38,666,025

Date.	Post Offices.	Miles of Post road.	Expense of Transp'n.	Total Expenses.	Revenue.	Number of Letters.
1844,...	14,108	144,687	\$2,982,947	\$4,296,513	\$4,237,288	38,135,592
1845,...	14,188	143,940	2,898,630	4,320,732	4,439,842	39,958,978
1846,...	14,601	149,679	2,597,455	4,084,332	4,089,090	41,879,781
1847,...	15,146	153,818	2,476,456	3,971,275	4,013,447	47,585,757
1848,...	16,159	163,208	2,448,766	4,326,850	4,161,078	52,364,819
1849,...	16,747	167,708	2,490,028	4,479,049	4,705,176	60,159,862
1850,...	18,417	178,672	3,095,974	5,212,953	5,552,971	69,426,452
1851,...	19,796	196,290	4,016,588	6,024,566	6,727,867	83,252,735
1852,...	20,901	214,284	4,136,907	7,108,459	6,823,982	95,790,524
1853,...	22,320	217,743	4,729,025	7,982,757	5,940,724	102,139,148
1854,...	23,548	219,935	4,925,785	8,577,424	6,683,537	119,634,418
1855,...	24,410	227,908	6,076,335	9,968,342	7,885,177	126,723,425
1856,...	25,565	239,642	6,765,639	10,407,868	7,620,822	131,450,409

Totals,..... \$99,295,389 \$155,466,524 \$148,887,649 1,652,104,646

The total number of mail routes on the 30th of June, 1856, was 7,972, and the number of contractors 6,372. The length of routes and annual amount of transportation stand as follows:

Kind of Service.	Length of Routes.	Annual Transportation.	Cost per mile. cts. m.
Steamboat,.....	14,951	4,240,170	20 3
Rail-road,.....	20,323	21,809,296	10 6
Coach,.....	50,453	19,114,991	7 0
Inferior grades,.....	153,915	26,143,440	5 9
Total miles,.....	239,642	71,397,897	

The revenue and expenditures of the Post Office, and the items of which they were composed, for the last two years, were as follows:

*Expenditures of the United States Post Office.*

	1855.	1856.
Transportation of the mails,.....	\$6,076,335	\$6,765,640
Compensation to postmasters,.....	2,135,335	2,102,891
Pay of Post Office clerks,.....	702,617	768,081
Pay of letter carriers,.....	143,313	162,915
Depredations and special agents,.....	64,454	63,502
Ship, steamboat and way letters,.....	18,766	17,613
Advertising,.....	75,457	64,603
Blanks,.....	91,188	48,563
Mail bags,.....	52,080	48,916
Mail locks, keys and stamps,.....	16,173	11,687
Wrapping paper,.....	45,467	31,627
Postage stamps,.....	11,904	26,705
Stamped envelopes,.....	40,635	64,686
Office furniture,.....	5,250	5,290
Official letters,.....	56	....
Repayment for dead letters,.....	7	....
Postage stamps redeemed,.....	19	....
Patent padlock,.....	5,000	....
Miscellaneous payments,.....	168,011	200,080
Balance paid Great Britain,.....	302,860	....
Balance paid Bremen,.....	13,465	....
Balance due Great Britain,.....	70,523	23,849
Balance due Bremen,.....	6,130	8,633
Bad debts,.....	....	2,582
Total expenses,.....	\$10,044,995	\$10,407,868



*Revenue of the United States Post Office.*

	1855.	1856.
Letter postage,.....	\$3,234,550	\$1,754,767
Stamps sold,.....	2,511,318	4,235,446
Postage on printed matter,.....	638,928	632,746
Letter carriers,.....	143,813	162,916
Dead letters,.....	4,976	8,383
Registered letters,.....	....	31,466
Fines,.....	35	70
Emoluments returned,.....	77,903	74,800
Extra compensation overcharged,.....	23,330	14,716
Balance due by Prussia,.....	69,694	....
Miscellaneous receipts,.....	7,783	5,513
Appropriation for government postage,	700,000	700,000
<b>Total revenue,.....</b>	<b>\$7,411,830</b>	<b>\$7,620,822</b>

The facts, statistics and historical statements in the preceding pages, give a brief record of the past history and present condition of the principal Post Offices of the civilized world. The future prospects and numerous improvements and reforms so urgently needed in the postal establishment of the United States will form the subject of an article in our next number.

## OF BANKS OF CIRCULATION.

FROM "A SHORT HISTORY OF PAPER MONEY AND BANKING."

BY WILLIAM M. GOUGE.

OUR American banks are not contented with the profits derived from lending the money of depositors to other people.

As soon as the first instalment of the capital is paid in, the bank commences issuing notes. To those who come to borrow, it lends paper or coin. The paper being exchanged for coin, serves, at least at the place where it is issued, the same purposes as coin.

Every man desires money, because he can therewith procure whatever else he desires. If paper can procure for him the object of his desires as readily as gold and silver, paper is as desirable to him as gold and silver. The bank, therefore, finds borrowers for all the coin it has to lend, and all the paper it deems it safe to issue. This addition of notes to the amount of metallic money previously in circulation raises first the prices of some articles and then of others. The borrower from the bank having more money, either paper or coin, at command, can offer an additional price for the object of his desire, or perhaps procure some desirable object that was before unattainable. He from whom the borrower has bought, having made a speedier sale, or perhaps received a higher price than would otherwise have been possible—he also has it in his power to obtain

some object of desire that was not before within his reach. A third, a fourth, a fifth, a sixth, each in his turn, derives a like advantage from this increase of circulating medium. The rise of prices is confined for a time to store goods, but it at length reaches real estate, and finally the wages of labor. Industry is stimulated, and enterprise encouraged. Speculation is excited, private credit is strained, and the representatives of private credit are multiplied. Every body is active, and all branches of business appear to be prosperous.

Nothing could be prettier than this, if prices could be kept *continually* rising. But it is, unfortunately, only while the amount of bank issues is actually increasing, or for a short time after they have attained their maximum, that society derives this benefit from paper money. So far it has the same effect as an increase of *real* money—as an increase of real wealth. But in due time it affects all articles in nearly equal proportions; and men then discover that for an object of desire for which they had formerly to give one dollar, they have now to give one dollar twenty-five cents, or one dollar fifty; and that it is not more easy to get the one dollar and fifty cents to make the purchase with, than it was formerly to get one dollar. The *value* of land, labor and commodities, as compared with one another, is the same as it was before. It is only the *money price* that is enhanced. The effect this has on public prosperity is much the same as that which would be produced by changing accounts from pounds, shillings and pence to federal money. The sum total of dollars would exceed that of pounds, but the articles of the value of which they would be the exponents, would be unaltered in number and in quality.

It would be well if the issues of the banks had no other effect than that of *apparently* increasing the wealth of the community, by raising the money valuation of all kinds of property. But these institutions do not continue their issues long, before they raise the price of some commodities above the price they bear in foreign countries, added to the costs of importation. In foreign countries the paper of the banks will not pass current. The holders of it, therefore, present it for payment. The banks, finding their paper returned, fear they will be drained of coin, and call upon their debtors to repay what has been advanced to them. In two ways, then, is the quantity of circulating medium diminished: first, by the specie being exported; secondly, by the paper being withdrawn from circulation. Prices fall as they before had risen. The traders find that the goods in their stores cannot be disposed of, unless at a loss. The different members of society had entered into obligations proportionate to the amount of circulating medium in the days of banking prosperity. The quantity of circulating medium is diminished, and they have not the means of discharging their obligations. The merchandise, the farms, the houses, for which they contracted debts, may be still in their possession; but the product of the farms will not bring, perhaps, half as much as will pay the interest of the original purchase-money; the houses will not rent for as much as will pay the interest on the mortgages; and the store goods must, if sold at all, be sold below prime cost. Bills of exchange are dishonored, and promissory notes protested. One man is unable to pay his debts.

His creditor depended on him for the means of paying a third person to whom he is himself indebted. The circle extends through society. Multitudes become bankrupt, and a few successful speculators get possession of the earnings and savings of many of their frugal and industrious neighbors.

By the reduction of the amount of bank medium, the prices of things are lowered, the importation of some kinds of foreign goods is diminished, and specie is brought back. Then the confidence of the banks is renewed, and they re-commence their issues of paper. Prices are raised again, and speculation is excited anew. But prices soon undergo another fall, and the temporary and artificial prosperity is followed by real and severe adversity.

“Such is the circle which a mixed currency is always describing.”

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## MANUFACTURING COMPANIES IN NEW ENGLAND.

[*From the monthly circular of Messrs. DUFEY, PERKINS & SALES, 19 State-street, Boston.*]

THE annexed prices are mostly nominal. The few sales recently made were at lower figures than the quotations of July 17. A crisis in the cotton manufacturing interest seems to have arisen, not unlike that which took place in 1842 and 1843; and the exigencies of the present time seem to require a similar course of policy. Without recapitulating all the causes for the depression in 1842-3, the rapid accumulation of manufactured fabrics showed plainly that there were too many spindles in operation in proportion to the regular consumption. In 1843 our manufacturers wisely resolved to reduce the speed of the mills twenty per cent. From this followed a reduction of cost of labor; as at the low speed of the machinery more spindles and looms could be operated by one person, than at the former very high speed. The beneficial results, aided by the general improvement in business throughout the world, were experienced in one year from the curtailment of the production. The value of manufacturing stocks appreciated largely, as will be seen by the table below. They became favorite investments for capitalists. The large dividends were reinvested in new mills, until in less than eight years from the date of universal despondency, the spindles were nearly doubled. Fortunately, the actual demand for home consumption of the coarser cotton fabrics is in a far greater ratio than the increase of population; and during the last thirteen years the export trade has become a most important outlet for our surplus production. In the ordinary course of commercial affairs this great addition to our spindles might have been made without serious detriment to the profits of the mills. But we are now contending with a decrease of exports, especially to China, with the price of the raw material doubled since 1843, with dear breadstuffs for several successive years, lessening the ability of the masses to pay for more than the absolute necessities of life, and more than all, with the anomaly of lower prices

for all our fabrics, relatively, than for any other class of merchandise whatever. Added to all these difficulties, the market value of manufacturing stocks, during the past two years, has been greatly depreciated below their merits, owing to the growing prejudice against the management of business by corporations. Deducing the active capital from the market value of the cotton mills in the list on the first page of this circular, it will be found that in the aggregate they are worth less than fifty per cent. of the capital originally invested. But acknowledging the superiority of individual over corporate management, so long as a necessity has existed, and, to a great extent, still exists, for associated capital, it will be found that the manufacturing corporations of New England have been managed with far more ability and integrity, the banks not excepted, than any other class of joint stock companies. Nor for several years past have the dividends compared unfavorably, the banks excepted, with any other class of public investments. The remedy for the present depression is at hand. Already from five to six thousand looms on heavy fabrics have been stopped, and a number of mills are running but five-sixths of the usual time. With the certainty of cheaper breadstuffs, and a general decline in the prices of almost every description of merchandise, there will be a larger demand for the coarser cottons. The market value of the fabrics will approximate much nearer to the cost of the raw material. As in 1844, great improvements will be made in the economical management of every department of the manufacturing interest. And unless some new element of disturbance shall arise, the time cannot be far distant when the true condition of our mills will be better understood, and the quotations of the Stock Exchange will show a rapid appreciation in the market value, with perhaps a transition as sudden as from the despondency of 1843 to the brilliant success of 1844. The following table, mainly from Mr. Martin's "Stock market," gives, of several leading manufacturing corporations, the lowest prices in 1843, and the highest prices of 1844, with the dividends of those years; also the present market value of the same stocks, with their dividends of the last twelve months. The par value of each, with one exception, the Nashua, \$500, is \$1,000:

	1843.		1844.		1857.	
	<i>Div.</i>	<i>Value.</i>	<i>Div.</i>	<i>Value.</i>	<i>Div.</i>	<i>Value.</i>
Amoskeag, .....	7	\$1,065	9	\$1,390	8	\$900
Appleton, .....	6	645	11	1,100	8	800
Booth, .....	5	927	16	1,200	8	560
Chicopee, .....	0	550	7	1,000	0	250
Hamilton, .....	6	955	13	1,125	8	875
Jackson, .....	3	890	12 4-10	900	0	500
Lawrence, .....	7	887	15	1,179	8	750
Massachusetts, .....	4	940	14	1,110	8	679
Merrimack, .....	16	1,125	20	1,450	10	1,040
Nashua, .....	0	360	14	550	3	275
Stark, .....	6	980	8	1,100	7	675
Suffolk, .....	6	1,000	16	1,120	8	700
Tremont, .....	6	1,045	16	1,190	7	700
York, .....	6	920	27	1,275	0	585

## LEGAL MISCELLANY.

*Bank Checks—Right of Banker to refuse payment when in funds.*

Superior Court of Suffolk County. NATIONAL BANK *v.* ELIOT BANK. Bank check—Bank deposit. This action was brought by the plaintiff bank as the bearer and owner of a certain check, drawn by Bacon, Price & Co., on the defendant bank, a copy of which is as follows:

"ELIOT BANK,	"Boston, Jan. 22, 1856.
"Pay to \$48, or bearer, fourteen hundred dollars.	
"To the Cashier.	"BACON, PRICE & Co."

It appeared in evidence that Bacon, Price & Co. were depositors at the Eliot Bank, and that said bank had been in the habit of receiving and paying the checks of that firm for some time previous to the date of this suit; that the said check was presented for payment on the day of its date, and that the defendant bank then had the sum of \$2,009 67 to the credit of Bacon, Price & Co. in their deposit account, but refused to pay said check. It also appeared that at the time of the presentment of said check, the Eliot Bank had certain promissory notes, signed by Whittier & Warren, who had failed, and endorsed by Bacon, Price & Co., not then due, and for a greater amount than the sum to the credit of Bacon, Price & Co. in their deposit account.

The case was taken from the jury and argued before the full court.

HUNTINGTON, J.—In this case the plaintiff corporation was the holder of a check, drawn in common form by the defendant corporation, and seasonably presented the same at the counter of the Eliot Bank for payment. Payment and acceptance were refused, and the plaintiff, as holder, seeks to maintain this action for such refusal. Whether the drawers would have a remedy in their own names, is not the point in dispute. Can the payee or holder of the check intervene and in his own name hold the bank upon which it is drawn? As this question lies at the foundation of the suit, it is not now necessary to take notice of the other facts found or agreed between the parties—demand, protest, the state of accounts and dealings by the respective banks.

The authorities, so far as they speak of the precise nature of the contract between the bank and its customer in common deposits, treat it as in the nature of a loan, and the relation arising as that of debtor and creditor, not a deposition merely. The bank opens an account of debt and credit. It employs the money for its own use—it becomes part of its general assets. No third party is named or known, and the bank is liable to answer the checks of the customer to that amount. *Carr v. Carr*, 1 Merivale, 541; *Daveynes v. Noble*, *ibid.* 568; *Commercial Bank of Albany v. Hughes*, 17 Wend. 100; *Sims v. Bond*, 2 Nev. & Man. 608. In this last case, A., in his own name, deposited with C., his banker, funds which were the proceeds of a partnership sale of partnership effects, which belonged to A., together with one B. The question was, whether in a suit against the banker for the money so

deposited by A., B. could be joined with A., and it was held that he could not, because, say the court, there was no privity of contract with the partners A. and B., and it is added: "Sums which are paid to the credit of a customer with a banker, though usually called deposits, are in truth loans by the customer to the banker, and plaintiffs who seek to recover the balance of such an account, must prove that the loans were made by them." It is obvious that the plaintiffs, in the case at bar, could not recover on this ground.

In Byles on Bills, p. 16, note, the author seems to deny that the holder of an unpaid check has an equitable claim on the drawee, even in bankruptcy, so as to prove under the fiat as assignee of a chose in action, and he cites a case where commissioners in bankruptcy, after taking time to consider, disallowed the claims of several holders of checks on the bankrupts, who claimed to prove as equitable assignees of choses in action.

The contract between the bank and the customer rests on an implied obligation, one and entire, between the parties only, and not for the benefit of any third person. It is well settled that an order or draft for a part only of the debt or liability of the drawee, does not, against his consent, amount to an assignment of any portion of the debt or liability, and does not authorize the institution of a suit in the name of the assignee for the whole or any part, because a debtor is not to have his responsibilities so far varied as to subject him to distinct demands on the part of several persons, when his contract was one and entire. (*Gibson v. Cook*, 20 Pick. 15.)

In *Bullard v. Randall & Tr.*, 1 Gray, 606, the judgment of the court proceeded on the ground that a check must not only be presented, but accepted by the bank, and charged, in order to avail the holder; and that a verbal assent of the cashier, away from the counter of the bank, cannot avail him. If the bank, therefore, as in the case at bar, refuse to accept and pay, it seems that the holder has nothing of which he can "avail" himself as against the bank, and can maintain no action in his own name. In *Taylor v. Wilson*, 11 Met. 52, it was held that if a creditor, in payment of a debt, take a check upon a bank, and the bank fail, or the check be dishonored, the check is mere evidence of a debt due from the drawer, not a payment, and the creditor's remedies against the drawer remain entire, if he is not guilty of laches.

The usage of banks, in giving what are known as certificates of deposit, where third persons are intended to have the benefit of money thus passed to the banks, in which the money is expressly stated to be payable to the order of such third person on the return of the certificate, throws some light on the nature of the contract in cases of common deposits, where no third party is recognised in terms. It is not the custom to present checks for mere acceptance, or to give notice, or for the holder to sue the bank upon a refusal to accept. If an action can be sustained by the holder of a check against the bank under the circumstances of this case, it is singular that so far as our search has reached, no precedent of the sort can be found in the books.

On the other hand, there are dicta of judges, and of text-books, and analogies of the law, to the effect that such an action cannot be sustained.

In *Bellamy v. Majoribanks*, 8 E. L. & Eq. Rep. 517, where the question was as to the effect of "crossing checks," the Attorney-General, Cockburn, says, in the course of his argument, that "the banker owes no duty to the holder, and is liable to no action at his suit, if the check is not honored." This was not controverted by the opposing counsel. But what is of more weight, Baron Parke, in his opinion in the same case, treats it as a familiar, well-settled principle, and says, "the lawful holder of the check is of necessity entitled to receive payment of it. He could not sue the drawee, unless the drawee had accepted the check, a practice not usual, but he could sue the drawer for non-payment, if he was the holder for value."

When, therefore, in *Marzetti v. Williams*, 1 B. & Ad. 415, it was held that a banker was liable in an action of tort or contract to the customer for refusing to pay a check when in funds, though no actual damage was sustained, on the ground that the contract was to pay all drafts presented, in a reasonable time after receiving the money, it is clear that the court did not mean to decide that the banker was also liable to the holder of the check, or under a contract with him.

The consideration that he was not liable to the holder, would seem to be a good reason why he should be liable over to the drawer in tort or contract.

In *Chapman v. White*, 2 Selden, 412, it is said the drawer owes no duty to the holder of a check until after it is accepted. The right of the depositor is a chose in action. The draft or check of the depositor does not transfer the debt, or a lien upon it, to a third person without the assent of the depository, and *Dykers v. Leather Man. New Bank*, 11 Paige, 616, is cited.

In Chitty on Bills, under the head of "Acceptances," pp. 280, 281, it is said, a banker is liable to an action by the customer, if he should refuse, having sufficient money in hand to honor the check of his customer, but that in case of refusal, the holder has not any remedy at law against the drawee or banker on the funds in his hands. The law, however, says the author, is otherwise in France.

He adds, as to bills of exchange; that if the drawee, by course of business, has impliedly engaged to accept, and afterwards refuses to perform, then he is liable to the drawer, but not to any other party. Even this has not been adopted as a rule of law in this country. To introduce it here now, as to checks, would be introducing a novel principle, multiplying the distinctions and rules of mercantile law. There is good authority for holding that an express precedent promise to accept a draft, to be afterwards drawn, is a chose in action not negotiable or assignable, so as to enable the assignee to maintain an action in his own name.

Chancellor Kent says, it seems to be a little difficult to understand how the endorsee of a bill, subsequently drawn, can charge the drawee with acceptance by virtue of such a preceding promise, which is not of itself assignable, and is strictly no part of the negotiable contract. (*McEvers v. Mason*, 10 J. R. 215; *Ontario Bank v. Worthington*, 12 Wend. 598.) This reasoning applies with quite as much force to a check "subsequently drawn," as to an ordinary bill of exchange. That such

a known legal distinction exists between checks and bills of exchange would be a difficult proposition to support upon any decided cases.

A further inquiry arises, whether the contract between the customer and banker can be brought within the principle, now well established, and which has been applied to a certain class of cases to be found in the books, viz. : that if A. receives money of B., to the use of C., though there is no communication between A. and C., and no privity other than what arises from the duty of paying, an action will lie in behalf of C. against A. In other words, that when one person, for a valuable consideration, engages with another by simple contract, to do some act for the benefit of a third, the latter, who would enjoy the benefit of the act, may maintain an action for the breach of such engagement.

This principle has been applied in this State, in *Hall v. Marston*, 17 Mass. 575 ; in *Arnold v. Lyman*, Ibid. 400 ; and in *Carnegie v. Morrison*, 2 Met. 402. In these cases, however, and in the cases cited by the court in giving the opinion in 2 Metcalf, it will be found, that the third party, seeking to enforce the contract, is particularly designated and named in the contract, and the person who is to receive the benefit is specifically pointed out.

In *Hall v. Marston*, the defendant was specially directed, when he received the remittance, to pay over a certain sum named to the plaintiff, and the court held that he was to be charged as an agent, who had accepted the agency, and that he could not follow his directions as to receiving the money, and disobey them as to the application of it.

In *Arnold v. Lyman*, the defendant, Lyman, took an assignment of the notes and goods of one Hutchins, and in consideration promised him to pay certain liabilities due to himself, and also a note of the plaintiff, who was mentioned by name. The court held that the plaintiff might sue the assignee, defendant, on the ground that the promise might be considered as legally made to the several creditors named in the assignment, because the promise was to pay certain particular debts, and that, therefore, it might be treated as a promise to the creditors, and that bringing the action by the plaintiff, to whom a note was due, was an assent to the promise, it being for his interest that it was made. But in the case of a bank deposit or loan, like that at bar, no particular debts are named ; no particular creditors ; and there is no appropriation of the moneys at the time of the deposit.

In *Carnegie v. Morrison*, the third party, plaintiff, named in the letter of credit written by the defendants, through which the defendant was held liable as on a contract made with the plaintiff, though the letter was merely addressed to a person who owed the plaintiffs, and procured the letter of credit for their benefit.

The contract between the bank and its customer in deposits, does not therefore seem to come within the letter or spirit of the principle and reasoning recognised in these cases of money received by A. from B., for the use of C., or for the benefit of a third person. To apply it to a loan or deposit, would seem to be forcing it into service for which it was never designed, and for which there is no precedent. Judgment must therefore be for defendant.



ABBOTT, J.—After the best consideration that I have been able to give to the question involved in this case, I have been unable to agree with the other members of the court in the conclusion at which they have arrived. Although, unfortunately, there are no adjudicated cases in England or this country, directly in point, I think a careful consideration of the principles applicable, and of decisions in analogous cases, will enable us to come to a satisfactory result, and one in accordance with the universal practice and understanding of the commercial and business community, and every member of it who may have occasion to give or take a bank check. It is certainly important to all that the respective rights and obligations of the holder and drawer of a banker's check should be settled and defined, so that upon a matter of such constant and often-recurring importance as the law governing that class of securities there should be no doubt. The simple question presented in this case is, whether a bank or banker with whom a customer has deposited cash, to be drawn out upon his checks, is liable in a suit by the holder of a check who has presented it at a proper time and been refused payment, although the drawee is in funds deposited for the purpose of being appropriated for such payments.

I think the law to be, that if a holder of a bank check presents it at a proper time and demands payment, the bank possessing funds of the drawer deposited for the purpose of meeting checks to be drawn by him, and payment is refused, he can recover the amount of it in an action against the bank. What is the contract between the depositor and the bank? Beyond all question, simply this: In consideration that the depositor will let his cash remain with the bank, either with or without interest, as shall be agreed upon, until he wants it, they agree to pay it out in such sums as he shall draw checks for, to any persons who shall present such checks. This is the contract between the bank and its depositor in the ordinary course of business, as it is understood by the whole commercial community, and as it is defined by the law. The money is deposited for the convenience and safety of the customer, and the consideration to the bank for keeping and paying it out on checks is, that they have the use of it while thus deposited. The drawing of the check is in and of itself an appropriation of its amount, out of the funds in the banker's hands; and after notice of such appropriation neither the drawee nor the bank can withhold the funds so appropriated. (*In re Brown*, 2 Story, 516; Story on Pr. Notes, § 489; *Bahn v. Sterling*, 7 Tenn. R. 429; 3 Kent's Com. 104, note c.)

It is of no consequence, and does not alter the relation between the parties, that cash so taken is not held in specie, as a special deposit to be kept and returned in the same form as deposited; or that it amounts merely to a credit to the customer on the part of the bank, and goes into their general assets. The only important inquiry is, upon what contract is the money taken, and does the bank, by taking it, assume and agree to pay on demand the checks of the customer to the holders who should present them? That such is the contract of the bank, cannot now be disputed. Indeed, upon the strength of it, the courts have very properly held that where the banker refused to pay a check upon presentment, by mistake, supposing at the time he was not in funds,

when, in fact, he was, the drawee could maintain an action of tort or contract, and recover nominal damages, though he could prove no actual injury. (*Marzetti v. Williams*, 1 B. & Ad. 415; Chitty on Bills, 280, 281; *Harker v. Anderson*, 21 Wend. 379; *Little v. The Phoenix Bank*, 2 Hill, 481; *Whitaker v. The Bank of England*, 1 Crompt., Mees. & Ros. 741.)

This is also a principle of law equally well settled by a series of authorities, as is the contract between the banker and his customer, which is applicable to the case in hand, and which, applied to that contract, seems to be decisive. It is this: Whenever one person puts money into the hands of another to be paid to a third, or whenever one, for a good consideration, contracts with another that he will do some act for the benefit of a third person, the third person, in such case, can maintain an action in his own name against the person so receiving the money or making the provision for his benefit, although there was no privity of contract between them, being in fact perfect strangers. This has been settled in a great variety of cases, both in this State and elsewhere; as where A. paid B. money, with directions to pay it to C.; or where one, owing debts to various persons, assigned property to another, taking his written agreement to pay certain creditors of the assignor. (22 Am. Jur. 17; 2 Greenl. Ev. 109; *Arnold v. Lyman*, 17 Mass. 404; *Hall v. Marston*, 17 Mass. 575; *Felton v. Dickinson*, 10 Mass. 287; *Carnegie v. Morrison*, 2 Met. 402; *Fulton v. Poole*, T. Raymond, 302.)

The objection that has been urged to a recovery by the plaintiffs, that where one owes another, and the creditor undertakes to assign a part of the debt, the debtor is not bound in law or equity to take notice of such assignment, has no weight, and is not even applicable to the case at bar. The reason given for the rule in that case is this: the debt being entire, the debtor cannot, against his consent, be made accountable to several debtors instead of one; he can well rely upon his contract, and say, I agreed to pay one, not many. This reason, and the only one given for it, does not apply in the case of the banker; because he has contracted with his customer that he would pay the funds in his hands to as many different persons, and in as many different parts as the customer should order by his written checks. In the one case making the debtor liable to more than one, would be directly in conflict with his contract; and in the other, directly in accordance with its very terms.

We have then the contract of the banker with his customer who deposits money with him, that he will pay it upon the written checks of the depositor to the persons who shall present them; and also the well-established principle of law, that whenever one promises another that he will pay money, or do an act for the benefit of a third person, the third person may sue in his own name, although no consideration moved from him, and no contract was made between him and the person sued. Apply this clearly-defined and authoritative rule to the contract between the banker and his customer, and will it not enure to the benefit of the holder of a check drawn by the depositor on the banker? How can such a conclusion be escaped? The banker promises the depositor to pay the person who may hold and present a check drawn by him, and

on the strength of that promise the holder takes the check and presents it; why should he not maintain his action against the banker, on the ground that the latter has made a contract for his benefit, indeed to pay him money directly? It would be admitted that the case would be within the strict letter as well as the spirit of the rule, if the persons in whose favor checks were to be drawn were named at the time of the deposit. Can the fact that the *cestui que use*, viz., the check-holder, is not named, make any difference in principle? There are a great variety of contracts that are legal, and can be enforced by those who had no interest in them at their inception, as in the familiar case of a promise to pay a reward to any one who should restore lost or stolen property; or the still more familiar one of a promise to pay money to order or bearer, in either of which cases the contract might be enforced by an action in the name of one not in *esse* at the time of its inception.

But upon this point we are not without the aid of express authority, and that of the highest character. In the case of *Weston v. Barker*, 12 J. R. 276, a third person had assigned to the defendant certain demands, which were to be collected by him, and appropriated first to the payment of certain specific debts of the assignor, and the balance held subject to his order. This assignment was accepted by the defendant, and after he had collected the claims, the assignor ordered the defendant to account for the balance to the plaintiff, which the defendant refused to do. The court held, that although at the time the assignment was accepted the plaintiff was not named, and although it was an agreement on the defendant's part to pay to any person the assignor might order, still an action could be maintained against the defendant in the name of the payee of an order subsequently drawn. This case seems to me to be decisive of the objection that at the time of the banker's contract with his customer, the persons to whom the money is to be paid are not named. The contract is to pay to the customer's order, and when the order or check is drawn, the person to whom payment is to be made, becomes fixed and ascertained. To the same effect is the case of *Fenner v. Meares*, 2 Wm. Bl. 1269. And although the authority of this case has been somewhat questioned subsequently by Lords Kenyon and Ellenborough, it was not overruled, and I think the opinion given by Lord Chief Justice De Grey, and acquiesced in by the court, addresses itself to the judgment as being both too well considered and too well founded upon principle to be shaken by the hasty dicta of the learned judges before mentioned. Indeed, if these two cases are to be considered as authority, they would seem to go far towards settling the main question in this case.

It is true, undoubtedly, that there is no precedent exactly in point to sustain the position here taken, but it is equally true that there is none directly in point against it. The boast of the common law is, that it is not necessary to provide in terms for every possible case that can arise out of the ever-varying and shifting, and almost innumerable relations subsisting between men engaged in commerce and business in a highly-civilized community; but that it provides a system, a collection of general principles applicable to all cases, by which the rights and duties of each and all, growing out of such relations, may be established and de-

fined. To refuse to apply a well-established and general principle to a new case that may arise, because there is no precedent for it, would be contrary to the policy of the law, and directly in conflict with the genius of the whole system.

The result to which I have come is, that a holder of a check, who presents it to the banker upon whom it is drawn, who is in funds on account of the drawee, and is refused payment, can maintain his action as well against the banker as the drawee. Such a rule would work no practical difficulty. On the contrary, no presentment for acceptance being necessary, and bankers being obliged to pay in the order in which checks are presented, it would add to the diligence of holders in collecting them, and increase confidence in a class of securities generally used and highly necessary in a business and commercial community.

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### LLOYD'S INSURANCE, LONDON.

LLOYD'S is a number of rooms in the Royal Exchange of London, frequented by underwriters, merchants, ship-owners, ship and insurance brokers and others, chiefly for the purpose of obtaining shipping intelligence, and of transacting business connected with marine insurance. The principal room is that of the Underwriters, in which two enormous ledgers lie constantly open; the one containing notices of *speakings*, or ships spoken with, and arrivals of vessels at their various destinations; the other recording disasters at sea. All intelligence is entered immediately upon its reception, without removing the ledgers from their places, in order that they may at any moment be inspected by those interested in their contents. At the inner end of the room is an ingenious piece of mechanism, by means of which the indications of an anemometer and an anemoscope are inscribed every hour in the 24, by a couple of pencils, upon a sheet of white paper. The advantage to the underwriter, in the conduct of his business, of this information respecting the force and the direction of the wind, can scarcely be over-estimated. The underwriters are persons who, for a premium, grant an indemnity to merchants against risks by sea; and they are so called from the custom of *writing* their names *under*, or at the foot of the policies of insurance. The method of *effecting* an insurance at Lloyd's is the following: When a broker receives an order to insure interest to a certain amount in a particular ship, he writes upon a slip of paper the name of the vessel, the master's name, the nature of the voyage, the subject to be insured and its value, and any other information which the circumstances of the case may require. He then offers the risk to different underwriters until the value of the interest to be insured is exhausted, each underwriter subscribing his name opposite the amount he engages to insure, and all agreeing to accept a uniform premium. The insurance is now virtually effected; the stamped policy being afterward extended from this slip. This distribution of the risk among many individuals is, of course, very conducive both to the solvency of the underwriter and to the security of the insured. The number of underwriters is under 200;

but some idea of the immense amount of insurance business done at Lloyd's may be derived from the fact, that the value of the interest annually insured at the present is estimated at about £40,000,000. No person is permitted to transact business at Lloyd's as an underwriter or insurance broker until he shall have been duly admitted as a member, and shall have paid an entrance fee. Communicating with the Underwriters' Room is the Chart Room. Here a valuable collection of charts, and shipping intelligence as originally received, are carefully arranged, so as to be at all times easy of access. In this room also lie, for the use of members, four ledgers in which the names of ships are arranged in alphabetical order, each name having under it all the information possessed regarding the vessel. The Merchants' Room is a place of resort for general news; it is, in fact, a news or reading-room. The Captains' Room is employed as an auction-room for sales of ships, &c. Every person who enjoys the privilege of frequenting Lloyd's pays a fixed annual subscription.

The shipping intelligence received at Lloyd's is furnished by agents, who are appointed for the purpose; and as there is scarcely a port of any consequence where one is not resident, their number is very large. The information which each transmits to head-quarters is regular, accurate and complete. It is furnished by means of *letters*, signed by the agents, and by means of the newspapers and shipping lists which are published at the various ports; the intelligence thus received, consisting not only of lists of vessels which had arrived at and which had sailed from the particular ports, together with their accomplished and intended voyages, and of casualties which had occurred at or near the ports, but also of notices of ships spoken with, and of casualties at sea, furnished by vessels. No salary attaches to the office of agent for Lloyd's; the labor involved being amply recompensed by the business which it commands, and by the credit which the appointment confers upon its holder as a person of worth and respectability. The intelligence, besides being made known to the members of Lloyd's by means of the ledgers, of which we have already spoken, is published every afternoon in *Lloyd's List*, for diffusion over the country. The management of Lloyd's lies with the subscribers, who select a committee from their number for the purpose, called the "Committee for Managing the Affairs of Lloyd's." This committee appoints the agents and the officials of the establishment. The expenses connected with the establishment are defrayed by the fees and annual subscriptions.

The designation *Lloyd's* originated with a person of the name of Lloyd, who kept a coffee-house in Abchurch Lane, Lombard-street. From the vicinity of this house to the Old Royal Exchange, it speedily became a rendezvous of merchants for news, and for the transaction of business. It was afterwards removed to Pope's Head Alley, and thence again, in 1774, to the Royal Exchange. After the destruction of the Exchange, in 1838, by fire, which originated in Lloyd's, the business was carried on in the South Sea House, in Old Broad-street, where it remained until the opening of the present Royal Exchange, in 1844, when it was finally removed to its present splendid apartments. Similar establishments exist in our principal sea-ports. *Lloyd's Register of British and Foreign Shipping*, a volume published annually, and fur-

nishing information respecting the nature of vessels, their class, place where built, materials, owners, captains, age, repairs, &c. The ships are registered according to the reports of salaried agents, appointed at various ports. The office of this *Register* is in White Lion Court, Cornhill, and is quite distinct from Lloyd's of the Exchange.

## LIFE INSURANCE IN FRANCE.

LIFE INSURANCE has by no means made such rapid progress in France as insurance against fire. Yet life insurance, in the shape of a Tontine, was known in France about the middle of the seventeenth century, while fire insurance was first introduced as lately as 1816. The system of Life Assurance was at first so much discouraged that the French government, in its wisdom, suppressed it in 1681.

In 1791, the *Caisse Lafrage* commenced business, and although nearly two-and-a-half millions sterling were invested in it, it failed, causing such dismay throughout the country as to prove for many years a complete check upon the progress of insurance.

The *Campagnie Royale d'Assurance* was formed in 1787, somewhat on the plan pursued in England, and was fortunate enough to receive the encouragement of a favorable decree from the government.

Life insurance appears to have made no progress until after 1819, in which year the *Campagnie d'Assurance Générales* was founded; it was followed by *La Campagnie Royale* in 1820, and by *La Société de l'Union* in 1829.

The following table will show the names of the Tontine Associations in France, the date of their establishment, the number of policies issued by them up to January 1, 1850, and the amount insured:

Name of Office.	Date of Estab- lishment.	No. of Policies.	Amount. £
La Caisse Paternelle,....	1841	57,276	3,107,792
La Nationale,.....	1838	18,632	1,823,935
La Prevoyance,.....	1842		
L'Equitable,.....	1841	61,030	2,292,257
La Caisse des Ecoles et des Familles,....	1841	54,628	1,750,324
La Providence des Enfants	1841	25,062	915,119
La Concorde,.....	1842	21,659	799,027
L'Economie,.....	1841	30,624	1,011,148
La Minerve,.....	1842	44,667	1,058,358
La Conservateur,.....	1844	3,707	232,467
L'Européenne,.....	1843	4,909	184,202
L'Urbaine,.....	1845	2,386	124,224
La Phenix,.....	1843	1,587	98,084
La Providences,.....	1844	1,936	39,324
La Soleil,.....	....	928	31,671
La France,.....	1843	1,320	50,878
La Melusine,.....	....	283	9,253
L'Aigle,.....	....	341	12,833
		<b>395,315</b>	<b>15,917,443</b>

It thus appears that 395,315 policies had been granted up to the 1st of January, 1850, insuring sums amounting to nearly sixteen millions sterling, each policy averaging about £40.

The French people have exhibited a most decided preference for the insurance of sums payable during the lifetime of the insured; and the *Revue des Assurances*, in inquiring into the cause of this preference, concludes that the neglect of the companies themselves is the only reason to be given for it. Indeed, there can be but little doubt that the amazing energy of so excitable a people as the French could be turned favorably to the insurance of sums payable at death, if any enterprising and liberal company were to take the matter up with the interest and attention it so well deserves. Three companies in France insure sums payable at death; while there are eighteen Mutual Tontine Companies, assuring sums payable at stated periods. There is considerable difficulty in obtaining accurate accounts of the late transactions of life offices in France, but there is ample evidence that these institutions are making their way progressively amongst the people.

The statistics of mortality in France are far from being so complete as in England; but eminent men have of late been turning their attention to the subject, and there is no doubt that very accurate information will soon be made public on this most important subject. It cannot be doubted that the absence of correct mortality tables must have had a depressing influence upon the development of the system of life insurance in France. The tables of mortality generally used are those formed sixty years ago by Duparcieux Duvillard, which are not regarded as by any means thoroughly accurate. The most recent tables are those of M. Hubbard, who investigated the question very fully, and who has not only formed sickness tables on his observation of upwards of 44,000 cases on the books of benefit societies in France, but has also published some excellent tables of the average duration of life, an extract from which follows, as well as a comparison of the same ages, with the experience of a considerable number of English life insurance companies. The result is very favorable to France:

<i>Age.</i>	<b>FRANCE.</b> <i>Mean duration of Life.</i>	<b>ENGLAND.</b> <i>Mean duration of Life.</i>
30	35.69	34.43
40	28.44	27.28
50	21.29	20.18
60	14.30	13.77

Notwithstanding the advantage which the above table shows in favor of France, the rates of premium are higher in that country than in England. It must, however, be admitted that the calculations upon which prevailing rates of premiums were made, were based upon the old mortality tables, which are not so accurate as those of M. Hubbard, and which were made at the time when life assurance was almost in its infancy in France.

The government of France interferes greatly with the life assurance companies. The deed of settlement of each company is examined most minutely in all its clauses before the company is authorized to commence operation; but, although a somewhat similar ordeal has to be passed through in England, so far as obtaining a certificate from the Re-

gistrar of Joint Stock Companies, that the deed of settlement of the proposed company is in accordance with the provisions of certain acts of parliament, yet the law does not in any way interfere here with the mode of investing the funds; nor does it examine or ask for an inspection of the tables, or the data upon which they were founded.

And although all joint stock companies in England are bound to register at a government office yearly an account of receipts and disbursements, as well as assets and liabilities, yet there is no tribunal here like that in France, which sits weekly and reports to government on the progress of the societies, and certifies the investment of the funds in state securities. There can be no doubt that the law which compels the managers of life insurance societies to invest in government funds all sums received from the assured within five days after the receipt, must operate, to a considerable extent, against the progress of companies, and must also prevent them from making the same amount of profits which English life companies are in the habit of acquiring.

The attention of the Emperor Napoleon will no doubt be brought to the consideration of so great a social question as insurance, and the entire remodelling of the system of life insurance in France will possibly be the result of any investigation into the matter.

The decree of 1787 (which is the basis of the insurance law) was decidedly a great step in advance, especially when we see that the very system of life insurance was actually prohibited in 1681; but, although the provisions of that decree have been amended to some extent to suit the progress of the principle, yet modifications of a very sweeping and liberal character are required to give that impetus to the due development of the benefits of life insurance which so great a principle deserves.

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## THE SAVINGS BANKS OF NEW YORK.

ONE of the most agreeable features of the day has been the steady accumulations of deposits of small sums in our savings banks, and the increased number of depositors. On the first of January last the former amounted to \$32,452,242, and the number of depositors was 151,559, showing that about one-fifth the population of New York city have their savings in banks at an interest of five or six per cent—the average of each depositor being \$214; and in the city of Brooklyn, \$206, and in the country savings banks, \$164. The solid security of such deposits may be seen in the character of investments made by the trustees of the savings banks, viz.:

Bonds and Mortgages, (N. Y. city,).....	\$13,912,000
State Stocks,.....	14,762,000
Cash, &c., on hand.....	4,643,000
	<hr/>
	\$33,317,000
Deduct liabilities,.....	32,452,000
	<hr/>
Surplus undivided, over 2½ per cent.....	\$865,000



In order to grant some further accommodation to the community, the Bowery Savings Bank has determined to dispose of \$1,000,000 U. S. six per cents, equivalent (with the premium) to \$1,160,000, which sum will be taken from the Sub-Treasury and put in circulation in this city.

One of the unfavorable results of the present stringency will be the stoppage of numerous manufactories and lessened wages to operatives. The increase of savings deposits will, therefore, be merely nominal for the year, as many will have to draw upon their deposits for means of subsistence. It certainly speaks well for the laboring population of these two cities, (New York and Brooklyn,) that in the past year (1856) they laid by three and a half millions of earnings, and placed this large sum out at interest. We add the Report of the Senate Committee of the New York legislature, April 4, 1857, on the condition of the Savings Banks of the city and interior:

*Report of the Committee on Banks in relation to Savings Banks.*

The committee on banks, in performance of the duty imposed upon them by the Senate, to examine and compile the returns made by the several savings banks of the State, under a resolution passed January 7, 1857, report, that fifty-two returns have been received from savings banks organized under charter granted by the State and pursuing their regular business. Eight have not made reports, either never having organized under their charters, or else having closed up their business. The State Savings Bank of Troy, chartered in session of 1856, had not organized on 1st January, but is understood to have since done so. The Penn Yan and Albany Dime Savings Banks have disregarded the resolution of the Senate, and have failed to make a report. Their transactions, however, are so extremely small, (as may be seen from the report made by the bank committee at the last session of the legislature,) that this omission on their part is of little importance so far as the annexed tables serve to show the aggregate deposits in the savings banks of the State.

The principal items of information called for by the resolution of the Senate were the amount deposited and the amount withdrawn during the year 1856; the amount of interest received and the amount paid to depositors; the amount of expenses and the aggregate of deposits on 1st January, 1857; with a statement of the manner in which the same was invested, whether in bonds and mortgage, real estate, stocks, or loans upon securities, or cash deposited in banks.

By a comparison of the present report with that made to the Senate by the undersigned one year ago, it will be seen that the sum total of deposits now held by the chartered savings banks of the State amounts to...\$41,699,502 31  
Being an increase of..... 5,586,787 64

This vast sum, the earnings of industry and savings of prudence, is invested as follows:

In bonds and mortgages upon improved productive property, worth at least double the amount loaned thereon,.....	\$18,570,698 91
In stocks of the character authorized by their charters,.....	17,008,620 97
In cash and available loans upon securities.....	6,439,787 38
In real estate, (generally only the banking-house occupied,)....	920,259 40

Former reports on this subject have stated the transactions of the savings banks in the cities of New York and Brooklyn separate from those in the rest of the State, an example which the committee now follows, as it is a matter of some interest to compare the increase of these deposits as between city and country.

It is proper here to say that within a few years many of the banks of circulation and deposit throughout the State, out of the city of New York, have adopted the questionable practice of receiving small deposits on interest, and in some cases have openly assumed, without color of law, the title of savings banks. As it is impossible to learn from their reports, made to the Bank Superintendent, what amounts they thus hold, our comparison between the city and country deposits must necessarily be between those made in chartered savings banks.

During the year 1856, the total number of deposits made in all the savings institutions of the State, was.....	\$303,856 00
And the average amount of each deposit,.....	73 80
The total number of depositors' accounts in these institutions on the 1st day of January, 1857, was.....	204,375 00
The average sum at the credit of each depositor was.....	204 03
In the city of New York the number of such accounts was.....	151,559 00
The average sum at the credit of each depositor,.....	214 12
In the city of Brooklyn the number of such accounts was.....	15,691 00
The average sum at the credit of each depositor,.....	206 85
In the remainder of the State, the number of such accounts was..	37,125 00
The average sum at the credit of each depositor,.....	164 85

Your committee would refer to the annexed synopsis and abstract of all the reports received by them, to show the business and condition of each of the institutions from which reports have been received.

In the report made to the Senate at its last session the bank committee deprecated the practice which has greatly extended within a few years, and to which allusion has already herein been made, of banking associations assuming the business and in some cases the name of savings banks.

A bill to prevent this was introduced at the present session of the legislature, and received the favorable action of the Senate. By its provisions, banks of circulation everywhere throughout the State were prohibited under penalties from using the title of savings banks in any manner, and every such bank situated in any town or city where a chartered savings bank was pursuing business, was in like manner prohibited from receiving deposits on interest of a less sum than five hundred dollars. This wholesome law, sanctioned by a decided vote in the Senate, has failed to be acted upon by the House of Assembly, and is not likely to become a law at the present session.

But though all has not been accomplished which might have been desired by those who feel the importance, and on the part of the State, the obligations to provide safe depositories for the hard earnings of those who are not supposed to be qualified to judge for themselves of the security and responsibility of institutions thus engaged in receiving deposits, yet one important measure has been perfected during the session and has become a law.

By an act passed March 20, 1857, a copy of which is appended to this report, the savings banks of this State have been placed under the supervision of the Superintendent of the Bank Department, and are

required to make semi-annual reports to him of the various items of which it is important that he should be informed. He has authority under this act to cause an investigation into the affairs of any bank for savings, and an examination of the securities which it holds. It is believed that under such a law, properly administered, no considerable frauds or losses will occur.

There is one fact very gratifying in connection with the passage of this law, and which tends to show consciousness of rectitude and ability in regard on the part of these institutions; not one of them made the slightest objection to the measure, but on the contrary, so far as heard from by the committee, warmly commended it.

In closing this report the committee take pleasure in expressing the belief, founded on the returns hereto annexed, that the savings banks of the State are generally managed with skill and prudence. They are performing a most useful part, for they not only keep safely the money of the working classes, but they stimulate enterprise throughout the country by restoring to active circulation, in the various channels of commerce and trade, those small sums which would otherwise be idle, or hoarded away in some place of fancied security.

WILLIAM KELLY, JAMES HUNTINGTON, JOSEPH H. PETTY,  
*Committee on Banks.*

The following is a summary of the resources and liabilities of the savings banks of this State:

	<i>N. Y. and Brooklyn.</i>	<i>Country.</i>	<i>Total.</i>	
Deposits, 1855,.....	\$13,746,326	5,409,888	19,156,215	
Withdrawn, 1855,.....	13,140,916	5,076,592	18,217,508	
Increase,.....	\$605,410	\$333,296	\$938,706	
Deposits, 1856,.....	16,308,299	6,055,556	22,363,855	
Withdrawn, 1856,.....	12,740,058	5,629,004	18,369,063	
Increase,.....	\$3,568,241	\$426,552	\$3,994,792	
	<i>Deposits</i> <i>in 1856.</i>	<i>Withdrawn,</i> <i>1856.</i>	<i>No. of</i> <i>Depositors,</i> <i>Jan. 1, '56.</i>	<i>No. of</i> <i>Depositors,</i> <i>Jan. '57.</i>
N. Y. city,....	\$14,601,574	\$11,582,312	132,737	151,559
Brooklyn,....	1,706,725	1,157,746	12,362	15,691
Interior,.....	6,055,556	5,629,004	31,022	37,125
Total,.....	\$22,363,855	\$18,369,063	176,121	204,375

Deposits on hand January, 1857, bonds and mortgages held, stocks held, and cash balance in hand:

<i>January,</i> <i>1857.</i>	<i>Aggregate</i> <i>Deposits.</i>	<i>Bonds and</i> <i>Mortgages.</i>	<i>Stocks</i> <i>Held.</i>	<i>Loans on</i> <i>Call &amp; Cash.</i>
N. Y. City,....	\$32,452,243	\$13,912,169	\$14,762,395	\$4,643,176
Brooklyn,....	3,145,736	1,519,162	1,812,787	243,888
Interior,.....	6,101,523	3,139,367	932,938	1,552,678
Total,....	\$41,699,502	\$18,570,698	\$17,008,620	\$6,439,737

In Great Britain the savings deposits are thirty-one millions sterling, the net income from which is only  $3\frac{1}{2}$  per cent., whereas depositors here realize 5 or 6 on an average.

Abstract of Reports of Savings Banks in the State of New York, made on the first day of January, 1857.

NAMES OF BANKS.	Deposits received in 1856.	Number of deposits.	Paid to depositors.	Number of drafts paid.	Int. on stocks & mortgages.	Interest on deposits.	Expenses.
Bank for Savings.....	\$2,542,646	88,805	\$1,098,397	59,683	\$372,235	\$180,666	\$18,173
Seaman's Bank for Savings.....	2,140,284	37,353	2,718,058	33,055	186,923	228,029	20,850
Bowery Savings Bank.....	2,654,913	56,935	2,636,601	35,715	154,366	266,677	31,216
Greenwich Savings Bank.....	1,376,431	37,380	996,378	11,898	77,409	189,697	13,951
Emigrant Industrial Savings Bank.....	983,413	10,972	890,370	7,565	88,296	33,789	4,341
Manhattan Savings Bank.....	848,923	9,737	645,004	7,523	32,866	49,766	10,807
MERCHANTS' Clerks' Savings Bank.....	469,810	7,294	494,980	5,075	29,999	82,115	7,415
Dry Dock Savings Bank.....	463,786	6,392	308,653	3,484	9,346	37,684	4,556
Broadway Savings Bank.....	412,050	4,494	309,486	3,855	17,306	22,501	4,317
Irving Savings Bank.....	356,418	3,005	288,109	3,478	17,249	24,853	4,060
East River Savings Bank.....	439,324	6,179	247,147	3,845	10,040	15,940	5,399
Mechanics and Traders' Savings Bank.....	143,013	2,041	186,115	1,635	7,750	13,918	3,714
Mariners' Savings Bank.....	190,638	2,565	92,067	1,319	3,095	5,916	7,359
Sixpenny Savings Bank.....	51,049	9,300	59,786	3,481	...	5,725	3,369
Rose Hill Savings Bank.....	20,534	337	31,323	249	1,260	...	397
Bloomingdale Savings Bank.....	2,359	65	2,001	64	...	...	...
<b>Totals city of New York.....</b>	<b>\$14,601,378</b>	<b>126,217</b>	<b>\$11,528,319</b>	<b>139,433</b>	<b>\$394,543</b>	<b>\$372,211</b>	<b>\$1,376,399</b>
Brooklyn Savings Bank.....	956,163	15,553	753,390	9,750	59,290	74,473	94,965
South Brooklyn Savings Bank.....	260,716	4,651	183,796	2,334	8,343	7,403	11,152
Williamsburgh Savings Bank.....	452,785	10,384	265,639	4,753	17,666	15,408	22,089
<b>Totals New York and Brooklyn.....</b>	<b>\$16,368,299</b>	<b>222,960</b>	<b>\$12,740,038</b>	<b>154,589</b>	<b>\$771,817</b>	<b>\$370,386</b>	<b>\$1,504,326</b>
Yonkers' Savings Bank.....	90,469	475	9,441	199	344	940	173
Westchester County Savings Bank.....	41,670	601	24,410	237	495	2,553	2,146
Sing Sing Savings Bank.....	16,311	328	7,313	84	419	408	489
Newburgh Savings Bank.....	6,535	317	6,649	187	389	1,310	1,240
Poughkeepsie Savings Bank.....	83,783	1,459	61,919	830	130	10,301	6,904
Ulster County Savings Bank.....	23,170	368	15,313	110	908	2,011	2,850
Hudson City Savings Bank.....	17,196	386	17,638	337	343	2,105	1,564
Albany Savings Bank.....	415,933	7,105	451,773	4,695	36,085	13,415	47,290
Albany City Savings Bank.....	112,929	1,685	114,796	693	9,334	...	9,294

Albany Exchange Savings Bank,.....	107	795	46	49	....	49
Sirpeny Savings Bank, of Albany,.....	5,333	4,945	387	514	....	284
Union Savings Bank, of Albany,.....	3	....	....	....	....	....
Mercantile Savings Bank, of Troy,.....	3	....	....	....	....	....
Mechanics and Farmers' Savings Bank, of Albany,.....	1,144	109	8	....	....	8
Commercial Savings Bank, of Troy,.....	15,188	4,993	87	993	....	993
Troy Savings Bank,.....	294,399	318,906	2,778	38,100	1,604	29,267
Coboes Savings Institute,.....	48,110	87,088	383	918	....	918
Bohencady Savings Bank,.....	1,010	116,190	749	6,605	9,073	11,160
Savings Bank of Ulica,.....	3,606	319,771	3,783	1,433	20,119	3,697
Rome Savings Bank,.....	16,778	269	147	382	1,156	140
Central City Savings Bank,.....	73,667	86,391	487	1,366	3,684	903
Onondaga County Savings Bank,.....	195,196	100,761	968	1,335	1,399	903
Syracuse Savings Bank,.....	804,091	257,156	3,174	3,031	5,470	2,304
Auburn Savings Institute,.....	66,938	40,331	691	1,708	848	1,090
Elmira Savings Bank,.....	718	1,377	19	....	155	411
Monroe County Savings Bank,.....	284,403	264,674	3,654	3,014	8,413	2,098
Rochester Savings Bank,.....	833,804	837,089	7,000	930	53,133	6,930
Rochester Sirpeny Savings Bank,.....	99,011	80,161	2,015	....	3,318	903
Brookport Savings Bank,.....	33,066	27	366	299	66	6
Niagara County Savings Bank,.....	4,531	1,790	40	75	....	327
Buffalo Savings Bank,.....	1,124,183	1,013,908	10,060	11,648	47,353	48
Erle County Savings Bank, of Buffalo,.....	1,461,605	1,300,353	15,201	5,733	17,534	6,507
Western Savings Bank, of Buffalo,.....	267,591	243,745	1,763	3,741	3,058	3,677
<b>Totals State of New York,.....</b>	<b>\$33,863,835</b>	<b>\$13,869,063</b>	<b>214,564</b>	<b>\$1,099,433</b>	<b>\$1,177,698</b>	<b>\$1,763,174</b>

There is no better index to the character and the indulation will be noted for their industry and thrift. Wherever these institutions exist and are well sustained, the population will be noted for their industry and thrift. Wherever salutary institutions of our time—useful, inasmuch as they enable the industrious to invest their savings profitably and reliably—salutary, because they create or foster industry and saving, which otherwise would not prevail. In the New England States and in the State of New York savings institutions have been established many years in the large cities and towns. In Pennsylvania they have been in existence for some years, not only in Philadelphia but at Harrisburgh, Pittsburg, Hanover and other interior towns. There are three in Baltimore City, one in Cumberland, Md., others in St. Louis, Cincinnati, Chicago, Ill., Wheeling and Portsmouth, Va., and various other places at the South and West. Wherever manufacturing interests are important and extensive, savings banks are peculiarly required among the working people; and the financial reverses of 1857 will still further demonstrate their utility in saving thousands from pecuniary distress.—Ed. B. M.

Abstract of the Savings Banks of the City and State of New York—(continued.)

NAMES OF BANKS.	Deposits on hand.	Bonds and Mortgages.	Stock held.	Cash & Cash Securities.	Real Estate.	Interest allowed.		No. of new accounts opened.	No. of accounts closed.	No. of accounts now open.
						4 and 5 per ct.	5 and 6 do.			
Bank for Savings,.....	\$8,317,519	\$8,062,933	\$5,216,120	\$494,593	\$188,924	4 and 5 per ct.	9,891	6,453	47,945	
Seaman's Bank for Savings,.....	7,179,854	8,868,400	8,484,466	468,825	194,564	5 and 6 do.	5,068	4,860	92,727	
Bowery Savings Bank,.....	6,645,065	2,678,900	8,167,953	1,028,893	186,188	5 and 6 do.	14,068	8,460	80,904	
Greenwich Savings Bank,.....	8,197,897	1,977,186	1,176,892	778,593	79,893	5 and 6 do.	4,893	2,513	18,387	
Emigrant Industrial Savings Bank,.....	1,892,790	419,266	496,100	408,908	50,000	5 and 6 do.	2,717	1,547	5,481	
Manhattan Savings Bank,.....	1,894,789	724,968	131,408	556,399	4,969	5 and 6 do.	2,497	1,398	5,788	
Merchants' Clerks' Savings Bank,.....	1,145,923	588,900	448,252	117,836	87,546	5 and 6 do.	1,748	959	4,861	
Dry Dock Savings Bank,.....	896,860	600,184	188,000	188,828	5,403	5 and 6 do.	1,480	814	3,840	
Broadway Savings Bank,.....	729,880	876,560	118,000	288,668	.....	5 and 6 do.	1,167	710	2,921	
Iring Savings Bank,.....	500,000	978,777	186,000	186,985	28,981	4, 5 & 6 do.	1,014	489	2,577	
East River Savings Bank,.....	559,140	249,835	118,011	171,229	40,036	4, 5 & 6 do.	1,580	823	3,140	
Mechanics and Traders' Savings Bank,.....	810,645	190,800	105,000	117,419	2,000	5 and 6 do.	496	861	1,614	
Mariners' Savings Bank,.....	244,905	96,100	82,500	118,988	460	5 and 6 do.	926	387	1,869	
Sixpenny Savings Bank,.....	81,157	73,554	.....	6,956	.....	6 do.	1,761	715	4,763	
Essex Hill Savings Bank,.....	30,888	.....	.....	30,888	.....	5 and 6 do.	88	65	815	
Bloomington Savings Bank,.....	2,274	.....	.....	2,268	.....	5 and 6 do.	21	12	88	
<b>Totals, City of New York,.....</b>	<b>\$38,452,243</b>	<b>\$18,912,169</b>	<b>\$14,768,894</b>	<b>\$4,648,176</b>	<b>\$660,903</b>		<b>48,901</b>	<b>30,062</b>	<b>151,559</b>	
Brooklyn Savings Bank,.....	2,160,865	1,186,884	1,014,059	28,689	44,000	5 and 6 per ct.	3,583	2,168	9,189	
South Brooklyn Savings Bank,.....	822,689	144,760	130,917	87,888	28,000	5 and 6 do.	1,276	468	2,053	
Williamsburgh Savings Bank,.....	662,281	291,073	177,817	177,854	26,618	6 do.	2,060	983	4,499	
<b>Totals, New York and Brooklyn,.....</b>	<b>\$38,697,979</b>	<b>\$18,461,381</b>	<b>\$16,078,688</b>	<b>\$4,887,069</b>	<b>\$786,820</b>		<b>68,579</b>	<b>38,690</b>	<b>167,250</b>	
Yonkers Savings Bank,.....	27,129	22,957	.....	9,874	.....	5 per cent.	143	61	384	
Westchester County Savings Bank,.....	114,118	46,519	10,120	8,440	.....	6 do.	187	129	459	
Sing Sing Savings Bank,.....	18,183	6,249	.....	11,799	.....	6 do.	99	97	147	
Newburgh Savings Bank,.....	80,844	21,850	7,500	9,960	.....	5 do.	99	74	323	
Poughkeepsie Savings Bank,.....	183,783	176,892	.....	19,893	4,000	5 do.	410	275	1,215	
Ulster County Savings Bank,.....	62,153	86,879	.....	16,245	.....	6 do.	107	51	261	
Hudson City Savings Bank,.....	37,839	32,804	4,311	1,901	.....	5 do.	80	70	271	
Albany Savings Bank,.....	1,164,290	838,068	835,000	.....	3,000	5 do.	1,483	1,266	4,711	

Albany City Savings Bank,.....	216,985	32,000	61,750	128,915	....	5 per cent.	379	233	845
Albany Exchange Bank,.....	9,384	....	....	9,463	....	5 do.	66	3	68
Sirpeny Savings Bank, of Albany,.....	9,453	....	....	9,453	....	5 do.	256	153	928
Union Savings Bank, of Albany,.....	2	....	....	2	....	5 do.	2	....	2
Mercantile Savings Bank,.....	....	....	....	....	....	5 do.	2	....	2
Mech. & Farmers' Savings Bank, of Albany,.....	1,035	....	....	1,085	....	5 do.	11	3	8
Commercial Savings Bank, of Troy,.....	10,336	....	....	10,330	....	5 1/2 do.	71	18	53
Troy Savings Bank,.....	608,770	27,450	290,000	800,906	88,669	5 1/2 do.	71	537	2,780
Cohoes Savings Institution,.....	26,064	....	....	26,064	....	6 do.	126	78	196
Bobscateady Savings Bank,.....	261,339	153,500	35,000	70,294	....	5 do.	218	280	933
Savings Bank, of Utica,.....	311,413	220,324	55,757	52,971	7,331	5 do.	616	524	1,878
Rome Savings Bank,.....	24,951	19,994	....	6,906	....	5 do.	99	59	169
Central City Savings Bank,.....	73,933	50,833	....	24,529	....	3, 4 & 5 do.	181	133	353
Onondaga County Savings Bank,.....	54,908	33,729	....	21,116	....	5 and 6 do.	454	257	447
Syracuse Savings Bank,.....	150,386	93,106	....	61,690	....	5 and 6 do.	1,019	633	1,174
Auburn Savings Institute,.....	30,397	13,175	....	26,468	....	5 per cent.	144	124	337
Elmira Savings Bank,.....	3,404	2,400	....	....	....	6 do.	5	17	14
Monte County Savings Bank,.....	131,654	139,940	....	64,224	....	6 do.	777	656	1,498
Rochester Savings Bank,.....	374,016	633,793	21,000	136,398	94,631	5 do.	1,374	1,278	4,137
Rochester Sixpenny Savings Bank,.....	62,325	47,733	....	14,441	....	6 do.	1,773	600	1,463
Brockport Savings Bank,.....	4,685	1,300	....	3,543	....	6 do.	26	29	80
Niagara County Savings Bank,.....	2,761	....	....	2,717	....	6 do.	53	18	85
Buffalo Savings Bank,.....	332,753	651,004	53,700	244,741	13,336	6 do.	1,735	623	7,171
Erie County Savings Bank,.....	507,329	313,153	....	194,393	....	6 do.	1,908	331	4,691
Western Savings Bank, of Buffalo,.....	102,303	42,432	3,900	51,564	....	6 do.	257	169	413
<b>Total, State of New York,.....</b>	<b>\$41,669,303</b>	<b>\$18,370,493</b>	<b>\$17,005,680</b>	<b>\$6,459,737</b>	<b>\$990,259</b>		<b>71,063</b>	<b>43,190</b>	<b>204,375</b>

Binghamton Savings Bank, not organized or not doing business.  
 Chenango Valley Savings Bank, do.  
 Oswego Savings Institution, do.  
 Palmyra Savings Bank, do.  
 State Savings Bank, of Troy, organized January, 1837.  
 Ithaca Savings Bank, not organized or not doing business.  
 Dunkirk Savings Bank, do.  
 Dutchess County Savings Bank, business closed.  
 Albany Dime Savings Bank, no report received.  
 Pen Yan Savings Bank, do.

AN ACT IN RELATION TO SAVINGS BANKS, PASSED MARCH 20TH, 1857.  
(THREE-FIFTHS BEING PRESENT.)

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

SEC. 1. The several savings banks or institutions for savings now incorporated, or which may be hereafter incorporated, shall, on or before the twenty-fifth day of January, and on before the twenty-fifth day of July, in each year, make a report in writing to the Superintendent of the Bank Department of the condition of such savings bank or institution for savings, on the first days of January and July ; which report shall be verified by the oath of the two principal officers thereof ; and shall state therein the total amount due to depositors ; the total amount of assets of every kind ; the principal sum of each and every bond and mortgage, with the estimated value of the property on which it is based ; the amount invested in stock, designating each particular kind of stock, and the estimated market value of the same ; the amount loaned upon the security of stock, with a description of all stocks so held ; the amount, if any, loaned on personal securities ; the amount invested in real estate ; the amount of cash on hand or on deposit in bank, with the names of the banks where deposited, and the amounts placed in each ; and the amount loaned or deposited in any other manner than herein described. The report of January in each year shall, in addition, also state the number of open accounts ; the amount deposited and the amount withdrawn ; also the amount of interest received, and the amount placed to the credit of depositors during the year preceding the date of such report. Any wilful false swearing in respect to such reports shall be deemed perjury, and subject to the punishment prescribed by law for that offence. And if any savings bank or institution for savings shall fail to furnish to the Superintendent of the Bank Department its reports at the time herein stated, it shall forfeit the sum of one hundred dollars per day for every day such report shall be so delayed ; and the said superintendent may maintain an action, in his name of office, to recover such penalty, and, when collected, the same shall be paid into the treasury of the State.

SEC. 2. It shall be the duty of the Superintendent of the Bank Department, by or before the twentieth day of February in each year, to communicate to the legislature a statement of the condition of every savings bank and institution for savings from which reports have been received for the preceding year ; and to suggest any amendments in the laws relative to savings banks or institutions for savings which in his judgment may be necessary or proper to increase the security of depositors.

SEC. 3. Whenever any savings bank or institution for savings shall fail to make a report in compliance with this act, or whenever the Superintendent of the Bank Department shall have reason to believe that any savings bank or institution for savings is loaning or investing



money in violation of its charter or of law, or conducting business in an unsafe manner, it shall be his duty, either in person or by one or more competent persons by him appointed, to examine their affairs; and whenever it shall appear to the superintendent, from such examination, that any savings bank or institution for savings has been guilty of a violation of its charter or of law, he shall communicate the fact to the Attorney-General, whose duty it shall then become to institute such proceedings against said savings bank or institution for savings as are now authorized in the case of insolvent corporations. The expense of any such examination shall be paid by the savings bank or institution for savings so examined, in such amount as the Superintendent of the Banking Department shall certify to be just and reasonable.

SEC. 4. No savings bank shall hereafter be required to make an annual report to the legislature, any provisions in their charter to the contrary notwithstanding.

SEC. 5. The Superintendent of the Banking Department is hereby authorized to employ from time to time so many clerks as may be necessary to discharge the duties hereby imposed; the salary of said clerks shall be paid to them monthly, on his certificate, and upon the warrant of the Comptroller, out of the treasury; and it shall be the duty of the said superintendent, in his annual report to the legislature, to state the names of the clerks so employed, and the compensation allowed to them severally.

SEC. 6. It shall be the duty of the superintendent to collect all the expenses incurred in the performance of the duty hereby imposed, including the salaries of the clerks, and such expenses shall be defrayed and paid by the savings banks and institutions for savings in proportion to the amount of deposits held by them severally, and when collected the same shall be paid into the treasury of the State. If any savings bank or institution for savings shall, after due notice, refuse or neglect to pay its proper share of said charges so allotted, then the said superintendent may maintain an action in his name of office against such savings bank or institution for savings for the recovery of such charges.

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PANICS.—As an illustration of what slight causes are often panic-producers, we copy from *Timbs' Curiosities of History* an account of a panic in England in the year 1832 :

In May, 1832, a "run upon the Bank of England" was produced by the walls of London being placarded with the emphatic words, "to stop the Duke, go for gold"—advice which was followed as soon as given, to a prodigious extent. The Duke of Wellington was then very unpopular; and on Monday, the 14th of May, it being currently believed that the Duke had formed a Cabinet, the panic became universal, and the run upon the Bank of England for coin was so incessant, that in a few hours upwards of half a million was carried off. Mr. Doubleday, in his "*Life of Sir Robert Peel*," states it to be well known that the above placards were the device of four gentlemen, two of whom were elected members of the Reformed Parliament. Each put down £20, and the sum thus clubbed was expended in printing thousands of those terrible missives, which were eagerly circulated, and were speedily seen upon every wall in London. The effect is hardly to be described. It was electric.

## THE FINANCIAL REVULSIONS OF 1837 AND 1857.

Those who can look back to the financial events of 1836-'7, will find that the causes which brought about the crisis of that period have again prevailed to a larger extent in 1856-'7. We allude to over-trading—undue bank expansion—long credits—excessive importations from Europe—speculations in public lands. All these were, in 1837, acknowledged causes of the commercial revulsion of that period. We shall find, by a close scrutiny of the circumstances preceding the late revulsion, that similar features have marked the years 1856-'7. The immense outlay in rail-roads we include among the "over-trading" of the past two or three years; the bank loans and circulation have increased more rapidly than a healthy growth of commerce warranted. Such bank facilities have superinduced heavy importations of foreign goods, beyond the ability of the country to pay, and also fostered the system of long credits. Capital has been withdrawn, in 1856-'7, from commercial channels, and placed, as in 1835-'6, in public lands of the West. These latter investments, for the time being, are unavailable—the gold required for their purchase has been paid into the Sub-Treasury, and finally found its way to England and the Continent, in payment of products of foreign labor. We will revert to the features of commercial affairs preceding the revulsion of 1837, in order to demonstrate our meaning.

I. *Over-trading.*—The importations from abroad increased from 1833 to 1836 seventy-five per cent., under the tariff of 1832, while the exportations for the same period were increased only forty-two per cent. Commercial changes in any country should be gradual, and the exports and imports should always keep pace with each other, in order to maintain an equilibrium of indebtedness.

*Imports, Exports, Duties, Sales of Public Lands and Population of the United States, 1833—1840.*

<i>Years.</i>	<i>Imports.</i>	<i>Exports.</i>	<i>Custom-House Duties.</i>	<i>Sales of Public Lands.</i>	<i>Population.</i>
1833,.....	\$108,118,000	\$90,140,000	\$39,083,000	\$3,967,000	13,320,000
1834,.....	126,521,000	104,826,000	16,214,000	4,657,000	14,190,000
1835,.....	149,895,000	121,698,000	19,891,000	4,757,000	14,600,000
1836,.....	189,950,000	128,668,000	23,409,000	4,577,000	15,050,000
	<u>\$574,514,000</u>	<u>\$444,882,000</u>	<u>\$88,046,000</u>	<u>\$18,458,000</u>	
Average,.....	143,623,500	111,208,000	22,011,500	4,614,500	

Thus the imports per head were, in 1833, \$8 30; while in 1836 they were \$12 60, an increase which all, upon reflection, will acknowledge to have been too sudden.

<i>Years.</i>	<i>Imports.</i>	<i>Exports.</i>	<i>Custom-House Duties.</i>	<i>Sales of Public Lands.</i>	<i>Population.</i>
1837,.....	\$140,969,000	\$117,419,000	\$11,169,000	\$6,568,000	15,600,000
1838,.....	108,436,000	118,717,000	16,158,000	8,214,000	16,100,000
1839,.....	121,028,000	162,092,000	28,187,000	7,261,000	16,550,000
1840,.....	131,571,000	104,505,000	18,499,000	8,494,000	17,068,000
	<u>\$502,074,000</u>	<u>\$498,088,000</u>	<u>\$63,963,000</u>	<u>\$30,533,000</u>	
Average,.....	125,518,500	124,508,250	15,990,750	5,208,000	

The revulsion of the winter of 1836-'7 (ending finally in bank suspension of May, 1837) created a necessity for a prompt reduction of foreign imports. Thus, in 1838, they amounted to about the same as in 1832-'3, or only \$6 50 per head; the population having increased in those five years from 13,820,000 to about 16,100,000—the exports for the intervening period of five years being about equal to the foreign imports.

It will be readily perceived that this rapid expansion of foreign imports must be accompanied—1st. By a commensurate expansion of trade and of credit throughout the whole Union; 2d. By a large export of coin, in discharge of foreign indebtedness accrued. The export of coin did not occur in 1837, because bankruptcy overtook a very large class of merchants and manufacturers. It is estimated that at least 400 millions were liquidated by the bankrupt law of June 19, 1840, a larger portion of which (one-fifth, or one-fourth at least) was foreign indebtedness.

II. *Bank Expansion.*—The bank policy of General Jackson forced the liquidation of the United States Bank, 1833—1836. This bank had gradually, up to 1833, regulated the domestic exchanges, so that the cost of exchange between Philadelphia and remote points of the Union was reduced to  $\frac{1}{2}$  or 1 per cent. The first blow at the bank was on the 10th July, 1832, when General Jackson's veto of the re-charter\* was communicated to Congress. In September, 1833, another step was the issue of an order by the then Secretary of the Treasury, (Hon. R. B. Taney, now Chief Justice of Supreme Court, U. S.,) for the removal of the deposits from the Bank of the United States to certain State banks. On the 23d of that month Secretary Duane was dismissed by the president, in consequence of his refusal to commit this act of gross injustice, and on the same day Mr. Taney was appointed his successor. The order for the removal of the deposits, and the future deposit of revenue, was issued a few days afterwards, to take effect on the first of October following.

*Secretary Taney's Views.*—We extract from the special report of the Treasury to Congress on the subject of the deposit banks, December 3, 1833, the conclusions of Secretary Taney :

The language of the law, therefore, and the usage and the practice of the government under it, establish the following principles: 1st. That the power of removal was intended to be reserved exclusively to the Secretary of the Treasury; and that, according to the stipulations in the charter, Congress could not direct it to be done. 2d. That the power reserved to the Secretary of the Treasury does not depend for its exercise merely on the safety of the public money in the hands of the bank, nor upon the fidelity with which it has conducted itself; but he has the right to remove the deposits, and it is his duty to remove them, whenever the public interest or convenience will be promoted by the change. \* \* \*

The facts and reasons stated appear to have established the following propositions: 1st. It was the duty of this department not to act upon the assumption that the legislative power would hereafter change the law in relation to the Bank of the United States; and it was bound to regulate its conduct upon the principle that the existence of this corporation would terminate on the 3d of March, 1836. 2d. The public interest required that the deposits of public

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\* This act was passed by the House of Representatives, July 3, 1832, by a vote of 107 to 85, and in the Senate by a vote of 28 to 30.

money should not continue to be made in the Bank of the United States until the close of its existence, but should be transferred to some other place, at some period prior to that time. 3d. The power of removal being reserved exclusively to the Secretary of the Treasury, by the terms of the charter, his action was necessary in order to effect it; and the deposits could not, according to the agreement made by Congress with the stockholders, have been removed by the legislative branch of the government until the charter was at an end. 4th. The near approach of the time when the charter would expire, as well as the condition of the mercantile community, produced by the conduct of the bank, rendered the removal indispensable at the time it was begun; and it could not have been postponed to a later day without injury to the country.

Acting on these principles, I should have felt myself bound to follow the course I have pursued in relation to the deposits, without any reference to the misconduct of the bank. But there are other reasons for the removal, growing out of the manner in which the affairs of the bank have been managed and its money applied, which would have made it my duty to withdraw at any period of the charter. It will, I presume, be admitted on all hands, that the bank was incorporated in order to create a useful and convenient public agent to assist the government in its fiscal operations. The act of incorporation was not designed merely as an act of favor to the stockholders, nor were exclusive privileges given to them for the purpose of enabling them to obtain political power, or to amass wealth at the expense of the people of the United States. The motive for establishing this vast monopoly was the hope that it would conduce to the public good. It was created to be the agent of the public—to be employed for the benefit of the people; and the peculiar privileges and means of private emolument, given to it by the act of incorporation, were intended as rewards for the services it was expected to perform. \* \* \* \*

In forming my judgment on this, as part of the case, I have not regarded the short time the charter has yet to run. But my conduct has been governed by considerations which arise altogether out of the course pursued by the bank, and which would have equally influenced the decision of this department in relation to the deposits, if the bank were now in the first years of its existence; and upon this view of the subject, the following propositions appear to be fully maintained:

1st. That the bank, being the fiscal agent of the government in the duties which the law requires it to perform, is liable to all the responsibilities which attach to the character of agents in ordinary cases of principal and agent among individuals, and it is, therefore, the duty of the officer of the government, to whom the power has been entrusted, to withdraw from its possession the public funds whenever its conduct towards its principal has been such as would induce a prudent man, in private life, to dismiss his agent from his employment.

2d. That by means of its exchange committee, it has so arranged its business as to deprive the public servants of those opportunities of observing its conduct which the law had provided for the safety of the public money confided to its care; and that there is sufficient evidence to show that the arrangement on the part of the bank was deliberately planned, and is still persisted in for the purpose of concealment.

3d. That it has also, in the case of the three per cent. stock, and of the bill of exchange on France, endeavored unjustly to advance its own interests, at the expense of the interests and just rights of the people of the United States.

If these propositions be established, it is very clear that a man of ordinary prudence in private life would withdraw his funds from an agent who had thus behaved himself in relation to his principal; and it follows that it was the duty of the Secretary of the Treasury to withdraw the funds of the United States from the bank.

4th. That there is sufficient evidence to show that the bank has been and still is seeking to obtain political power, and has used its money for the purpose of influencing the election of the public servants; and it was incumbent upon the Secretary of the Treasury, on that account, to withdraw from its possession the

money of the United States, which it was thus using for improper purposes. Upon the whole, I have felt myself bound by the strongest obligations to remove the deposits. The obligation was imposed upon me by the near approach of the time when this corporation will cease to exist, as well as by the course of conduct which it has seen fit to pursue. \* \* \* \*

The State banks selected are all institutions of high character and undoubted strength, and are under the management and control of persons of unquestioned probity and intelligence. And, in order to insure the safety of the public money, each of them is required and has agreed to give security whenever the amount of the deposit shall exceed the half of the amount of the capital actually paid in; and this department has reserved to itself the right to demand security whenever it may think it advisable, although the amount on deposit may not be equal to the sum above stated. The banks selected have also severally engaged to transmit money to any point at which it may be required, by the direction of this department, for the public service, and to perform all the services to the government which were heretofore rendered by the Bank of the United States. And, by agreements among themselves, to honor each other's notes and drafts, they are providing a general currency at least as sound as that of the Bank of the United States; and will afford facilities to commerce, and in the business of domestic exchange, quite equal to any which the community heretofore enjoyed. There has not yet been sufficient time to perfect these arrangements, but enough has already been done to show that even on the score of expediency, a Bank of the United States is not necessary, either for the fiscal operations of the government or the public convenience; and that every object which the charter to the present bank was designed to attain may be as effectually accomplished by the State banks.

On the 15th April, 1854, Secretary Taney further communicated to Congress his views on the deposit bank system, reiterating his opinion that the Bank of the United States had failed to accomplish the objects contemplated in its creation, and that the State banks would thenceforward not only furnish an adequate currency for the country, but be a constant and wholesome check upon each other.\*

Mr. Taney having been nominated to the Chief Justiceship of the Supreme Court of the United States by General Jackson, and confirmed on the 24th June following, by a senatorial vote of 28 to 18, was succeeded in the Treasury by the Hon. Levi Woodbury, who retained the laborious position of Secretary until March 2, 1842, nearly eight years.

In December, 1835, Secretary Woodbury reported that the public money continued to be collected and deposited with great ease and economy. "The transfers of it to every quarter of the country have never been effected with more promptitude, and have been made entirely free of expense to the Treasury." The surplus revenue of \$37,468,859 was apportioned among the several States by an act of the House of Representatives, passed June 21st, 1836, by a vote of 155 to 38; confirmed by the Senate by a vote of 24 to 6.

On the 6th December, 1836, the Secretary, in his annual report to Congress, congratulated the country on their possessing a gold circulation of 73 millions, against 30 millions only in October, 1833—the bank circulation in the mean time having increased from 80 millions to 120 millions. This increase of paper currency was even then considered by the Secretary as excessive. The results of these enlarged

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\* See "Funding System of the United States," pp. 382—386.

paper issues were soon found to be prejudicial to the true interests of the country, and eventually led to the suspension in New York by the banks, on the 10th May following.

*Bank Suspension of 1837.*—The New York city banks, between their suspension in May, 1837, and January, 1838, pursued a careful course, looking to the promised resumption of specie payments in May, 1838. Each report after May, 1837, showed an increase of specie funds, and a stronger position in all respects.

<i>Liabilities.</i>	<i>June 1, 1837.</i>	<i>Dec. 1.</i>	<i>May 1, 1838.</i>
Capital.....	\$18,111,200	\$18,111,200	\$18,111,200
Circulation.....	5,283,950	4,004,059	3,180,161
Special deposits.....	2,766,560	2,664,500	1,181,883
State Treasury.....	1,576,250	1,296,055	1,346,899
U. S. Treasury.....	3,907,731	131,237	129,892
Individual deposits.....	11,394,948	12,898,080	12,902,371
Due other banks.....	8,269,739	9,723,054	10,748,481
Profits, &c.....	6,116,412	6,792,649	6,674,831
<b>Total.....</b>	<b>\$57,426,800</b>	<b>\$55,620,834</b>	<b>\$54,275,718</b>
<i>Resources.</i>	<i>June.</i>	<i>December.</i>	<i>May, 1838.</i>
Loans.....	\$38,434,193	31,069,800	\$18,220,628
Real estate.....	952,781	957,268	978,627
Specie.....	1,711,409	2,373,632	6,570,732
Notes of other banks.....	3,901,402	5,111,411	6,248,434
Due from other banks.....	9,196,148	11,450,742	8,685,801
Investments.....	2,601,820	3,067,059	2,894,426
Miscellaneous.....	629,047	1,600,922	677,070
<b>Total.....</b>	<b>\$57,426,800</b>	<b>\$55,620,834</b>	<b>\$54,275,718</b>

These figures show that the banks curtailed their loans between June, 1837, (twenty days after suspension,) and May 1, 1838, (ten days before resumption,) about ten millions. In the mean time bills on London were reduced from 20 a 22 premium, to 6 a 7 per cent., or *actually below par*. Foreign importations had, in the mean time, been discouraged, and the balance of foreign trade resulted in our favor, thereby enabling the banks to maintain specie payments, and to become a creditor of all other cities of the United States. This speedy resumption was opposed by the Bank of the United States in the winter of 1837-'8, as premature, (see page 399,) and by the Southern and Western banks generally. But Boston and New York had fortified themselves with specie funds, and had adopted measures, in the summer of 1837, looking to the resumption in May, 1838. The Southern cities were not, however, so well fortified, and it turned out that their resumption in 1838 was not well sustained. The Bank of the United States, in its endeavors to strengthen itself, met with heavy losses, and never recovered from the severe blow inflicted by its second suspension. There was, besides, no sympathy on the part of New York in behalf of the then Bank of the United States, as *the leading monied institution of the country*, and Wall-street was desirous of having within itself the great regulator of the currency of the Union.

*Foreign Exchange in 1837.*—In order to show the workings of suspension in the year 1837, we have compiled the following items from reliable authorities. Exchange in May, 1838, when the banks resumed, actually went below par—6 to 7 per cent, nominal.

	1837.					1838.				
	July 1.	July 30.	Oct. 21.	Dec. 9.	Feb. 3.	March 24.	May 13.			
London,.....	20 a 22	18 a 21	15 a 16	11½ a 12½	9 a 9½	5 a 6	6½ a 7			
France,.....	477 a 495	480 a 490	497½ a 505	517 a 520	5.25	587 a 540	585 a 587½			
Holland,.....	43 a 44	44 a 45	42 a 42½	41	40 a 40½	39 a 39½	39 a 39½			
Hamburgh,.....	87½ a 88	88 a 89	87½ a 87½	86½	85½	85 a —	84½ a 85			
Bremen,.....	84 a 85	84 a 85	84½ a 85	82 a 82½	80½ a 81	78½ a —	77½ a 78			
Boston,.....	par a ½	par a 1	1½ a 1½	1½ a 2½	1½ a 2½	par a ½	½ a 1			
Philadelphia,.....	½ a 1	½ a 1	1 a 1½	1½ a 2	1½ a 1½	3 a 8½	3 a 3½			
Baltimore,.....	½ a 1	½ a 1	1 a 2	1½ a 2	1½ a 2½	3½ a 4	3½ a 4			
Richmond,.....	1 a 1½	1 a 1½	1½ a 2½	2 a 3	2½ a 3	3 a 4	5 a 6			
North Carolina,.....	2½	2½ a 3	6	5	—	4 a 5	— a 5			
Charleston,.....	4 a 5	4 a 5	2½ a 3	2½ a 3	3 a 3½	4 a 5	5 a 6			
Savannah,.....	4 a 5	4 a 5	2½ a 3	2½ a 3	3 a 3½	9 a —	8 a 10			
New Orleans,.....	7 a 10	11 a 12	3 a 4	2 a 3	3½ a 4	5 a 6	8 a 10			
Cincinnati,.....	.....	.....	.....	.....	5	6 a 6½	8 a 9			
American Gold,.....	10 a 12	8 a 9	5½ a 6	4½ a 5	4½ a 4½	1½ a 3	½ a ½			
Portuguese Gold,.....	9 a 10	9 a 10	.....	.....	.....	.....	.....			
Sovereigns,.....	536 a 537	535 a 537	510 a 513	507 a 510	500 a 506	490 a 495	485 a 490			
Heavy Guineas,.....	545 a 547	540 a 545	510 a 520	510 a 515	.....	.....	.....			
Spanish Dollars,.....	13 a 15	11 a 12	9 a 11	7 a 8½	6 a 7	2½ a 3½	1½ a 2½			
Five Francs,.....	106 a 106	102 a 103	99 a 100	97 a 98	95 a 96	95 a 96	93½ a 94			
Doublons,.....	18 a 18½	17½ a 17½	17.20 a 17.35	16.75 a 16.85	17.20 a 17.30	16.40 a 16.60	16.90 a 16.06			
Do. Patriot,.....	1½ a 1½	16.70 a 16.80	16.30 a 16.50	16.45 a 16.55	16.12 a 16.25	15.75 a 15.80	15.53 a 15.65			

The Bank of the United States had accomplished, between the years 1825—1833, all that had been promised by its early friends, viz., liberal accommodations to the mercantile community; secondly, a sound currency; and, lastly, an equilibrium of the domestic exchanges. These ends were gained as long as the bank was under one management—under one head—and regulated from time to time by the obvious wants of the country and by the fluctuations of commerce. It was erroneously supposed by the then executive, and by the head of the Treasury, that the same power could be put into thirty or forty different boards of directors, at various points of the Union; that the same consistency and uniformity of action could take place; and that the three prominent objects in view at the incorporation of the Bank of the United States would be secured by adopting the State bank system. The fallacy of this view was soon demonstrated. The pet banks soon obtained control of the deposits, amounting to over thirty millions of dollars, and placed themselves in opposition to the then Bank of the United States, whose charter would expire on 3d March, 1836; and afterwards, to the Pennsylvania Bank of the United States—an institution controlled mainly by the same gentlemen who were in the management of the former. In fact, the policy of the old bank, after October, 1833, was far from being as sound as previously, and soon lost its nationality as well as its consistency, in its contest with the State banks.

Its loans in 1833, 1834, 1835, were as follows:

July, 1833.....	\$63,300,000
November, 1834.....	45,754,000
July, 1835.....	65,197,000

Immediately on obtaining the control of the public deposits, amounting to nine millions of dollars, the *pet* banks, as they were familiarly termed in 1833—1834, commenced a system of expansion, in order, as was alleged, to fill the void occasioned by the then expected liquidation of the Bank of the United States. This void, in fact, never occurred. The bank was, in a legal sense, wound up in 1836, but in reality it was a mere shifting of hands; the new Pennsylvania Bank of the United States assuming alike the liabilities and the resources of the former. By an extraordinary combination of circumstances, the public debt of the United States had been nearly liquidated in 1833-'34, and was entirely so in 1835-'36; at which latter date the annual revenue amounted to forty-eight millions of dollars, against twenty-four millions of dollars in 1830. The surplus revenue had become a burden upon the Treasury, and, in the hands of the State banks became a vast fund for expansion of loans. Thus, in January, 1835, (about one year after the banks began to feel the accumulations of public deposits,) the loans of the State banks in five States only, amounted to \$135,384,000. These increased to \$177,794,000 by January, 1836, and to \$193,519,000 in January, 1837. It was at this last date that the expansion was at its height, and that the rates of foreign exchange became very burdensome.



*Bank Loans in Different Sections of the Union at Different Periods.*

<i>Date.</i>	<i>Ohio.</i>	<i>Virginia.</i>	<i>S. Carolina.</i>	<i>Louisiana.</i>	<i>New York.</i>	<i>Totals.</i>
Jan., 1836,.....	\$9,751,000	\$11,277,000	\$15,020,000	\$27,383,000	\$61,968,000	\$125,399,000
" 1836,.....	17,079,000	14,329,000	16,816,000	57,234,000	72,386,000	177,794,000
" 1837,.....	18,173,000	16,021,000	18,599,000	59,108,000	79,213,000	193,519,000
May, 1837,.....	19,506,000	18,311,000	18,331,000	50,803,000	74,053,000	176,004,000
Jan., 1838,.....	17,312,000	15,900,000	16,637,000	55,590,000	61,000,000	166,359,000
May, 1838,.....	15,850,000	14,718,000	16,443,000	52,058,000	57,903,000	157,009,000
Jan., 1839,.....	16,520,000	17,010,000	15,373,000	56,855,000	68,300,000	174,068,000
June, 1839,.....	18,414,000	15,596,000	18,247,000	49,183,000	68,057,000	164,557,000
June, 1840,.....	9,373,000	15,495,000	16,106,000	45,646,000	69,750,000	159,905,000
Jan., 1842,.....	11,477,000	15,925,000	6,855,000	54,710,000	56,333,000	145,355,000
June, 1842,.....	6,376,000	14,353,000	7,476,000	46,591,000	58,345,000	123,266,000
Jan., 1843,.....	3,592,000	12,643,000	6,585,000	34,623,000	52,248,000	110,101,000
Aug., 1843,.....	4,453,000	12,696,000	6,170,000	31,635,000	53,593,000	113,609,000

It was stated, upon official authority, that the aggregate loans of the deposit banks of the United States were :

In July and August, 1836,.....	\$164,469,000
In December, 1836,.....	166,454,000

In a few States of the West the public deposits amounted to about TWENTY MILLIONS OF DOLLARS, giving rise to a wide field of illegitimate and wild banking operations.

*Tabular view of the Circulation, Treasury Deposits, Individual Deposits and Specie, of the Deposit Banks of nine States of the West, November, 1836. (See Hazard's Financial Register, 1837, p. 150.)*

<i>Deposit Banks.</i>	<i>No.</i>	<i>Circulation.</i>	<i>U. S. Treasury.</i>	<i>Public Offices.</i>	<i>Other Depositors.</i>	<i>Specie on hand.</i>
Alabama,.....	1	\$2,063,515	\$1,335,553	\$284,660	\$654,537	\$283,915
Mississippi,.....	2	2,343,329	1,253,307	24,407	1,690,934	860,319
Louisiana,.....	2	1,989,759	4,705,455	133,310	1,245,514	696,080
Tennessee,.....	3	4,002,307	777,391	46,258	694,302	241,504
Kentucky,.....	7	2,422,955	1,399,942	100,360	633,970	390,633
Ohio,.....	8	2,600,036	5,130,375	139,779	1,106,585	1,379,775
Indiana,.....	3	2,239,375	2,267,395	13,315	399,800	1,131,950
Illinois,.....	1	71,967	73,320	....	19,161	34,165
Michigan,.....	3	940,198	1,616,118	231,495	633,468	373,751
	22	\$19,163,131	\$19,253,356	\$1,029,104	\$7,123,271	\$5,927,966

The few banks in the city of New York, and those in the interior of the State, held at the same time nearly fifteen millions of public deposits,\* viz :

	<i>Jan., 1837.</i>	<i>June, 1837.</i>	<i>July, 1837.</i>	<i>Aug., 1837.</i>	<i>Oct., 1837.</i>
City Banks,.....	\$7,176,000	\$3,907,000	\$3,152,000	\$707,000	\$431,000
Country Banks,.....	7,833,000	4,143,000	3,402,000	1,581,000	516,000
Specie, City,.....	4,047,000	1,711,000	1,709,000	1,753,000	1,965,000
Specie, Country,.....	5,329,000	2,302,000	2,636,000	2,731,000	2,963,000

\* Hazard's Financial Register, 1837, p. 143.

*The Resumption of 1838.*—On 27th November, 1837, a Bank Convention was held in New York, to take measures for an early resumption. Messrs. Albert Gallatin, George Newbold, C. W. Lawrence, Cornelius Heyer, John J. Palmer, Preserved Fish and Gorham A. Worth, were appointed a committee to publish the views of the convention. We extract as follows from their report, dated 15th December following, as a matter of history :

The immediate causes which compelled the banks of the city of New York to suspend specie payments on the 10th of May last, are well known. The simultaneous withdrawing of the large public deposits, and of excessive foreign credits, combined with the great and unexpected fall in the prices of the principal articles of our exports, with an import of breadstuffs such as had never before occurred, and with the consequent inability of the country, particularly of the Southwestern States, to make the usual and expected remittances, did, at one and the same time, fall principally and necessarily on the greatest commercial emporium of the Union. After a long and most arduous struggle, during which the banks, though not altogether unsuccessfully resisting the imperative foreign demand for the precious metals, were gradually deprived of a great portion of their specie, some unfortunate incidents of a local nature, operating in concert with other previous exciting causes, produced distrust and panic, and finally one of those general runs, which, if continued, no banks that issue paper money, payable on demand, can ever resist, and which soon put it out of the power of those of this city to sustain specie payments. The example was followed by the banks throughout the whole country with as much rapidity as the news of the suspension in New York reached them, without waiting for an actual run, and principally, if not exclusively, on the alleged ground of the effects to be apprehended from that suspension. Thus, while the New York city banks were almost drained of their specie, those in other places preserved the amount which they had before the final catastrophe. \* \* \* \*

The only reason which remains to be examined is the apprehension that confidence may not have been sufficiently restored to ensure a permanent resumption. The causes which occasioned the distrust, the panic and the run on some of the banks, have ceased to operate. Such a coincidence of extraordinary events and unfortunate incidents as produced the catastrophe must be rare, and may never again occur. It must be conceded, that it is impossible that confidence should be restored until the banks shall have resumed specie payments, or designated an early day for that purpose. Combined with the conviction of the ability of the banks to resume, and with the fact that their paper shall have become equal, or nearly equal in value, to specie, nothing is wanted for restoring entire confidence but the simultaneous resumption by the principal banks, acting in concert. \* \* \* \*

In the meanwhile, the line of our duty is obvious, and we have only to continue, by every measure in our power, to strengthen ourselves, and to be prepared, at the earliest possible day, to fulfil our engagements, and to resume and to maintain specie payments. To the early completion of the measures now in train for that purpose we respectfully but most earnestly call the immediate attention of the city banks, as an indispensable requisite, before a day can be fixed for resumption. The country banks, with most laudable exertions, have taken all the necessary steps, and are prepared to resume at any time.

This convention was attended by 136 delegates, viz. : from Maine, 2 ; New Hampshire, 2 ; Vermont, 7 ; Massachusetts, 15 ; Rhode Island, 5 ; Connecticut, 17 ; New York city, 7 ; New York, interior, 30 ; New Jersey, 12 ; Pennsylvania, 10 ; Delaware, 1 ; Maryland, 6 ; District of Columbia, 2 ; Virginia, 7 ; North Carolina, 2 ; South Carolina, 2 ; Georgia 1 ; Indiana, 1 ; Kentucky, 3 ; Ohio, 1.

Mr. Nicholas Biddle, in his letter addressed to Mr. John Quincy

Adams, under date April 5, 1838, opposed the resumption of specie payments at so early date as May, 1838, the time fixed upon by the convention. In this letter he urged that the general government was opposed to the banking system, and had, by its specie circular crusade against the banks, &c., caused the panic and suspension in 1837. Of the proposed resumption he said :

My impression is, that the month of May is a very unfit time. The resumption, to be useful, must be general; and no arrangement can be satisfactory which does not include the Southern and Southwestern States. These I do not think are yet ready to resume.

For the gentlemen of New York who announced that decision, (as to resumption in May, 1838,) I have great personal respect, and, under ordinary circumstances, would willingly yield my own convictions to their better opportunities and understanding; but the natural influence of their judgment is weakened by the knowledge of the fact, that the banks of New York would not have had the least idea of a resumption in May, but because the immunity allowed by the legislature will then expire, and they fear that it will not be renewed. This was distinctly avowed at the bank convention, and the deputation who visited Philadelphia repeated it again and again. Now this may be a very good reason for the banks of New York to resume, but certainly no reason whatever for the banks of Pennsylvania to do the same. The States of Pennsylvania, of Virginia, of Kentucky, have legislatures as well as New York has, and they have refused to direct their banks to resume in May next. Why should they obey the legislature of New York, and not their own legislature?

The banks should remain exactly as they are—preparing to resume, but not yet resuming. They should begin, as the Bank of England did, under similar circumstances, by paying the small notes, so as to restore coin to all the minor channels of circulation, but not make any general resumption until they ascertain what course the government will pursue; employing, in the mean time, their whole power to forward the crops to market. The American banks should do, in short, what the American army did at New Orleans—stand fast behind their cotton bales until the enemy has left the country.

These are my opinions, very deliberately formed and very frankly expressed. They are thus set forth, not to influence the course of others, but to explain my own.

On the 11th April, 1838, a convention of 143 delegates, from eighteen States, met at the city of New York to consider the subject of the resumption of specie payments.

*Whereas*, It is found necessary, in order to a simultaneous action by the banks, in their redemption of specie payments, so to proceed in designating a period as to secure the nearest approach to unanimity; *And whereas*, While in the judgment of this convention the return to specie payments and the preservation of the currency in a sound condition, *will depend essentially on the course of the General Government*, yet this convention regards it as the duty of the banks to make the effort in good faith, exclusive of any direct reference to the prospective measures of the government; at the same time this convention has been happy to observe, in recent letters of the Secretary of the Treasury, *specific assurances of an intention to sustain the banks, so far as it may be done, through the fiscal operations of that department of the government: Therefore*,

*Resolved*, That it be recommended to all the banks of the several States to resume specie payments on the first Monday of January next, without precluding an earlier resumption on the part of such banks as may find it necessary or deem it proper.

*May, 1838.*—The banks of New York and of New England did resume on the 10th of May, as agreed upon. The following resolution

(respecting the specie circular) passed the Senate by a vote of thirty-four to nine, on the 29th May, 1838, and on the 31st was agreed to by the House of Representatives, by a vote of 151 to 27 :

“*Resolved*, That it shall not be lawful for the Secretary of the Treasury to make or continue in force any general order which shall create any difference between the different branches of the revenue, as to the money or medium of payment in which debts or dues accruing to the United States may be paid.”

*August, 1838.*—On the 13th of August the banks of Pennsylvania resumed specie payments, in accordance with the proclamation of Governor Ritner. The banks of the Southern States followed this step, but were unable to sustain themselves permanently.

1839.—On the 9th of September the United States Bank of Pennsylvania again suspended, and the remaining banks in Philadelphia and in the interior of Pennsylvania followed suit. The same measure was immediately adopted by those of Maryland, the District of Columbia, Virginia and all the Southern States.

## BANKS OF THE STATE OF NEW YORK.

*Bonds and Mortgages, State Stocks, United States Stocks, held by each, and the Circulation of each, according to the Annual Report, 1857.*

We have compiled from the Annual Report of the Bank Department a list of the securities held by the Bank Department for the circulation of the banks of this State. This will enable our readers to compare the relative standing of each with others :

<i>Name of Bank.</i>	<i>Bonds and Mortgages.</i>	<i>State Stocks.</i>	<i>U. S. Stocks.</i>	<i>Circulation.</i>
Agricultural Bank, Herkimer,.....	\$50,487	\$50,600	....	\$99,786
Albany Exchange Bank, Albany,.....	28,500	93,000	....	98,745
Albany, Bank of, Albany,.....	....	80,000	....	29,600
Albion, Bank of, Albion,.....	65,635	79,906	....	141,991
American Exchange Bank, New York,...	....	454,666	....	398,720
America, Bank of, New York,.....	....	10,000	....	....
Atlantic Bank of the City of New York,.	....	106,300	....	100,400
Attica, Bank of, Buffalo, .....	50,317	54,628	....	104,356
Auburn City Bank, Auburn,.....	....	150,700	....	149,928
Auburn, Bank of, Auburn,.....	....	135,500	....	131,500
Auburn Exchange Bank, Auburn, .....	....	129,000	....	117,845
Artisans' Bank, New York,.....	....	100,000	....	51,000
Ballston Spa Bank, Ballston Spa,.....	2,000	110,000	....	106,000
Bank of Bath, Bath, .....	47,729	50,700	....	96,862
Bank of Binghamton, Binghamton,.....	99,481	104,500	....	200,098
Black River Bank, Watertown,.....	77,026	87,800	....	159,720
Bowery Bank of the City of New York,.	....	192,651	....	184,652
Broadway Bank, New York,.....	....	242,300	....	242,300
Brockport Exchange Bank, Brockport,...	28,796	27,000	....	50,616
Broome County Bank, Binghamton,.....	....	22,000	....	20,796
Buffalo City Bank, Buffalo,.....	49,324	61,550	....	107,743

Name of Bank.	Bonds and Mortgages.	State Stocks.	U. S. Stocks.	Circula- tion.
Bull's Head Bank of the City of N. Y., ..	....	\$183,000	....	\$126,813
Burnet Bank, Syracuse, .....	\$35,440	28,500	\$2,500	61,255
Butchers' and Drovers' B'k, N. Y. City, ..	....	100,000	10,000	110,000
Briggs' Bank of Clyde, Clyde, .....	30,365	30,500	....	59,882
Cambridge Valley B'k, at N. White Creek,	50,775	55,500	....	104,217
Canajoharie Bank, Canajoharie, .....	27,074	63,306	10,000	100,000
Canandaigua Bank, Canandaigua, .....	61,354	62,500	....	123,474
Canastota Bank, Canastota, .....	35,825	48,000	20,000	98,000
Capitol, Bank of the, Albany, .....	....	120,000	....	119,910
Catskill Bank, Catskill, .....	....	33,900	....	33,898
Cayuga Lake, Bank of, Painted Post, ....	....	50,570	4,500	54,484
Cazenovia, Bank of, Cazenovia, .....	34,262	72,510	....	99,999
Central Bank of Brooklyn, .....	....	79,800	25,000	101,788
Central Bank at Cherry Valley, .....	31,665	53,500	....	76,500
Central Bank of Troy, Troy, .....	58,257	58,000	....	109,398
Central New York Bank of Utica, .....	41,195	47,600	....	87,191
Chatham Bank, New York, .....	....	97,700	36,186	133,417
Chemical Bank, New York, .....	....	150,124	179,920	299,527
Chester Bank, Chester, .....	6,500	93,816	2,000	102,316
Chemung County Bank, Horseheads, ....	8,279	50,000	....	58,275
Chemung, Bank of, Elmira, .....	56,954	54,000	....	97,962
Chenango, Bank of, Norwich, .....	1,000	10,000	....	11,000
Chittenango Bank, Chittenango, .....	55,419	40,800	20,000	113,317
Citizens' Bank, Fulton, .....	43,460	46,975	10,000	99,926
Citizens' Bank, New York, .....	....	171,550	49,000	218,315
City Bank of Brooklyn, .....	....	103,933	....	101,500
City Bank of New York, New York, ....	....	5,600	4,500	....
City Bank, Oswego, .....	51,910	63,000	....	111,927
Clinton Bank of Buffalo, Buffalo, .....	36,000	72,700	....	100,200
Commercial Bank of Albany, Albany, ...	....	222,000	....	213,629
Commercial Bank of Clyde, .....	27,508	21,300	18,000	61,612
Commercial Bank of Glenn's Falls, .....	49,520	56,100	....	105,231
Commercial Bank of Rochester, .....	132,975	166,150	....	294,525
Commercial Bank of Saratoga Springs, ...	....	100,000	....	100,000
Commercial Bank of Troy, .....	97,090	82,800	....	154,576
Commercial Bank of Whitehall, .....	....	102,000	....	98,900
Commonwealth, Bank of the, New York,	....	121,000	....	113,569
Commerce, Bank of, in New York, .....	....	9,000	....	2,095
Commerce, B'k of, of Putnam Co., Carmel,	63,500	58,020	....	112,861
Continental Bank, New York, .....	....	106,200	....	100,348
Cooperstown Bank of Cooperstown, .....	81,013	83,800	....	162,203
Corn Exchange Bank, New York, .....	....	102,000	....	101,330
Corning Bank of Corning, .....	12,300	50,000	....	42,708
Coxsackie, Bank of, Coxsackie, .....	14,140	89,000	....	100,471
Crouse Bank, Syracuse, .....	50,198	30,000	20,000	99,980
Croton River Bank, South East, .....	49,460	68,256	....	114,764
Cuba Bank, Cuba, .....	49,424	60,000	....	108,424
Cuyler's Bank, Palmyra, .....	50,342	53,000	....	103,242
Dairymen's Bank, Newport, .....	27,325	73,000	....	98,847
Dansville Bank of Dansville, .....	46,500	58,280	....	108,550
Delaware Bank, Delhi, .....	....	136,868	....	112,514
Deposit Bank, Deposit, .....	30,049	46,000	....	74,338
Eagle Bank of Rochester, .....	84,643	85,500	....	164,714
East River Bank, New York, .....	....	95,200	10,000	102,003
Elmira Bank, Elmira, .....	61,350	28,000	25,000	102,824
Exchange Bank of Genesee, Batavia, ....	37,825	39,000	....	76,825
Exchange Bank at Lockport, .....	58,644	40,080	14,000	106,469
Fallkill Bank, Poughkeepsie, .....	....	105,600	....	100,043
Farmers' Bank of Amsterdam, .....	39,400	55,000	10,000	102,500

<i>Name of Bank.</i>	<i>Bonds and Mortgages.</i>	<i>State Stocks.</i>	<i>U. S. Stocks.</i>	<i>Circulation.</i>
Farmers' Bank of Attica,.....	\$21,674	\$5,000	....	....
Farmers' Bank of the City of Troy, Troy,	35,426	52,000	\$18,000	\$99,749
Farmers' Bank of Hudson, Hudson,.....	31,900	140,716	....	156,416
Farmers' Bank of Lansingburg, Lans'bg.,	53,010	51,850	....	100,626
Farmers' Bank of Saratoga Co., Crescent,	52,186	62,000	....	112,133
Farmers' Bank of Washington Co., Ft. Ed.,	41,875	10,000	3,000	....
Farmers and Citizens' B'k of Long Island,	....	104,840	....	100,004
Farmers and Drovers' Bank, Somers,.....	18,400	70,000	....	78,403
Farmers and Mec's B'k of Genesee, Buff.,	37,568	43,000	....	80,118
Farmers and Mec's Bank of Rochester,...	51,664	71,000	....	115,664
Fayetteville, Bank of, Fayetteville,.....	50,323	53,000	....	101,340
Fishkill Bank of Fishkill,.....	....	109,000	....	101,441
Flour City Bank, Rochester, .....	50,900	51,000	....	101,800
Fort Edward, Bank of, Fort Edward,....	37,140	64,830	....	100,850
Fort Plain Bank, Fort Plain,.....	39,216	95,400	....	132,575
Fort Stanwix Bank, Rome, .....	71,600	67,095	14,000	150,992
Frankfort Bank, Frankfort, .....	50,279	42,500	10,000	99,979
Fredonia Bank, Fredonia, .....	49,560	55,000	1,000	81,000
Frontier Bank, Potsdam,.....	43,514	52,000	....	99,950
Fulton Bank in the City of New York,...	....	239,575	....	210,000
Fulton County Bank, Gloversville,.....	36,439	44,000	21,000	100,487
Genesee County Bank, LeRoy, .....	55,487	55,000	....	110,000
Genesee River Bank, Mount Morris,....	53,755	53,796	....	106,713
Genesee Valley Bank, Genesee, .....	62,100	62,400	....	119,256
Genesee, Bank of, Batavia,.....	51,800	50,000	....	99,997
Geneva, Bank of, Geneva,.....	24,420	84,477	33,625	140,763
Geo. Washington Bank, Corning,.....	25,000	24,591	3,000	50,403
Glenn's Falls Bank, Glenn's Falls,.....	56,986	75,323	....	127,836
Goshen Bank, Goshen, .....	....	104,500	....	99,995
Greenwich Bank of the City of N. Y.,...	....	54,000	....	52,573
Grocers' Bank in the City of New York,.	....	100,000	....	100,000
Hamilton Bank, Hamilton, .....	53,342	61,600	....	112,870
Hamilton Exchange Bank, Greene, .....	10,000	41,000	....	49,439
Hanover Bank, New York,.....	....	123,005	....	121,000
Havana Bank, Havana, .....	34,422	29,700	....	31,000
H. J. Miner's Bank of Utica, Fredonia,...	....	50,000	25,000	75,000
Hollister Bank of Buffalo, .....	39,400	63,500	....	100,269
Hornellsville, Bank of, Hornellsville,....	....	88,100	20,000	100,822
Hudson River Bank, Hudson, .....	....	35,000	....	35,000
Huguenot Bank of New Paltz, .....	23,008	76,787	5,990	102,450
Hungerford's Bank, Adams,.....	61,541	48,500	7,000	102,480
Illion Bank, Illion,.....	49,203	52,500	2,000	101,066
Importers and Traders' Bank, New York,.	....	190,000	....	185,000
International Bank, Buffalo,.....	69,081	69,000	....	133,000
Iron Bank, Plattsburgh,.....	24,100	38,000	....	61,994
Irving Bank in the City of New York,...	....	121,300	12,000	126,788
Island City Bank, New York,.....	....	104,065	....	100,000
Jamestown Bank, Jamestown,.....	42,475	33,100	10,200	84,344
Jefferson County Bank, Watertown,....	49,977	45,000	....	89,000
Judson Bank, Ogdensburgh,.....	50,549	51,000	6,600	106,247
Kent Bank of Ludingtonville,.....	54,940	52,000	....	99,999
Kinderhook Bank of Kinderhook,.....	46,428	59,000	....	100,403
Lake Shore Bank, Dunkirk, .....	30,300	29,025	....	60,210
Lake Mahopac Bank, Mahopac, .....	18,950	37,600	....	54,707
Lansingburgh, Bank of, Lansingburgh,...	25	10,000	....	10,000
Leonardsville Bank, Leonardsville, .....	....	10,000	....	....
Long Island Bank, Brooklyn,.....	....	221,554	....	216,554
Lowville, Bank of, Lowville,.....	32,787	84,050	....	106,050
Luther Wright's Bank, Oswego,.....	21,032	89,151	....	105,683

<i>Name of Bank.</i>	<i>Bonds and Mortgages.</i>	<i>State Stocks.</i>	<i>U. S. Stocks.</i>	<i>Circulation.</i>
Malone, Bank of, Malone,.....	\$36,110	\$66,000	....	\$101,987
Manufacturers' Bank of Rochester,.....	21,400	82,000	....	5,600
Manufacturers' Bank of Troy, Troy,.....	46,260	35,500	\$20,000	99,402
Manufacturers and Traders' B'k, Buffalo,	27,900	76,000	....	100,000
Marine Bank, Buffalo, .....	62,364	80,000	....	137,066
Marine Bank of the City of New York,..	....	104,136	....	100,817
Marine Bank at Oswego, Oswego,.....	36,039	64,700	....	29,000
Market Bank, New York, .....	....	130,000	7,000	129,610
Market Bank of Troy,.....	34,769	65,500	....	100,079
Mechanics' Banking Association, N. Y.,..	....	245,822	....	242,981
Mechanics and Farmers' Bank, Albany,..	72,336	64,206	....	123,820
Mechanics' Bank, Brooklyn,.....	....	130,892	....	129,193
Mechanics' Bank of the City of N. Y.,..	....	98,532	....	82,009
Mechanics' Bank of Syracuse, Syracuse,	57,270	60,000	....	116,197
Mechanics' Bank of Williamsburgh,.....	....	87,700	17,200	100,150
Medina Bank, Medina, .....	25,390	28,500	....	51,290
Mercantile Bank, New York,.....	....	113,000	....	109,820
Mercantile Bank of Plattsburgh,.....	....	111,644	....	102,575
Merchants' Bank of Albany, Albany,..	....	136,600	....	131,000
Merchants' Bank of Erie Co., Lancaster,.	23,860	27,336	....	50,148
Merchants' Bank in Poughkeepsie,.....	....	112,000	....	112,000
Merchants' Bank, Syracuse, .....	59,500	50,500	10,000	117,488
Merchants' Bank of Westfield, Westfield,	25,840	30,000	....	53,367
Merchants' Exchange Bank, New York,..	....	115,900	....	98,341
Merchants and Farmers' Bank, Ithaca,..	37,346	48,000	....	80,344
Merchants and Mechanics' Bank of Troy,	1,600	12,500	10,000	21,200
Metropolitan Bank, New York,.....	....	300,000	18,000	298,000
Middletown Bank, Middletown,.....	41,100	64,000	....	100,500
Mohawk Bank of Schenectady,.....	....	100,000	....	92,271
Mohawk River Bank, Fonda, .....	....	75,400	2,000	....
Mohawk Valley Bank, Mohawk, .....	52,341	51,764	....	102,667
Monroe Bank of Rochester, Cuba, .....	22,700	30,000	....	51,142
Mutual Bank, Troy,.....	50,000	51,000	....	100,000
Nassau Bank, New York,.....	....	129,850	....	125,690
National Bank of Albany, .....	....	87,204	19,000	99,990
New York and Erie Bank, Buffalo,.....	50,508	50,200	....	100,400
New York Exchange Bank, City of N. Y.,	....	159,996	....	153,180
New York State Bank, Albany,.....	....	107,500	....	100,000
New York Bank of New York,.....	....	273,950	....	268,030
New York Co. Bank, City of New York,.	....	102,200	....	102,154
Newburgh, Bank of, Newburgh,.....	52,172	72,200	....	121,212
Newark, Bank of, Newark,.....	52,647	46,708	6,000	101,098
Niagara County Bank, Lockport,.....	31,888	72,900	....	100,000
Niagara River Bank, Tonawanda, .....	46,491	29,000	26,000	100,093
North River Bank in the City of N. Y.,.	....	200,000	....	198,689
North America, Bank of, New York,.....	....	108,300	....	100,012
Norwich, Bank of, Norwich, .....	50,432	55,000	....	99,997
Ocean Bank of the City of New York, ..	....	206,100	....	204,494
Old Saratoga Bank of Schuylerville, ..	12,000	40,000	....	50,000
Oliver Lee & Co.'s Bank, Buffalo, .....	19,000	87,000	....	89,300
Oneida Central Bank, Rome,.....	61,024	61,000	....	115,164
Oneida County Bank, Utica,.....	52,348	47,000	7,000	104,335
Oneida Valley Bank, Oneida,.....	11,440	93,500	....	97,340
Onondaga Bank, Syracuse,.....	....	101,000	....	100,193
Ontario County Bank, Phelps,.....	30,805	32,000	....	62,095
Ontario Bank, President, Directors & Co., of the, Utica,.....	8,190	12,000	....	17,990
Oriental Bank of New York,.....	....	129,000	....	124,260
Oswegatchie Bank, Ogdensburg,.....	48,328	57,000	....	104,785

<i>Name of Bank.</i>	<i>Bonds and Mortgages.</i>	<i>State Stocks.</i>	<i>U. S. Stocks.</i>	<i>Circulation.</i>
Oswego River Bank, Fulton,.....	\$29,374	\$80,000	....	\$108,365
Otsego County Bank, Cooperstown,....	69,829	85,000	....	150,300
Pacific Bank, New York,.....	....	132,116	....	132,006
Palmyra Bank, Lyons,.....	43,191	45,000	....	85,999
Park Bank, New York,.....	....	141,000	\$5,000	145,900
Pawling, Bank of, Pawling,.....	59,400	64,600	8,000	128,859
People's Bank of the City of New York,.	50,538	96,000	....	144,566
Perrin Bank, Rochester,.....	17,300	50,000	....	67,298
Phenix Bank, City of New York,.....	....	104,500	....	100,000
Pine Plains Bank, Pine Plains,.....	50,000	73,000	....	97,321
Powell Bank, Newburgh,.....	108,348	113,092	....	214,220
Port Jervis, Bank of, Port Jervis,.....	....	100,900	....	100,000
Pratt Bank of Buffalo, .....	25,000	29,000	....	51,800
Pulaski Bank, Pulaski,.....	50,600	52,251	....	100,005
Quassaick Bank, Newburgh,.....	....	104,000	100	102,096
Randall Bank, Cortlandville,.....	26,300	14,000	12,060	51,048
Rensselaer County Bank, Lansingburgh,	49,098	59,775	....	99,807
Republic, Bank of the, New York,.....	....	140,302	....	132,665
Rhinebeck Bank of Rhinebeck,.....	....	84,753	21,000	100,413
Rochester Bank, Rochester,.....	91,857	102,294	....	190,941
Rome Exchange Bank, Rome,.....	50,060	53,000	....	100,216
Rondout, Bank of, Rondout,.....	....	61,000	50,707	111,650
Saint Nicholas Bank, New York,.....	....	100,000	....	100,000
Salt Springs Bank, Syracuse,.....	51,582	30,000	20,000	97,779
Salem, Bank of, Salem,.....	45,978	58,200	....	100,710
Saratoga Springs, B'k of, Saratoga Springs,	....	110,180	....	102,317
Schoharie County Bank, Schoharie,....	42,500	33,000	17,000	92,486
Seneca Falls, Bank of, Seneca Falls,.....	39,056	74,887	....	110,300
Shoe and Leather Bank, New York,.....	....	113,000	....	112,100
Silver Creek, Bank of, Silver Creek,....	46,800	51,000	....	91,999
Sing Sing, Bank of, Sing Sing,.....	....	106,650	....	102,864
Smith's Bank of Perry, Perry,.....	....	50,000	....	50,000
Spraker Bank, Canajoharie,.....	34,877	58,000	11,000	101,324
State of New York Bank, Kingston,....	....	127,164	....	126,000
State Bank of Troy, Troy,.....	58,050	66,000	....	121,699
Suffolk County Bank, Sag Harbor,.....	....	59,421	....	56,552
Susquehanna Valley Bank, Binghamton,.	56,460	57,857	....	110,050
Syracuse City Bank, Syracuse,.....	44,200	49,000	10,000	100,282
Syracuse, Bank of, Syracuse,.....	73,437	75,500	....	148,200
Tioga, Bank of, Owego, .....	....	107,000	....	100,719
Tradesmen's Bank, City of New York,...	....	184,500	....	171,000
Troy, Bank of, Troy,.....	4,000	11,000	....	....
Unadilla Bank, Unadilla,.....	79,950	67,000	....	126,615
Ulster Bank of Saugerties,.....	32,600	68,000	....	100,594
Union Bank of Albany, Albany,.....	....	101,000	....	100,215
Union Bank of Kinderhook,.....	52,862	59,637	....	107,416
Union Bank in the City of New York,...	....	139,000	5,000	139,000
Union Bank of Rochester,.....	149,111	114,572	46,000	304,501
Union Bank of Sullivan Co., Monticello,.	45,718	63,780	....	104,888
Union Bank of Troy, Troy,.....	45,800	57,332	....	100,248
Union Bank of Watertown, Watertown,.	51,644	36,000	20,000	104,490
Utica City Bank, Utica, .....	49,732	76,000	11,000	133,506
Utica, Bank of, Utica, .....	66,932	66,000	4,000	121,203
Vernon, Bank of, Vernon, .....	8,250	80,000	....	82,237
Washington County Bank, Greenwich,...	25,805	71,000	....	87,754
Watertown B'k and Loan Co., Watertown,	44,021	36,000	5,000	78,780
Watertown, Bank of, Watertown,.....	20,103	38,480	....	45,685
Waterville, Bank of, Waterville, .....	63,500	60,280	10,000	129,630
Waverly Bank, Waverly, .....	3,770	100,000	....	103,770



Name of Bank.	Bonds and Mortgages.	State Stocks.	U. S. Stocks.	Circulation.
Weedsport Bank, Weedsport,.....	\$54,884	\$51,000	....	\$101,835
Western Bank of Lockport, .....	28,448	27,500	....	54,883
West Winfield Bank, West Winfield,....	58,086	51,000	....	101,841
Westfield, Bank of, Westfield,.....	30,404	41,000	....	68,804
West Troy, Bank of, West Troy, .....	45,830	34,000	\$22,000	100,000
White's Bank of Buffalo, Buffalo, .....	55,000	60,575	....	111,769
Whitestown, Bank of, Whitestown, .....	32,850	72,000	....	100,000
Williamsburgh City B'k, Williamsburgh, ..	....	146,000	....	189,545
Wooster Sherman's Bank, Watertown,...	28,816	13,047	12,000	50,094
Worthington Bank, Cooperstown, .....	27,552	36,000	....	63,021
Wyoming County Bank, Warsaw, .....	44,596	45,000	....	89,586
Yonkers, Bank of, Yonkers,.....	....	108,150	....	101,871

The following table exhibits the total amount of outstanding circulation issued to banking associations and individual bankers, and the amount and character of the securities deposited for its redemption, on the 30th day of September, 1856 :

Bonds and mortgages,.....				\$7,690,756
New York State stock, 4½ per cent., .....		\$402,400		
do. do. 5 do. ....		8,041,856		
do. do. 5½ do. ....		1,254,000		
do. do. 6 do. ....		10,449,053		
				20,147,310
United States stock, 5 per cent.,.....		11,000		
do. do. 6 do. ....		1,074,080		
				1,085,080
Michigan State stock, 6 per cent.,.....				172,000
Illinois do. 6 do. ....				646,687
Arkansas do. 6 do. ....				211,000
Cash,.....				74,074
<b>Total,.....</b>				<b>\$30,026,910</b>
Amount of circulation outstanding September 30, 1856,.....				\$28,319,311
do. do. do. 1855,.....				24,488,001
<b>Increase for the year ending September 30th, 1856,.....</b>				<b>\$3,881,310</b>

UNCURRENT MONEY.—List of Bank Bills not received on deposit at the Metropolitan Bank, together with the rates at which they are purchased by Taylor Brothers, Brokers, 76 Wall-street :

*New York*.—Niagara River Bank, Tonawanda, 70c. per dollar; Agricultural Bank, Herkimer County, 70; Dairyman's Bank, Newport, 70; Hollister Bank, Buffalo, 70; Ontario Bank, Utica, 40; O. Lee & Co.'s Bank, Buffalo, 75; Bank of Orleans, Albion, 40; Reciprocity Bank, Buffalo, 85; Sackett's Harbor Bank, Buffalo, 85; Yates County Bank, Pen Yan, 35; Huguenot Bank, New Paltz, 75; Medina Bank Medina, 70; Troy City Bank, Troy, 70; Central Bank of New York, of Utica, 75; Hamilton Exchange Bank, Greene, 70.

*Vermont*.—Danby Bank, 50c. per dollar; Missisquoi Bank, 50; Bank of Royalton, 50; Stark Bank, 50; South Royalton Bank, 50; St. Alban's Bank, 50.

*Connecticut*.—Bridgeport City Bank, 85c. per dollar; Charter Oak Bank, Hartford, 85; Colchester Bank, Colchester, 60; Exchange Bank, Hartford, 85; Bank of Hartford County, Hartford, 75; Hatters' Bank, Bethel, 75; Mercantile Bank, Hartford, 85; Merchants' Exchange Bank, Bridgeport, 95; Bank of North America, Seymour, 50; Pawcatuck Bank, 75; Pabquoque Bank, 75; Quinneburg Bank, 75; Uncas Bank, 75; Wooster Bank, Danbury, 75; Windham County Bank, 75; Woodbury Bank, 60.

*Massachusetts*.—Western Bank, Springfield, 70c. per dollar.

*Maine*.—Canton Bank,\* — per dollar; China Bank,\* —; Ellsworth Bank,\* —; Exchange Bank, Bangor,\* —; Bank of Hallowell,\* —; Hancock Bank, 40; Maritime Bank, 70; Monsum River Bank, 40; Sanford Bank, 40.

*Rhode Island*.—98c. per dollar.

*New Hampshire*.—Exeter Bank, 25c. per dollar.

\* No sale at present.

## BOSTON AND NEW YORK BANKS.

[From the *Boston Daily Advertiser*, October 15.]

No comments are necessary to introduce the subjoined communications from Hon. Nathan Appleton to the attention of our readers. The explanation which he gives of the origin of the financial troubles which oppress the community is both profound and perspicuous. It fixes the seat of the mischief in the true spot, viz, the banks of the city of New York; and points out the want of an intelligent financial head to control their movements, as the main cause of the policy which has been attended by so many disasters:

*Boston, October 1, 1857.*

My Dear Sir,—It is a good many years since I had a correspondence with you on the subject of the financial state of the country, but it appears to me that the time has arrived which demands deep consideration and wise action.

New York is the head-quarters, and has a great responsibility in this matter, so intimately connected with the prosperity of the whole country. Her banks are now evidently in a state of great strength, whilst the commercial community are severely pressed and brimful of fear. In this state of things it appears to me that the duty and interest of the New York banks require at once a liberal increase of their discounts.

There can be no risk in it. No specie can be carried out of the city, because there is no place where it is more valuable. Boston can and will follow the suit of New York, and things might in these two cities very soon resume their usual and natural course, and put an end to the cry of the merchants for suspension.

I should hope it might do more, and bring Philadelphia to her senses and lead her to retrace her steps before it is too late.

A very short time will increase our specie from California, and probably from Europe. I see nothing to prevent the country from assuming a state of the highest prosperity in its regular trade, if the present panic can be allayed.

Yours, very truly,

NATHAN APPLETON.

JOHN A. STEVENS, Esq.,

President Bank of Commerce, New York.

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BANK OF COMMERCE IN NEW YORK, *October 2, 1857.*

My Dear Sir,—I fully concur in your views. It is true that New York has a great responsibility; its magnitude is oppressive, has been deeply felt and carefully weighed *for a long time*.

Our banks are prepared and now ready, and will soon be much stronger for the wise action of liberal aid to the community. More coin flows into the city from all quarters—from Philadelphia, from the West, and is already on its way from Europe.

A California steamer is due with about half as much more as there is in all Massachusetts. Some of our banks have scarcely diminished their loans for two months, notwithstanding their aid to neighboring cities. The large banks have expanded, and will continue to expand. On the system of discounting mainly only short paper, they always have money to loan. When will yours confine themselves to short dates, and cease to encourage the pernicious system of long credits—credits ramified to the last degree—from which spring most of your difficulties? Our corresponding banks in Boston are advised that we will not press them for their balances.

Very faithfully yours,

JOHN A. STEVENS, President.

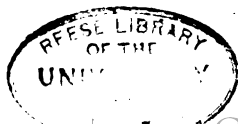
NATHAN APPLETON, Esq., Boston.

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MR. APPLETON TO MR. STEVENS.

*Boston, October 5, 1857.*

My Dear Sir,—I have yours of the 2d, and am glad to find that you agree with me, and that your bank is expanding its discounts. I regret, however, that this course has not been adopted by the other banks, as the last official return, (that of the 26th ult.,) shows an aggregate reduction instead of an expansion in their loans; and the last reports do not show any alleviation to the stringency of the money market. I beg you will use your influence for an immediate and very considerable expansion, so important, as I consider it, for the interests of New York and the whole country. I notice your remarks on our banks discounting long paper as encouraging the pernicious system of long credits. I have always been opposed to the system of long credits, but I recollect very well, as I was then in active business, that it was in consequence of eight months being the established credit given by the New York importers, that we were obliged to submit to the same on our manufactures. I am not aware that the credits now given in New York are shorter than those given in Boston. A good deal of improvement has been going on here within the last few years, by offering large discounts for a short time. I do not agree with you that the banks should confine their discounts to short paper, which, if good for the banks, is bad for the community. I have been for upwards of 40 years a director of the Boston Bank, during the greater part of which time they have confined their discounts to real business paper, which should be paid at maturity, and have not refused it even when having six months to run. This system has worked well, and always gives the bank enough coming in to meet any emergency. I hardly recollect a discount day, when the bank has not been able to discount some new paper. What I call a really pernicious system is that of making "loans on call," which seems to prevail extensively in New York. This system, especially pernicious to borrowers, I hope is not adopted by your bank. I should think a bank with your large capital would find it difficult, in ordinary times, to find business paper enough at short dates to meet



their wants, and might frequently find it necessary to take accommodation paper, with long paper perhaps as collateral. On referring to the published tables, I see that the banks of New York have lessened their liabilities from 101 millions, August 15, to 81 millions, September 24—certainly a most violent proceeding. The Boston banks reduced their liabilities from 23 millions, August 17, to 19 millions, September 28, something less in proportion. Our banks are obliged to follow the course of New York, but are in a perfectly easy position. It is their customers, the merchants, who feel the pressure.

Very truly, your ob't serv't,

NATHAN APPLETON.

By the way, I see the stock of your bank quoted at a tremendous depreciation. What is the cause? Is there any thing but the severity of the money pressure? I trust not, but nothing can show more strongly the necessity of a decided relaxation.

To J. A. STEVENS, Esq.

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#### THE MONEY CRISIS AND THE NEW YORK BANKS.

*To the Editor of the Boston Daily Advertiser:*—I have for many years been withdrawn from active business. I have been merely a looker-on, but not unobservant of the course of trade, and especially of our banking operations.

Our system of currency is a delicate one. It is founded on bank credits, resting on a very moderate basis of coin. When perfectly balanced, it works very well, but a slight derangement may produce a great deal of mischief. The great disturbing cause is a demand for specie for export, which can only be checked by a contraction of the bank credits. During the present year we have been going on very smoothly, under full sail, when, about the middle of August, a sudden squall strikes us, which continues to increase to a terrific hurricane, threatening even to swamp the ship itself. The question arises, how comes all this about? What is the cause?

New York is the great central banking power. She sets the key-note to the whole country. If she expand, the whole country expands. If she contract, it is felt to the remotest extremities. It is a tremendous power, that of increasing or diminishing the circulating medium of the whole country. It is a deep responsibility, and demands sound discretion and much wisdom in its regulation. Unfortunately there appears to be no unity of action, no controlling principle, in the management of this power. It is divided between fifty-five banks, each acting its own separate part, under the influence of different opinions and different interests. Banks are public institutions; they are founded for the public good; and the duty of consulting the good of the community in the use of their great power is as sacred as that of providing for their own safety. There is, apparently, no individual of sufficient influence to bring this heterogeneous mass to unity of action in a crisis like the present, as was Albert Gallatin, whilst he lived.

The circulating medium of the city of New York consists in the liabilities of her banks in the form of deposits and circulation. Their daily loans and discounts increase or diminish these liabilities. As these liabilities are greater or less, is money plenty or scarce. They constitute the fund out of which all operations must be performed.

HUNT's *Merchants' Magazine* contains tables of the weekly returns of the banks of the city of New York for the years 1856 and 1857, which furnish a complete view of their operations. They throw a flood of light on the present state of things. The return for January 3, 1857, shows 104 millions of liabilities, with 11,172,000 dollars in specie.

This varied very little from the returns of the preceding six months, and this state of things continued with little change, but with a slight tendency to increased expansion, up to the 15th August. The greatest expansion was on the 2d of May, when the liabilities were 108 millions, with 12 millions of specie. The return of the 15th August shows 101 millions of liabilities and 11,360,000 of specie. From this a rapid contraction commenced, the liabilities being reduced on 5th September to 88 millions, with 10,227,000 of specie. Here the contraction ought to have ceased. The object was to stop the export of specie. That had been done. Exchange on London had fallen below the point at which specie could be shipped without loss. Can any mortal man give me a reason or apology why contraction should continue a day after this point had been reached? The banks were then stronger than they had been for two years. But contraction did continue until, on the 3d October, the liabilities had been reduced to 76 millions; thus reducing the circulating medium of New York city, from July, 32 millions, or upwards of 30 per cent. Tremendous! Was the like ever known in the history of banking? I have no hesitation in saying, it is the continued contraction of the New York banks since the 5th of September, without the slightest necessity, which has brought about the present disastrous crisis.

There was no decided over-trade. There was no speculation, except by a few houses in sugar. There was, no doubt, an excess of imports, but no greater than for several years, and the effect of these was wholly cured on the 5th September, by the rate of exchange on London. Why continue contraction further? Was not eighty-eight millions, with ten and a quarter millions of specie, being 11½ per cent., as safe a proportion as one hundred and four millions in January, with eleven millions in specie, or 11 per cent. on their liabilities?

There is but one answer. The New York banks have been acting under a panic, and that panic they have communicated to others, until there is almost a total loss of confidence. The consequences are before us, in the paralysis of all trade from Bangor to New Orleans; the stoppage of banks through a great part of the United States; the stoppage of factories; the discharge of thousands of laborers; the inability to bring our large crops of produce to market; the ruinous rate of two or three per cent. a month on the strongest paper; a ruinous depreciation in the price of all stocks, and even in exchange on London. In my whole experience I have never known a crisis as severe as the present, and, I must say, so wholly uncalled for.

I was a bank director in 1814, when New York and all the States South and West suspended specie payments. Boston had ample means and stood firm, while many croakers thought it madness for Boston to hold on, when all the rest of the country suspended. She did so, however, and all New England with her, and thus saved them the losses which accompanied the resumption in other States in the terrible revulsion of 1819.

In 1834, Mr. Biddle was flagitiously endeavoring to force Congress to grant him a charter, through the distress he had it in his power to inflict on the country. In March, of that year, a committee of the merchants and bankers of New York informed him that unless he changed his course, and would agree to their terms, which were that the United States Bank should cease to call on the other banks for thirty days, his course would be denounced at the adjourned meeting of the Exchange. Mr. Biddle, at the last moment, agreed to their terms, in consequence of which the country was immediately relieved. But Mr. Biddle was reckless enough, when the thirty days expired, without the slightest necessity, to call for these balances, and give the screw another turn. This produced an intense and unexpected pressure, for it was the New York understanding that Mr. Biddle should not again press them without some show of necessity. This pressure he continued until the adjournment of Congress, in July, when he gave up the chase, and soon after extended the loans of the bank, from 47 to 63 millions. There was nothing in that pressure to be compared in severity to the present. It was wholly owing to the unprincipled action of Mr. Biddle.

The pressure of 1837 was wholly unlike the present. During a period of great over-trade, a few London houses imprudently created an American debt of fifty or sixty millions of dollars, by giving out their acceptances, to be met by other equally fictitious bills as they fell due. These houses fell into discredit, and informed their correspondents in America that the whole debt must be liquidated at once, or they must become bankrupt. This was in March, when no remittances could be made except in specie, which the banks were called upon to furnish. The New York banks went on for something over a month, when they found it impossible to continue. They then suspended, and with them the whole country. There is nothing like it now, as there is no foreign demand for specie. The question now arises, what is the remedy? What is to be done? Nothing can be plainer. The New York banks must retrace their steps, and speedily, or it will be too late. They should at once increase the circulating medium by expanding their discounts some ten or fifteen millions of dollars. No other course will set the wheels in motion.

NATHAN APPLETON.

*Boston, Oct. 12, 1857.*

P. S.—Since the above was written, we have the returns of the banks of New York for another week, showing a further contraction of four millions. The further persistence in a wrong course has produced its natural result. It has frightened the community until the banks are driven to the desperate remedy of suspension.

*Table of the Banks in the City of New York.*

1857.	<i>Liabilities, consisting of Deposits and Circulation.</i>	<i>Specie.</i>
January 3,.....	104 millions.	\$11,172,000
April 4,.....	108 "	11,588,000
July 3,.....	108 "	12,839,000
August 15,.....	101 "	11,360,000
" 22,.....	98 "	10,197,000
" 29,.....	93 "	9,201,990
September 5,.....	88 "	10,227,000
" 12,.....	85 "	12,181,000
" 19,.....	84 "	13,556,000
" 26,.....	81 "	13,327,000
October 3,.....	76 "	11,400,000
" 10,.....	71 "	11,476,000

The circulation varying very little from eight millions, the increase or diminution of discounts is shown in the deposits.

### BANK SUSPENSION IN NEW YORK CITY.

THE banks of the city of New York, by their officers, assembled at the Clearing-House, Tuesday, October 13th, resolved to suspend specie payments, and appointed a committee to proceed to Albany and request the Governor to convene the legislature, to consider the necessity of enacting some law to give relief in the present financial emergency. They also resolved to make the most energetic exertions for the resumption of specie payments at an early day, and recommended that no dividends be made to stockholders until such resumption. The cause of this action on the part of the banks was a severe run upon them, which commenced on Tuesday morning and continued throughout the day, compelling, during its progress, many of their number to succumb to its pressure, and placing before the remainder the certainty of the same fate, in the certain renewal of a run still more severe the next day, in case they opened their doors to admit it. Never, indeed, in the financial history of New York, was there a more trying and exciting time than the 13th inst. For weeks the merchants of New York had fallen in numbers, like so many sacrifices, at the threshold of the banks, beyond whose iron doors came no response to their appeals. How far the latter was the legitimate result of the former, how far it was in actual revenge of the former, we leave for the reader to determine for himself, with the antecedents of the run before him. We need not describe this run in its outward features; each one sees the picture, though he may not have been in Wall-street or in the neighborhood of the up-town banks—a street crowded with two distinct classes, the one thirsting for gold, crowding in hundreds the doors of the banks, and forming long lines up the steps and through the halls, with anxious faces, and hands nervously clutched over their checks and drafts, crowding and jostling;

and the other, the lookers-on, crowding the sidewalks, joking and wondering how long the banks would stand the run—such was the picture. Between the distresses of the merchants who have been called upon to pay, *when they had nothing to pay with*, and the almost total destruction of confidence among the poorer classes of the people, there were chaos and confusion throughout the city. Early in the day there was a simultaneous run upon the several banks of the city, we believe without a single exception.

The Bank of New York, the oldest in New York, one always liberal to its customers, and especially so during the late contraction, paid out its specie readily until about one o'clock, when it ceased, and paid nothing but bank notes and certified checks for the rest of the day. The Leather Manufacturers' Bank paid out also until about noon, when it also stopped, although ninety thousand dollars in specie were due it on its exchange account in the Clearing-House, but which could not be obtained in season. And so the run progressed; one after another of the Banks ceasing to pay specie, and paying bank notes instead, or closing their doors entirely. The following is the list of the nineteen banks suspended on Tuesday. There were reports of others, but this we believe comprises all:

	Capital.	Circulation.		Capital.	Cr.
Merchants' Exchange,...	\$1,500,000	\$104,968	Leather Manufacturers',...	\$600,000	\$220,000
Ocean,.....	1,000,000	110,000	Bank of New York,.....	2,525,000	842,000
North River,.....	655,000	122,000	Chatham,.....	450,000	114,000
Irving,.....	450,000	104,000	New York Exchange,.....	120,000	112,000
Saint Nicholas,.....	650,000	95,000	Bull's Head,.....	178,000	110,000
Citizens',.....	400,000	157,000	Bank of the State of N. Y.,	2,000,000	528,000
Market,.....	650,000	159,000	Broadway,.....	1,000,000	212,000
Marine,.....	500,000	94,000	Artisans',.....	600,000	76,000
Tradesmen's,.....	800,000	228,000	People's,.....	412,000	107,000
Butchers and Drivers',...	800,000	127,000			

Many of the banks that maintained themselves kept open their doors until late in the afternoon, so as to give all a chance to get their specie. Among these were the Bank of America, the Bank of Commerce and the Bank of the Commonwealth. The Bank of America paid out some \$150,000 in specie, the Bank of North America \$85,000, the Bank of the Commonwealth \$90,000, and the payment of specie in all was about in the proportion of their relative strength.

The insolvency of the Marine Bank, we are informed, was averted by a *coup de main* of their friends, some of whom obtained a writ of injunction upon their proceedings. This would come on for trial in its regular course, without any suspension of vitality or of its charter; and when at the end of the trial the bank shows its own strength, it may resume business without forfeiture. It has since adopted the same course as the others.

The run upon the banks was at first merely by a few bill-holders; and if they had been satisfied, there would have been no serious run. On Saturday, for instance, the directors of the East River Bank met as usual for discounting, and there was no serious run upon it until the middle of the day. The bank wanted *twenty thousand dollars* only in coin to sustain themselves, and, in this emergency, applied to several large banks down town for assistance. These latter, instead of making a com-



mon cause with the weaker ones, seem determined to break the latter, in order that they may retain their own presumed strength. The East River Bank and the Bowery Bank should both have been aided by the stronger banks, as a matter of public interest; for it cannot be denied that each failure precipitated that of others, by occasioning a loss of confidence.

On Monday the approaches to several banks were filled with eager depositors and bill-holders, and the Grocers' Bank exhausted its specie funds and soon closed its doors. This, too, was unnecessary, if the other banks had rendered assistance and thereby quieted the excitement. In a matter of this kind, of general distrust and dread, the banks of the city should have made common cause, and sustained each other; but by allowing one or two to fail, they created distrust of all. Even had this course been pursued, and the whole body of banks stood together and made a common fund of their specie, we question whether they could have sustained the persistent run. Before Tuesday the demands were mainly confined to bill-holders; but on that day the depositors seemed disposed to move in a body and claim their funds.

There is no difficulty in tracing these deplorable results immediately to the vacillating course of the banks, (with some few honorable and praiseworthy exceptions,) and indirectly to a combination of unfavorable foreign trade and of unsound banking. We have before pointed out the then prevailing causes of discontent among our merchants, who were then suffering as well as now, from an injudicious curtailment of loans—the want of harmony and consistency in the movements of the banks, and the necessity existing for a reasonable expansion of bank loans to those having payments to make.

At a meeting of banks a few days prior to suspension all these things were conceded; and some assurance was given that an increase of loans equivalent to five per cent. would promptly take place. The *mere promise* of this extension gave great relief the next day; and had it been executed in good faith by every bank in the city, we believe that one-half of the subsequent suspensions among our merchants would have been averted, as well as all the bank failures in New York and out of it.

We speak the sentiments of the whole commercial community when we use this language; and we repeat what has been frequently said before, that the banks unnecessarily sacrificed the merchants; and in doing this, they not only weakened themselves, but gradually exasperated the merchants as a body. This view has been taken by several of our leading bank officers, who have strenuously urged a more liberal course, provided it were adopted by all, but who could not adopt this course without general assent. In fact, a proposition was submitted by Mr. Withers, of the Bank of the State of New York, to the effect that the banks should enlarge five per cent.—but this was negatived.

The prevalent opinion recently was, that a few of the old strong banks combined together to force the majority into liquidation, and thus confine the business to a limited number. In doing this, the smaller banks were compelled to curtail their operations, and in the general restriction, many of our most wealthy, honorable and useful firms have been sacrificed. We speak within bounds when we say that this course has driven fifty thousand men and women out of our workshops into idleness and poverty.

The following are the resolutions alluded to in the commencement of this article, and they form the conclusion of the eventful history.

On motion of Mr. Knapp, seconded by Mr. Dunham, the following preamble and resolution were adopted :

*Whereas*, In view of the excitement prevailing in the community, and the fact of the actual suspension of a number of banks in this city, *Resolved*, That it is expedient that the banks of this city suspend specie payments to-morrow.

On motion of Mr. Leveridge, *Resolved*, That a committee of three be appointed to proceed to Albany, and request the Governor to convene the legislature, to consider the necessity of enacting some law to give relief in the present financial emergency. Messrs. Tileston, Durham and Knapp were constituted such committee.

On motion of Mr. Gallatin, *Resolved*, That the most energetic exertions shall be made for an early resumption of specie payments; and that it be recommended to the banks to make no dividends to their stockholders until the resumption of specie payments.

On motion, *Resolved*, That the proceedings of this meeting be published in the morning papers.

R. S. OAKLEY, *Secretary*.

THOS. TILESTON, *Chairman*.

At a meeting of the Clearing-House Association, held on the 17th, the following preamble and resolutions were adopted :

*Whereas*, It has been deemed expedient during the suspension of specie payments by the banks in this city, to receive and pay out, at par, the notes of the banks in this State generally, and also to admit the same in settlement of balances at the Clearing-House; and

*Whereas*, There is special danger at this juncture of the undue expansion of paper currency, particularly of the banks of those States which are not, like those of New York, restricted in the extent of their issues by securities required by law; and

*Whereas*, The aid and credit of our city banks will naturally be sought in facilitating the circulation of such issues, under the promise of incidental benefits; therefore,

*Resolved*, That it be recommended to the banks composing this association to decline receiving any new account with an agreement to redeem at par the notes of banks out of this State, at least until the resumption of specie payments.

*Resolved*, That a printed copy of this resolution be furnished to each of the banks of this association.

This is a necessary conservative measure as a safeguard against an increase of the liabilities of our banks, which would have a tendency to prevent an early resumption of specie payments.

A notice to the following effect was posted up in several banks :

"The business of the banks will be transacted exactly as heretofore, with the exception of paying specie. Checks will be received on deposit and in the payment of notes, and bank notes will be paid and received as usual."

The Metropolitan Bank has the following notice placarded on its rail-

ings:—*Metropolitan Bank*.—This bank will receive on deposit, at par, notes of banks in the State of New York, secured in the Banking Department of this State; and also the bills of such safety-fund banks as may be designated; and will pay checks drawn against such deposits in similar currency.

New York, October 14, 1857.

G. J. SENEY, *Cashier*.

The American Exchange Bank, the Bank of the Commonwealth and a few others have adopted a similar course, and others are deliberating whether to come into the measure.

*Suspension in October, 1857*.—In consequence of the suspension at Philadelphia and Baltimore, and other southern cities, during the week following the 25th September, the New York city banks held frequent meetings, through their presidents or cashiers, at the Clearing-House, to consider what measures were necessary for their interests. On Monday, the 28th, the following circular was issued:

“The undersigned having been called upon to give their opinion as regards the effect likely to be produced upon the banks of this city by the suspension of the institutions of the neighboring cities, reply that it is their decided opinion that the banks of the city of New York are in a safe and secure position, and that they cannot only sustain themselves as specie-paying banks, but from the natural flow of coin and produce to this point, as a common centre, that they will soon be able to furnish further and more efficient aid to the mercantile community.

“A. P. HALSEY, Vice-President Bank of New York; J. J. PALMER, President Merchants' Bank; T. TILSTON, President Phenix Bank; S. KNAPP, President Mechanics' Bank; F. DEMING, President Union Bank; C. O. HALSTED, President Manhattan Company; J. T. SOUTTER, President Bank of Republic; R. WITHERS, President Bank of the State of New York; J. E. WILLIAMS, President Metropolitan Bank; WILLIAM A. BOOTH, President American Exchange Bank.”

The banks of the city gave immediate notice to their customers that for all collections at Philadelphia and other southern cities they would give drafts on those cities, payable in the same funds as collected. Circulars similar to the following were issued:

*Merchants' Bank, New York, September 26.*

*Collections*.—Notes, checks and all demands received by this bank for collection, payable in or through Philadelphia or Baltimore, or other places in which specie suspensions may occur, not matured prior to this date, will, upon advice of their payment, be paid for by drafts of the Merchants' Bank upon its corresponding banks in other places, payable “*in current funds*,” and this mode of settlement will continue until the resumption of specie payments in those places. No notes, bills or checks, payable in or through those places, will be received for collection, except upon these conditions. Depositors whose notes, bills or checks have already gone forward for collection in those places, can have an order for their delivery, if they prefer to assume the collection thereof.

*The Banks and the Supreme Court*.—At a meeting of the justices of the Supreme Court, held October 14, for the purpose of determining a

uniform course of action among themselves—present, Justices Strong, Emott, Birdseye, Mitchell, Roosevelt, Davies, Clerke and Peabody—the following opinions were unanimously concurred in :

1. In all cases in which the act of 1849 is applicable, it is deemed to supersede the provisions of the Revised Statutes. (2 Revised Statutes, 464, sec. 47.) Accordingly, no creditor of the bank who may have relief under that act, can have it under the Revised Statutes. That act gives the creditor the right to apply to a justice of the Supreme Court only after the expiration of ten days from the refusal of the bank to pay its debts or liabilities.

2. Even then, a temporary and immediate injunction can be granted only if, in the opinion of the judges, it be expedient, in order to prevent fraud or injustice. After both parties shall be heard before the judge, he is to determine whether the bank is clearly insolvent or not.

3. A bank is clearly solvent which is clearly able to pay all its debts, although it may have suspended specie payments for a time. In the case of the North American Trust and Banking Company, this principle was held by the Supreme Court and the Court of Appeals.

4. Where a bank is clearly solvent, and its officers are acting in good faith, &c., no receiver should be appointed.

5. Where the act of 1849 does not apply, if the part of the Revised Statutes above referred to does apply, it is discretionary in the Supreme Court to grant an injunction or not. That discretion is controlled by legal rules, and the injunction should never be granted if the bank is clearly solvent.

6. An *ex parte* order for an injunction should not be granted, even after a suspension of specie payments, unless it satisfactorily appears to the judge that it is necessary to prevent fraud and injustice.

7. The mere fact of suspension of specie payments (when it is general) is not of itself sufficient proof of fraud or injustice to authorize such injunction.

8. As a general rule, it is not expedient to grant an injunction against a bank without previous notice.

It was also resolved that Justice Mitchell be requested to furnish a copy of these opinions to each of the justices of the Supreme Court in the other districts, with a request that they respectively communicate to him their views on the same points.

On Tuesday evening Judge Davies was applied to for injunctions and receivers for the Marine, the Citizens', the Merchants' Exchange, the New York and North River Banks. The applications were granted, but under the rules afterwards adopted by the judges in secret session, the proceedings were nullified.

*New York Suspension.*—According to the *Albany Argus*, "the power of the legislature has never been exercised for the legalization of a suspension. All that was done in 1837 was to leave the creditors of the banks to remedies by suits at law, as in the case of individuals; and to repeal, for the time, the clauses in the bank law forfeiting charters and making summary provisions for closing the institutions and dividing their assets. Every bill-holder had a right to demand specie for the bills of the banks, and every depositor for deposits, and if re-

fused, to sue for and collect the same by execution. But the forbearance of the public to proceed to these remedies was universal. The banks protected themselves against suits by depositors, by inserting in the bank-books of their customers the clause, 'payable in the currency of this State,' thus holding the funds of their creditors as a special deposit. The bill-holders had their unimpaired right of action; and a few lawyers commenced suits for them—which, when the sum was above \$50, carried costs. Such suits, however, were exceptional and rare, and the disposition of the public mind was to forbearance."

*The Crisis of 1857 and of 1837.*—How do our banks now stand relatively to their condition at the great crisis in 1837, when they were all compelled, in self-preservation, to resort to the extreme expedient of suspending specie payments? To enable our readers to form a clear and correct judgment upon this important point, we present the following tabular statement. In another portion of this No. we notice some of the more important features brought out in this exhibit:

*Summary Statement of the Condition of all the Banks in the United States, 1856-'57, compared with 1837.*

STATES.	1837.			1857.		
	Specie.	Circulation.	Capital.	Specie.	Circulation.	Capital.
Maine, .....	\$1,925,000	\$5,600,000	\$8,000,000	\$175,000	\$1,788,000	\$3,985,000
N. Hampshire, ..	180,000	8,000,000	4,780,000	150,000	1,526,000	2,662,808
Vermont, .....	200,000	3,700,000	4,000,000	74,000	2,066,000	1,192,000
Massachusetts, ..	4,513,000	25,000,000	59,760,000	1,185,000	9,480,000	30,410,000
Rhode Island, ..	377,000	5,260,000	19,500,000	565,000	1,644,000	8,750,000
Connecticut, ..	800,000	6,840,000	18,800,000	650,000	3,974,000	8,519,000
New York, .....	15,000,000	23,000,000	101,000,000	6,224,000	21,137,000	81,281,000
New Jersey, ..	750,000	4,800,000	6,000,000	386,000	1,755,000	3,970,000
Pennsylvania, ..	6,000,000	15,400,000	23,700,000	3,374,000	10,932,000	13,358,000
Delaware, ....	250,000	1,000,000	1,700,000	161,000	806,000	817,000
Maryland, .....	3,300,000	5,100,000	11,100,000	1,300,000	3,200,000	8,208,000
Dist. Columb., ..	300,000	850,000	1,300,000	643,000	961,000	2,339,000
Virginia, .....	4,000,000	12,000,000	14,000,000	1,552,000	8,182,000	6,511,000
N. Carolina, ...	2,000,000	6,660,000	6,100,000	314,000	2,060,000	1,769,000
S. Carolina, ...	1,336,000	8,000,000	15,000,000	2,500,000	7,438,000	7,934,000
Georgia, .....	1,800,000	5,000,000	10,200,000	2,602,000	7,971,000	8,209,000
Florida, .....	....	....	....	89,000	714,000	1,494,000
Alabama, .....	600,000	250,000	3,100,000	1,562,000	6,173,000	6,558,000
Louisiana, .....	3,000,000	7,500,000	15,300,000	2,407,000	7,180,000	24,066,000
Mississippi, ....	50,000	800,000	200,000	659,000	4,490,000	8,764,000
Tennessee, .....	2,000,000	6,000,000	10,300,000	211,000	4,305,000	4,546,000
Kentucky, .....	5,000,000	13,500,000	13,180,000	1,199,000	3,819,000	5,116,000
Missouri,* .....	1,140,000	2,200,000	1,200,000	371,000	2,600,000	1,300,000
Illinois, .....	350,000	2,500,000	4,420,000	379,000	6,008,000	473,000
Indiana, .....	1,500,000	5,800,000	4,500,000	869,000	1,931,000	1,279,000
Ohio, .....	2,000,000	10,000,000	6,000,000	2,924,000	9,975,000	8,369,000
Michigan, .....	350,000	1,000,000	8,500,000	173,000	1,164,000	909,000
Wisconsin, ....	580,000	1,152,000	3,000,000	....	....	....
Totals, .....	\$63,206,000	\$176,750,000	\$378,960,000	\$33,169,000	\$126,956,000	\$218,075,000
Bank of U. S., .....	....	....	....	7,850,000	15,444,000	35,000,000
Aggregate, .....	....	....	....	\$40,020,000	\$140,300,000	\$251,875,000

\* Does not include the new banks.

## CHRONOLOGY OF THE MONTH.

September 19.—Failure of Hacker, Lea & Co. and John Farnum & Co., Philadelphia.

September 23.—Failure of Caleb Cope & Co., Philadelphia.

September 25.—Suspension of the Bank of Pennsylvania and Girard Bank, Philadelphia.

September 26.—Assignment made by the Ohio Life and Trust Company, Cincinnati. Banks in Washington City and in Baltimore, Philadelphia, Wheeling, Va., Pittsburgh, Harrisburgh, suspended; also, Yates County Bank, N. Y.

September 28.—[*Monday*.]—Suspension of the Banks at Providence, R. I., by resolution, and at Alexandria, Staunton, Charlottesville, Va. Paper of the Agricultural Bank, Herkimer, Dairymen's Bank, Newport, N. Y., Hopkinton Bank, R. I., discredited. Bank of Nashville suspended and assigned. Run on the Savings Bank, Albany. Proclamation issued for a special session of the legislature of Pennsylvania, October 6.

September 29.—Death of John E. Thayer, banker, Boston. Suspension of Messrs. Bogy, Mittenberger & Co., St. Louis, E. I. Tinkham & Co., Chicago. Run upon the State Savings Bank, St. Louis.

September 30.—Paper of the Bank of Lima, Bank of Leonardsville, Hamilton Exchange Bank, (N. Y. State,) discredited. Suspension of Swift, Brother, Johnston & Co., bankers, Chicago; Lawrence, Stone & Co., New York and Philadelphia; B. Howard, Richardson, Kendall & Co., Boston. Injunction upon the Peninsular Bank, Detroit.

October 1.—Suspension of Hutchings & Co., John Smidt & Co., bankers, Louisville; Bank of Belleville, Ill.; Moore, Hollowbush & Co., bankers, Quincy; R. H. Brett, banker, Toronto; Farmers and Citizens' Bank, Williamsburgh, N. Y. (This bank has since resumed.) Run upon all the banks at Detroit.

October 2.—The paper of the following banks was discredited this day, at New York: 1. The Farmers' Bank, Hudson; 2. The Hudson River Bank, Hudson; 3. The Bank of Old Saratoga, Schuylerville, N. Y.; 4. The Stark Bank, Bennington, Vt.; 5. The Bass River Bank, Beverly, Mass.; 6. The Phillipsburg Bank, New Jersey; 7. The Thompson Bank, Connecticut. Public meeting of Boston merchants to consider the financial crisis.

October 3.—Suspensions announced of S. Frothingham, Jr., Boston, (Agent Ward Manufacturing Company, Springfield;) Ely, Bowen & McConnel, New York; E. W. Clark, Dodge & Co., bankers, New York; J. W. Clark & Co., bankers, Boston; Powell, Ramsdell & Co., Newburgh; Chouteau, Harrison & Vallé, St. Louis; Pierre Chouteau, Jr., & Co., New York. Assignment by the Cumberland Coal Company.

October 4.—Arrival of the California steamer "Star of the West," with \$1,268,000 in gold.

October 5.—[*Monday*.]—The paper of the following banks was refused to-day by the Suffolk and Metropolitan Banks, viz.: The Western Bank, Springfield, Mass.; the Weare Bank, Hampton Falls, N. H.; and the Bank of Central New York, Utica. Suspensions announced of Messrs. E. W. Clark & Bro., bankers, St. Louis; James H. Lucas & Co., St. Louis; Dunlevy, Drake & Co., Cincinnati; Swift, Ransom & Co., New York; W. E. Culver, banker, Louisville.

October 6.—The paper of the following banks discredited at New York: 1. The Lee Bank, Mass. [*since resumed*]; 2. The Charter Oak Bank, Hartford; 3. The Mercantile Bank, Hartford; 4. The Exchange Bank, Hartford. A portion of the drafts of Messrs. Sather & Church, San Francisco, on American Exchange Bank, New

York, protested. Meeting of the Pennsylvania legislature, extra session. Injunction upon the Western Bank, Springfield, Mass., and upon the Farmers and Mechanics' Bank, Detroit.

October 7.—Bids received and opened at Albany for a canal loan of \$500,000 to the State [*none accepted*]. Suspension of Messrs. E. F. Whittemore & Co., bankers, Toronto, agents of the Banque du Peuple, Montreal.

October 8.—Suspension of Messrs. Bowen, McNamee & Co., W. G. Lane & Co., Central Bank, Brooklyn; Harper & Brothers, booksellers, New York; Fowle, Snowden & Co., bankers, Alexandria, Va.; J. Morrison, banker, Cleveland, O. Delegation of Albany bank officers met for consultation with New York bank officers. Bank of England raised its rate of discount from 5½ (at which rate it had stood since the 16th July) to 6 per cent.

October 9.—Suspension of the Bowery Bank, New York. Paper of the Reading Rail-Road Company protested.

October 10.—Suspension of the East River Bank, New York; Erie Rail-Road Company. Assignment by the Illinois Central Rail-Road Company. Run upon the Brooklyn Savings Bank and upon the Bowery Savings Bank, New York. Michigan Central Rail-Road Company asks an extension on floating debt. Suspension of Bank of the State of South Carolina, Charleston.

October 12.—[*Monday*].—Suspension of the Grocers' Bank, New York; Wade-worth & Co., bankers, Chicago; Southwestern Rail-Road Bank, Charleston; Pratt Bank, Buffalo. The Bank of England advanced its rate from 6 per cent. (adopted 8th inst.) to 7 per cent.

October 13.—Suspension of eighteen of the banks in the city of New York. The Secretary of the Treasury gives notice that no further redemption of the government debt will be made at present. Bank of New Orleans suspended. Bill passed by the extra session of the Pennsylvania legislature for the relief of the banks of that State. Extra session of the Pennsylvania legislature terminated. Suspension of Messrs. Oakey & Hawkins, tobacco merchants, New Orleans.

October 14.—Suspension of all the banks of the city of New York—the Chemical Bank only excepted. The business of the banks confined to New York bank paper. P. M. Meeting of the merchants of New York, at the Exchange, and an extra session of the legislature recommended. Suspension of the Rail-Road Bank, Augusta, Geo.; Union Bank, New Orleans; Mechanics and Traders' Bank, New Orleans; F. Skinner & Co., Boston.

October 15.—Bank of Tennessee, Nashville, suspended. Arrival of the California steamer, with \$1,250,000 in gold.

October 16.—Suspension of Messrs. Winslow, Lanier & Co., bankers, New York city. The Chemical Bank also suspended specie payments; also, the Planters' Bank of Tennessee and Union Bank of Tennessee, and their branches. The following is the card of the Union and Planters' Banks:—In consequence of the late general suspensions of the banks throughout the Union, and because of our knowledge of the utter inability of the banks of Tennessee to move the products of the country, or afford any the least facilities to the community, under prevailing circumstances, so long as we continue as heretofore to pay coin for our notes, we, the Union and Planters' Banks of Tennessee, have this day resolved to suspend temporarily the payment of coin for the notes of our respective banks. J. CORREY, *Cashier*. D. WEAVER, *Cashier*. Nashville, October 16, 1857.

October 17.—Suspension of Messrs. Frost & Forrest, (Western produce firm,) New York. All the banks in Augusta, Geo., suspended to-day. Jeffersonville Branch of the Bank of the State of Indiana suspended.

October 19.—[*Monday*].—Suspension of Messrs. Tesson & Danjen, St. Louis.

October 22.—Convention of bank officers at Syracuse, to adopt measures for the establishment of a bank of redemption at New York city.

October 23.—Suspension announced of Messrs. Robb, Hallett & Co, 40 Exchange Place, New York, and Messrs. Renick & Peterson, bankers, St. Louis, Mo.

October 23.—Suspension of the Bank of the State of Missouri, Merchants' Bank and Southern Bank—all at St. Louis.

October 27.—Suspension of Messrs. Ross, Mitchell & Co., Toronto, Canada.

October 28.—Arrival of the Cunard steamer *Persia*, from Liverpool, at New York, with £240,000 in gold.

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### BANK ITEMS.

**MAINE**.—The banks in Portland, Bangor and other parts of Maine suspended on the 14th, as soon as informed of the suspensions at New York and Boston.

**NEW HAMPSHIRE**.—The Weare Bank, at Hampton Falls, was discredited early in October. On the 14th the banks throughout the State generally suspended.

**VERMONT**.—The banks of Vermont, it is understood, follow the example of Boston, without any convention on general terms.

**MASSACHUSETTS**.—The Boston banks, at the close of September, united upon a scale of discounts, which was calculated to secure essential relief to the merchants of that city. The following was the agreement:

Boston, September 30.

We, the undersigned, Presidents of the several banks herein named, do hereby agree to discount, on or before Monday, the fifth of October proximo, ten per cent. upon the capital of said banks, to be distributed among our customers as the several boards of directors may determine.

This is signed by the officers of the following banks, being all in the city, with two or three exceptions: Merchants', Massachusetts, New England, Hamilton, Boston, Suffolk, Granite, Washington, Faneuil Hall, Atlas, Union, Traders', Market, North, Columbian, Eagle, Shoe and Leather, Bank of Commerce, State, Elliot, Webster, Broadway, North America, Maverick, City, Shawmut, Exchange, Globe, Atlantic, Boylston, Howard, National, Tremont.

The bank managers in Boston have recommended a more liberal policy. A meeting of bank directors and leading merchants was held at Boston, at which the policy of an extension of money facilities was discussed. Mr. William Appleton, formerly representative in Congress from that city, and a consistent advocate of a protective tariff, thought that the banks might safely increase their loans to the amount of last August—about \$53,000,000. At the present time they amount to about \$48,000,000. Mr. Nathan Appleton expressed similar views. Messrs. Lamb and Hall, for the bank officers, expressed their earnest desire to act, so far as their present position would justify, for the relief of the business community. The banks suspended on the 14th.

At a late meeting in Boston of the bank presidents, for the purpose of agreeing upon some plan of settlement of the daily balances with each other at the Clearing-House, the following proposition was presented by the committee:

BOSTON CLEARING-HOUSE, October 14.

At a meeting of the Clearing-House committee, held this day, it was resolved to recommend to the associated banks the adoption of the following aid for the daily settlements at the Clearing-House, together with the following agreement, to be signed by the associated banks respectively.

The bills of any of the associated banks may be received in liquidation of their



daily balances instead of specie, to the extent not exceeding the amounts hereafter affixed to capitals, viz :

Capitals of \$300,000 and under, not exceeding.....	\$20,000
“ 500,000 not exceeding.....	25,000
“ 560,000 “ .....	28,000
“ 600,000 “ .....	30,000
“ 700,000 “ .....	32,000
“ 750,000 “ .....	34,000
“ 900,000 “ .....	36,000
“ 1,000,000 “ .....	40,000
“ 1,250,000 “ .....	45,000
“ 1,500,000 “ .....	50,000
“ 1,800,000 “ .....	60,000
“ 2,000,000 “ .....	60,000
“ 4,000,000 “ .....	100,000
“ Suffolk Bank same.....	100,000

Any excess of balances to be paid in specie as usual.

AGREEMENT.—The bills of banks, received instead of specie from debtor banks by the creditor banks, are to be sent in to the next day's settlement at the Clearing-House. And it is well understood and agreed between the associated banks of the Clearing-House, that the Clearing-House committee have the right to call upon any bank for satisfactory collateral security at any moment; and that bank hereby agrees to furnish the same to secure the payment of the bills of that bank which were received by the Clearing-House in liquidation of the balances of the last settlement at the Clearing-House, instead of specie; as those bills (whichever associated bank may have them) were so received and are so held, at the joint risk of the other associated banks, in proportion to the amounts of capitals respectively for the intervening time between settlements at the Clearing-House.

The following statements show the condition of the banks of Massachusetts at the dates named. The figures for 1857 are for the average condition of the Boston banks for the week ending September 5, and for the country banks for the five weeks (with the exception of one bank for four weeks) ending at the same date.

In 1839 the liabilities of the Boston banks stood—specie 1.00, to circulation 1.93; specie to circulation and deposits, 1.00 to 4.37; of the country banks, 1.00 to 9.31, and 1.00 to 12.50.

IN BOSTON.

	1836.	1837.	1857.
Capital,.....	\$20,118,850	\$21,350,000	\$31,960,000
Specie,.....	1,155,853	1,129,942	2,865,408
Circulation,.....	4,260,948	4,386,414	6,993,218
Ratio of specie to circulation,.....	1 to 3.68	1 to 3.88	1 to 2.44
Deposits,.....	7,136,276	6,560,075	15,798,601
Ratio of specie to circulation and deposits,.....	1 to 9.86	1 to 9.68	1 to 7.96

OUT OF BOSTON.

	1836.	1837.	1857.
Capital,.....	\$14,359,260	\$16,980,000	\$28,192,495
Specie,.....	299,377	388,042	1,100,080
Circulation,.....	6,631,801	5,886,705	15,759,025
Ratio of specie to circulation,.....	1 to 22.18	1 to 15.17	1 to 14.32
Deposits,.....	1,648,240	1,907,122	6,860,664
Ratio of specie to circulation and deposits,.....	1 to 27.65	1 to 20.08	1 to 20.56

The redemption of uncurrent money goes on with uniformity and ease. The Suffolk Bank has for two years steadily redeemed a million of country bills per day, without causing any inconvenience to itself or to the interior institutions. This system can be still maintained, even with the unnecessary rush of bills from the West. The New England banks have for a year past supplied Illinois, Iowa

and Minnesota with a large portion of their currency; but the panic that has seized upon the holders has left those States with a currency too limited for the ordinary exchanges in commerce.

**RHODE ISLAND.**—The Bank Commissioners of Rhode Island have decided to ease off the suspended banks, and not to enforce the penalty required by charter.

To the banks of Rhode Island: At the present crisis, the Bank Commissioners deem it necessary to make the following recommendations and requirements: The banks are required to forbear from any considerable extension of their liabilities to the public, and from selling or disposing of their specie for any other purpose than the redemption of their own bills at par. They are advised to pay out freely the small denominations of coin in such sums as the convenience of the community may require in the ordinary transactions of business. The banks are advised to receive the bills of all sound Rhode Island banks, in payment of any indebtedness due them from parties residing abroad, and that they make early arrangements with their collecting agents to this effect. The banks are also advised, in all their transactions, to hold in view an early resumption of specie payments, and to do nothing which shall peril so desirable an event.

To restrain any immoderate issue of bank paper, and to preserve a uniformity in its value, it is recommended that such an arrangement be entered into by the banks generally as will provide for the reception, by each bank, of its bills from other banks, weekly or oftener, and for the payment of a suitable rate of interest on the balances which may be found against it. The banks will immediately report to the Commissioners, at Providence, a statement of their condition, under oath of the President or Cashier, as it was at the close of business on Monday, the 28th September, 1857, and they will forward a similar statement of their condition as it may be at the close of business on each succeeding Monday, until further notice.

JAMES G. ANTHONY, STEPHEN WATERMAN, CYRUS HARRIS, *Commissioners*.  
Providence, September 29, 1857.

**CONNECTICUT.**—The following circular has been addressed to the different banking institutions in the State:

We learn that very many of the banks in this State have suspended specie payments, since the suspension of the banks of New York and Boston, and that a general suspension of all banks in this State is anticipated. An act as important as this, and so deeply affecting the public interests and the integrity of the banks themselves, should only be consummated after the most serious convictions of its absolute necessity, and with the concurrent action of every bank in the State. It is very possible that many of the banks are entirely unable to continue specie payments under existing circumstances, but whether an institution abundantly able to meet its liabilities can claim any immunities therefrom, by reason of a general financial pressure, may admit of a doubt.

It is very necessary, in case of a general suspension, that some concert of action should be had in relation to the future mode of transacting business, the manner of discounts, the regulation of exchanges with other banks, and an assurance given to the public that the notes of all other banks in this State, not under injunctions for insolvency, will be received in all cases and for all purposes, at par, in order to give the currency of this State a uniform value at home and abroad. We would, therefore, suggest the calling of a convention of the representatives of all the banks in the State, at an early day, to take these matters into consideration; and should such meeting be held, to give us a report of its doings immediately. We would also request you to send us a verified statement of the condition of your bank on the day of suspension, showing the whole amount of discounts, bills in circulation, amount of deposits, specie in vault, due to banks in and out of the State, due from banks, and amount of suspended paper.

Respectfully yours,  
J. E. DUNHAM, BENJAMIN NOYES, GEO. H. NOBLE, *Bank Commissioners*.

**Hartford.**—The Charter Oak Bank, Mercantile Bank and Exchange Bank, Hartford, suspended payment October 6th. The following card was published: October 6th. *To the Public*:—The announcement that three banks in Hartford have this day suspended specie payments leads the other six banks, undersigned,

to state publicly, 1. That they believe themselves fully able to justify and preserve the public confidence heretofore reposed in them, and to that end, 2. They, for themselves, deem it their imperative duty not to suspend specie payments.

H. A. PERKINS, Pres't Hartford Bank; GEO. BEACHE, Pres't Phoenix Bank; ALFRED SMITH, Pres't Conn. River Banking Co.; CHARLES BOSWELL, Pres't Farm. and Mech. Bank; THOMAS BELNAP, Pres't State Bank; GUSTAVUS F. DAVIS, Pres't City Bank.

Much excitement existed in financial circles in Hartford on the 2d of September. It is alleged that P. C. Calhoun, M. M. Merriman, C. P. Clark and James Thompson, four of the commissioners for the distribution of the stock of the new *Etna* Bank, at Hartford, retained each one hundred shares of the stock for the purposes of speculation, to the detriment of more than 700 subscribers, whose subscriptions were entirely disallowed. The stock is at a premium, and the profit to each commissioner would be \$400 to \$600. Several of the aggrieved parties accordingly made application to the Court of Errors for an injunction restraining the commissioners from transferring the stock they hold, in order that they may obtain a mandamus from the Superior Court compelling the commissioners to make a further distribution of the 400 shares. The injunction was granted. This proceeding, says the *Times*, will not interfere with the organization of the bank, which indeed has already been completed.—*Boston Journal*.

New York—The Bowery Bank suspended specie payment on Friday, Oct. 9; the East River Bank, on Saturday 10th; the Grocers' Bank, on Monday 12th, and nineteen others on Tuesday, 13th. At the close of the day a resolution was adopted in convention by the banks, at the Clearing-House, to suspend on the following day, [Wednesday.]

*Currency*.—The Metropolitan Bank has decided to receive New England bank bills on deposit, according to the terms indicated in the following notice:

*Metropolitan Bank Notice*.—This bank will take on deposit, at  $\frac{3}{4}$  per cent. discount, all New England money which is received at the Suffolk Bank, Boston—(this, for the present, excludes all Rhode Island money)—paying for the net proceeds the day after it is received and counted by the bank, reserving the right to reject a large or unusual amount of any one bank. No bank can draw on account of its remittances of New England money till the day after it is sent forward. Interest on your account will cease on the 31st inst.

GEORGE I. SNEY, *Cashier*.

The success of this measure will depend on the ability of the New England banks to furnish New York exchange in return for their bills. It cannot be expected of the Suffolk Bank or of the Metropolitan Bank that they can retire these bills for many days without adequate returns in par funds.

The arrangements proposed by the Metropolitan Bank (and since concurred in by the American Exchange) for the reception of New England bank bills give general satisfaction here and in Boston. Annexed is a list of the Eastern bank notes not taken on deposit, under the arrangement: (See, also, page 405.)

*Maine*.—Canton, South China; Exchange, Bangor; Maritime, Bangor; Monsum River; Rockland; Ellsworth, Ellsworth; Hancock, Ellsworth; Hallowell, Hallowell; Sanford.

*New Hampshire*.—Exeter, Exeter.

*Massachusetts*.—Western, Springfield.

*Vermont*.—St. Albans, St. Albans; South Royalton; Stark, Bennington; Danby, Danby.

*Connecticut*.—Bridgeport City, Bridgeport; Exchange, Hartford; Charter Oak, Hartford; Hartford County, Hartford; Mercantile, Hartford; Wooster, Danbury; Hatters, Bethel; Pahquioque, Danbury; Colchester, Colchester; Merchants' Exchange, Bridgeport; North America, Seymour; Pawcatuck, Pawcatuck; Windham County, Brooklyn; Woodbury, Woodbury.

At present, all notes issued by the Rhode Island banks are rejected.

A meeting of bank officers was held at the Clearing-House on Wednesday evening, October 6th, Mr. C. C. HALSTEAD in the chair, when the following resolution was adopted without dissent:

*Resolved*, That the city banks will take at par notes of banks in the State of New York, secured in the Bank Department at Albany, and also bills of such safety fund banks as may be designated from time to time, on deposit from our customers only, and in payment of notes due our banks respectively.

That we will receive or pay balances at the Clearing-House in such notes, the same being first counted, enveloped, tied and sealed, with the amount certified on the parcel, whenever the sum shall exceed \$1,000, provided the same be certified by an officer appointed by the Clearing-House Association.

*New York City*.—At a meeting of the Board of Directors of the Manhattan Company, October 17th, Mr. John S. Harberger was unanimously appointed assistant cashier.

*Banks winding up*.—The following banks have passed into the hands of receivers and will be wound up in due course:

*Receiver.*

I. Bowery Bank,.....	N. G. Bradford.
II. Island City Bank,.....	J. F. Butterworth.
III. North River Bank, .....	Aaron B. Hays.
IV. East River Bank,.....	David Banks.

*Syracuse, Oct. 22*.—A convention of country banks was called to meet at Syracuse, this day, by circular of George W. Currier, of Palmyra. Some thirty banks were represented. The object of the meeting appears to be the establishment of a Country Bank Redemption Agency, or Clearing-House, in New York, which shall save all the present expense of country banks in the redemption of their bills, except such as arise from the recounting in New York, on the part of the country banks. It is urged that such an agency would save three-fourths of the present tax on their circulation, and that as specie redemption is resumed, unless some such plan is adopted, their bills will be crowded upon them again by the city banks in various amounts.

The following resolutions were adopted:

*Resolved*, That it is the duty of the banks to prepare for the full resumption of specie payments at as early a day as a due regard to all the interests of the country will admit, and that before such entire resumption the banks here represented will endeavor to keep their bills as near a specie basis as possible.

*Resolved*, That it be recommended to the country banks, in furtherance of the efforts made by the banks of New York to increase their line of discount to the extent of their ability, to aid in forwarding the produce of the country to an Eastern market, thus affording all the relief in their power to the farming, mercantile and manufacturing interests.

*Resolved*, That George W. Cuyler, of Wayne; P. V. Rogers, of Utica; Peter Outwater, Jr., of Syracuse; Freeman Clark, of Rochester, and J. N. Storm, of Auburn, be appointed a committee to effect an association of the country banks for their mutual protection and interest, and for that purpose to arrange a system of redemption and exchanges, and to report at a future meeting, to be called by said committee, if by them deemed necessary.

Rodney Whitney has been appointed cashier of the Genesee Valley Bank, at Genesee, in place of W. H. Whiting, resigned on account of ill health.

*NEW JERSEY*.—Many of the banks of New Jersey, at Camden, Burlington, Bridgton, &c., in the western portion of the State, followed the example of Philadelphia. Those of Newark, the State Bank, New Brunswick, the Trenton Bank, and those at the eastern portion of the State, followed the policy of New York, and paid specie until the 14th, when New York itself had suspended.

A suspension of specie payments on the part of the New Jersey banks involves a total suspension of all business. All charters granted or renewed since 1864 contain a section which provides, that whenever the officers of the bank shall neglect or refuse to redeem their notes in specie, when presented at their banking house in business hours, they shall, "on pain of forfeiture of their charter, wholly discontinue and close their banking operations, either by way of discount or otherwise." During the pressure of 1837, when the banks suspended, no such provision existed, and consequently banks were able to continue their usual dis-

count business, and thus to relieve to some extent the pressure under which the whole community labored. This would now be impossible, as the "Act to prevent frauds by incorporated companies," passed in 1848, provides, that when a bank shall neglect or refuse to pay its just debts, when demanded in business hours, it shall be deemed insolvent, and any creditor or stockholder may apply to the Chancellor for an injunction and the appointment of receivers.

**PENNSYLVANIA.**—The Bank of Pennsylvania and the Girard Bank at Philadelphia suspended specie payments on Friday, September 25. The other banks of that city suspended on the day following. This was followed by similar measures on the part of the banks of the interior. A meeting of the presidents of the several banks in Philadelphia was held on Monday, 28th Sept., and they decided upon the following important measures: 1. A suspension of specie payments on all notes, large and small. 2. The prompt issue of their own notes of the smaller denominations for checks, and all other obligations against them. 3. An increase of discounts to their customers, with the object of affording immediate relief. The Bank of Pittsburgh maintains specie payments to this day.

Some days since the Senate of Pennsylvania passed a resolution requiring the State Treasurer to make an exhibit of the condition of the State finances, and the different depositories in which they are placed.

Balances in the following banks, viz.:

Bank of Pennsylvania,.....	\$9,199	Girard Bank,.....	\$191,473
Bank of Northumberland,.....	4,414	Harrisburgh Bank,.....	1,488
Bell, Johnston, Jack & Co., Hollidays- burg,.....	480	Humes, M'Allister, Hale & Co., Belle- fonte,.....	2,581
Bank of Delaware County,.....	958	Laporte, Mason & Co.,.....	554
Central Insurance Company, Harris- burgh,.....	19	Lancaster Savings Institution,.....	845
Carlisle Deposit Bank,.....	486	Lock Haven Bank,.....	1,115
William C. Curry & Co., Erie,.....	965	Middletown Bank,.....	7,059
Bank of Danville,.....	8,113	Merchants and Manufacturers' Bank, Pittsburgh,.....	3,202
Dauphin Deposit Bank, Harrisburgh,	74,503	Mechanics' Savings Bank, Harris- burgh,.....	45,664
J. E. Dick, Meadville,.....	2,148	Reading Savings Bank,.....	12,308
Bell, Smith & Co., Johnstown,.....	400	Wyoming Bank at Wilkesbarre,.....	8,985
Bell, Garretson & Co., Huntingdon,...	1,238	West Branch Bank,.....	2,674
Farmers' Bank, Bucks County,.....	8,684	Warren County Bank,.....	798
Farmers' Bank of Lancaster,.....	6,698		
Farmers' Bank, Schuylkill County,...	6,422		
Farmers' Bank, Reading,.....	5,000		\$393,179

**Reading.**—The directors of the Union Bank of Reading, Pa., held their election for officers on Thursday, October 20, and elected John S. Pearson, merchant, President, and Col. Charles B. McKnight, Cashier.

**Philadelphia.**—Thomas Allibone, Esq., has resigned as President of the Bank of Pennsylvania, at Philadelphia, on account of ill-health. Joseph Jones has been elected President of the Commercial Bank, of the same city, in place of William Wainwright, resigned.

**Harrisburgh.**—A special session of the legislature was convened on the 6th, in pursuance of a proclamation issued 29th ult'o. The second Monday in April next was fixed for resumption of specie payments by the banks; but this may be further postponed by the legislature, which will meet in January next. The extra session terminated on the 13th.

**Serious Bank Trouble in Pittsburgh.**—*Pittsburgh, Oct. 22.*—A bench warrant was issued at the instance of Mr. Scott, President of the Merchants and Manufacturers' Bank, against James and Hercules O'Connor, brokers, of the firm of O'Connor, Brothers & Co., charging them with obtaining fraudulently, through the complicity of the book-keeper in the bank, \$185,000, and the case was heard to day. O'Connor, in his defence, made grave allegations against the bank, denying his indebtedness, and claiming to be the agent of the bank for the purpose of drawing specie from other banks of their notes, to replenish its vaults;

that large amounts of the notes of distant banks, of less denomination than five dollars, and also counterfeit money, were drawn by the firm from the bank, on the checks; that their dealings with the bank since February have amounted to over \$3,000,000, a large portion of which was not on their private account; that the respondents in vain attempted to effect a settlement with the bank, and placed securities in the hands of a disinterested party to cover any indebtedness.

A further investigation was waived for the present, the Messrs. O'Connor having made an assignment for the benefit of their creditors; notwithstanding the developments, the notes of the bank are still taken by the other banks of this city, in payment of notes due them, and also by the public, and it is said that its stock will not be depreciated.

**DELAWARE.**—The banks of Delaware have also suspended payment.

**MARYLAND.**—The Baltimore banks suspended specie payments on Saturday, September 26th, in common with those of Philadelphia. Those at Cumberland, Frederick and other towns followed suit soon after.

**VIRGINIA.**—The banks at Wheeling promptly suspended on the 26th September, when advised of the action of those at Baltimore and Philadelphia—those at Alexandria, Charlottesville, Staunton, on the 28th. On the 30th ult' Gov. Wise instructed the first Auditor and State Treasurer to correspond with the leading banks suspended, and propose that if they would redeem in fifteen days, with specie, such of their notes as have been received for State dues, a proclamation of prohibition against the future receipts of their notes will be withheld. The representatives of a portion of the banks met at Charlottesville on the 7th, and resolved that the course indicated by the Governor was impracticable and injurious; but that the object would be attained if the banks would contribute two and a half per cent. by the first December, to meet the interest on the State debt due 1st of January; also, that all the banks in the Commonwealth, holding demands against the State, be requested to notify the Treasurer that such demands may be satisfied by payment in the issue of the creditor banks.

The resolutions were presented to the Governor, who did not give a decided opinion, but intimated that he had no intention of prohibiting the receipt of suspended bank issues for the State revenue as long as the banks acted in good faith; but he said he had no power to compel the banks of deposits to receive the notes of suspended banks, but, as far as practicable, he would receive and pay out their issues, trusting to their integrity to redeem as fast as possible.

The convention approved of these sentiments, and pledged the faith of the respective banks to carry out their views.

**Richmond.**—The Farmers' Bank of Virginia, the Bank of Virginia, at Richmond, and the Exchange Bank of Virginia, Norfolk, suspended on the 16th.

The following is a comparative statement of the leading departments of the Farmers' Bank and Bank of Virginia and branches, on the 1st October, 1856 and 1857:

	FARMERS' BANK.			
	<i>Specie.</i>	<i>Circulation.</i>	<i>Deposits.</i>	<i>Discounts.</i>
1856,.....	\$577,716	\$2,181,687	\$1,723,328	\$6,314,600
1857,.....	468,864	1,925,233	1,716,980	6,085,262
BANK OF VIRGINIA.				
1856,.....	\$563,362	\$1,617,606	\$1,452,098	\$4,895,528
1857,.....	521,439	1,379,224	1,491,399	4,657,100

From the above it appears that these institutions have reduced their outstanding debt \$487,000 since 1st October, 1856. The Farmers' Bank increased their discounts during the last quarter of 1856, but have been contracting since—the reduction amounting, on the 1st inst., to \$274,461 56. The Bank of Virginia did not expand its discounts after the 1st of October, 1856. It has been gradually contracting from that time, and the reduction of the outstanding debt within the past twelve months has been \$238,427 47. Adding these amounts together we have an aggregate of \$612,889—the difference between the highest and lowest extent of the outstanding debt of the two banks and their branches, within the past twelve months.

**NORTH CAROLINA.**—The Farmers' Bank at Elizabeth City suspended on 29th September.

*Washington.*—Thomas H. Hardenberg, Cashier of the Branch Bank of Cape Fear, at Washington, committed suicide on the 13th of October.

**SOUTH CAROLINA.**—The Bank of the State of South Carolina, and the South-western Rail Road Bank, (both at Charleston,) suspended on the 12th.

**GEORGIA.**—The Rail-Road Bank at Augusta, suspended on Wednesday, 14th October, and the remainder of the Augusta banks on Saturday following, as well as those at Savannah. It is understood that the banks of the State generally suspended during the same week, in consequence of the action of the banks of New York, New England, &c.

**ILLINOIS.**—The Bank of Belleville suspended October 1st. Messrs. Moore, Hol-lowbush & Co., bankers, Quincy, same day. E. I. Tinkham & Co., bankers, Chicago, 29th September. Swift, Brother, Johnston & Co., 30th. Wadsworth & Co., Chicago, 12th October.

**INDIANA.**—The Jeffersonville Branch of the new Bank of the State of Indiana, suspended 17th October.

**KENTUCKY.**—The banks of Kentucky have not yet suspended.

The suspension of the following banking houses have been announced: Hutch-ings & Co., John Smidt & Co., Louisville, October 1st; William E. Culver, Louis-ville, 5th.

**MICHIGAN.**—The Peninsular Bank of Detroit has been enjoined by Attorney-General Howard, on account of its refusal to surrender to the State Treasurer its circulating bills to the amount of the deficiency between the present value of its stock securities and that of its circulating notes, as required by its charter. It is said that the bank has abundant means to pay its debts. A run upon the bank occurred on the 30th September, reducing its cash means.

On the 6th an injunction was placed upon the Farmers' and Mechanics' Bank, Detroit.

**MICHIGAN.**—C. M. Davison, Esq., late Cashier of the Commercial Bank, White-hall, was on the 31st August elected Cashier of the Farmers' & Mechanics' Bank of Michigan, at Detroit, in place of J. C. W. Seymour, Esq., resigned.

**LOUISIANA.**—At a meeting of the board of directors of the Bank of New Orleans, September 25th, Mr. Mortimer Bally was elected Cashier of this bank, in the place of W. P. Grayson, Esq., resigned. Mr. Frank Williams was also elected Vice-President of the said bank.

The Bank of New Orleans suspended on the 18th Oct.; the Union Bank and the Mechanics' and Traders' Bank on the 14th.

**MISSISSIPPI.**—The Northern Bank of Mississippi suspended September 30th.

**TENNESSEE.**—The bank of Tennessee, at Nashville, suspended on the 14th, and the Union Bank and Planters' Bank on the 16th. The Bank of Nashville, on 28th September, and made an assignment. The banks at Shebyville and Law-renceburg on the 1st October.

**OHIO.**—The board of control of the State Bank of Ohio, on the 30th September, at a meeting held at Columbus, unanimously adopted the following resolution:

*Resolved,* That the branches of the State Bank of Ohio have the ability and will continue specie payments, regardless of whatever course may be taken by the banks of other States.

Messrs. Dunlevy, Drake & Co., bankers, Cincinnati, suspended October 5th; J. Morison, Cleveland, 8th.

*Dayton.*—The Dayton Bank having reduced its liabilities to less than \$6,000, will resume business in November. Daniel Beckel, Esq., has been appointed Cashier, in place of Mr. John Mills, resigned.

**OHIO.**—We hear from Ohio that the State Bank and its thirty branches in that State are well sustained under the untoward condition of affairs produced by the

failure of the Ohio Trust. Their capital combined is \$4,100,000; undivided profits, \$1,100,000 and a bills receivable or loan movement, almost exclusively local and sound, \$10,000,000. They have taken from the Trust Company, at Cincinnati, about \$800,000 in bonds and mortgages heretofore held by the Trust department of the concern, in settlement of the New York deposit balances, leaving unsecured, as yet, only the bills for collection, which were pledged here, (improperly, as the State Bank and branches allege,) and which will in no event absorb their surplus profits at home. This statement we condense from a private letter from an officer of the principal bank at Columbus.

WISCONSIN.—The Juneau Bank commenced operations in Milwaukee, in August. The Juneau Bank has a capital of \$250,000, all paid in, one-half of it taken at the East; and this capital is to be increased in July next to \$500,000. The list of directors embraces a number of substantial and wealthy citizens.

Beloit.—The *Chicago Tribune* states, that the Rock River Bank, Beloit, Wisconsin, has suspended. The notes are abundantly secured. It says there were rumors in circulation affecting the credit of two or three other banks in Illinois and Wisconsin.

MISSOURI.—The Bank of the State of Missouri, the Merchants' Bank and the Southern Bank, were all finally compelled to suspend specie payments on the 26th.

The following suspensions among private bankers have occurred at St. Louis: Messrs. John J. Anderson & Co., James H. Lucas & Co., Darby & Barksdale, Bogy, Miltenberger & Co., Renick & Peterson, E. W. Clark & Brother, Tesson & Danjen.

CANADA.—*Affairs in Montreal.*—From Dougall's *Commercial Review* of the 9th inst, we make the following extract:—"We have been making inquiries into the grounds for various charges now being brought against the banks, and find the following very satisfactory results: 1st. The banks are discounting as freely as their capital and circulation will warrant, as the next monthly statement will show. 2d. They have come to an arrangement to settle their balance by exchange on England, a plan which will obviate the inconvenience of demanding specie or exchange on New York. 3d. The banks are refusing no credit asked by responsible parties, for the purchase of produce in Canada; but on the contrary, are facilitating, by every means in their power, this most necessary operation. 4th. So far from speculating in exchange, they are paying 3 or 4 per cent. more for it than the same kind of bills would sell for in New York, and thus doing all in their power to facilitate shipments of produce to Europa."

Toronto.—The failures of Messrs. E. F. Whittemore and Mr. B. H. Rhett, bankers, Toronto, were announced early in the month,

*Monthly Averages of Canadian Banks—Bank of British North America and Gore Bank not included.*

1857.	Capital.	Discounts.	Specie.	Circulation.	Deposits.
March 31,.....	\$16,119,187	\$84,927,218	\$2,025,715	\$11,883,376	\$8,306,435
April 30,.....	16,395,597	82,333,219	2,145,349	10,859,571	8,507,157
May 31,.....	16,844,384	83,470,936	2,114,084	10,236,624	8,795,065
June 30,.....	17,246,140	82,307,199	2,310,933	10,511,376	9,850,836
July 31,.....	17,924,667	82,243,931	2,262,167	10,760,167	8,625,924
August 31,.....	19,092,888	83,981,843	2,273,310	10,777,358	8,831,015

RECOVERY OF STOLEN MONEY.—It has come to our knowledge that, some four months ago, a bank robbery to the amount of \$100,000, in notes and gold, was committed in one of the sister provinces. The directors thought it the most prudent course to keep the matter quiet. They therefore sent to Buffalo for a detective officer, who went quietly to work and ultimately succeeded in tracing the crime to some of the criminals engaged in the act. By this process, nearly the whole of the money has, we understand, been recovered, and will, when demanded, be paid over to the owners. We are not at liberty to give details at present; but we must say that the officer who performed this service for the bank deserves the highest credit.—*Toronto Leader.*



## Notes on the Money Market.

NEW YORK, OCTOBER 28, 1857.

*Exchange on London, at Sixty days' sight, 105 a 106.*

THIS has been the most memorable month in the financial history of this country since the eventful period of 1837-8. The whole country has had a severe shock, from the Penobscot, on the northeast, to Galveston, on the southwest. Our last number recorded the suspension of two banks in this city, and of sixteen in the interior of the State, and of several private bankers in New-York and other cities. Those were merely a prelude to the general revulsion which we are under the necessity of recording.

The continuous policy of contraction by the banks of New York, between the first week in August, [when the aggregate loans were 123 millions,] and the second week in October, [when the loans were reduced to 101 millions,] was too sudden for the merchants of this city. A large number suspended during the months of August, September and the early part of October. This contraction was necessarily followed at Boston, Philadelphia, Baltimore, Buffalo and elsewhere, it being demonstrated that whatever course is pursued in New York, must be followed by other cities. New York has, therefore, been for a series of years the centre of financial affairs in the United States, and the dictator of the policy to be adopted in other portions of the Union. During the past eight years there has been a gradual and powerful concentration of capital at New York from all parts of the Union; and New York, as the leading channel of importations and of exports, has become the pivot upon which the heavy business of the whole country has turned. The banks and private bankers of every State have, during the same period, gradually made New York city the depository of their surplus funds; and, more especially, since the practice of allowing from four to six per cent. interest on such deposits has prevailed. Thus, exchange on New York has been, of late years, considered as equivalent to cash funds on hand, by all engaged in the banking business. New York has, for years, been the creditor of the whole Union; and has thus obtained not only a vast credit thereby, but, as a sequence, has obtained the control of immense capital, belonging, in small and large sums, to remote parties; and this rapid accumulation of capital has not only aided to build up New York, but it had finally been looked upon as belonging permanently to the interests of the city. We can better illustrate this position by figures than otherwise, viz.:

### FOREIGN IMPORTS, BANK CAPITAL, BANK LOANS, BANK DEPOSITS OF THE CITY OF NEW YORK, 1849—1857.

	<i>Imports.</i>	<i>Bank Capital.</i>	<i>Bank Loans.</i>	<i>Bank Deposits.</i>
1849, .....	\$92,560,000	\$25,000,000	\$51,079,000	\$28,561,000
1850, .....	111,123,000	27,400,000	62,886,000	27,220,000
1851, .....	141,546,000	34,600,000	65,428,000	36,957,000
1852, .....	133,839,000	38,700,000	88,815,000	50,216,000
1853, .....	178,270,000	41,000,000	95,374,900	57,556,000
1854, .....	195,427,000	47,400,000	91,891,000	73,854,000
1855, .....	164,776,000	49,000,000	100,426,000	81,037,000
1856, .....	210,162,000	54,000,000	112,000,000	93,800,000
1857, .....	224,000,000	65,000,000	122,000,000	95,000,000

Thus, the imports since 1849 have increased 133 per cent; the bank capital 160 per cent; the bank loans 140 per cent, and the bank deposits about 200 per cent.

There must be a commercial and financial centre maintained in this country at all times to come. New York, we think, will maintain this pre-eminence. England, France, Germany, each have their own; and the obvious want of one for this country will continue to sustain New York, although it has had a severe blow recently.

The contraction of bank accommodation at New York, it is now conceded, was unnecessarily sudden and too great. In view of the injury sustained by the city and State by such a course, a few of the more liberal managers of our city banks, early in September, proposed essential relief by a moderate expansion. This course was a safe one, in view of the then condition of the foreign exchanges, and of the prospective increase of specie at this point. This measure was opposed by a few, and finally abandoned, as none could adopt it unless it was agreed upon as a general and concerted policy. The contraction increased until the loans were reduced to about 100 millions, in the second week of this month—the manufacturers, mechanics, merchants and tradesmen were all suffering from the decline of 20 millions of loans, and a still more violent contraction of bank circulation—two of the city banks had suspended on the 10th—two more on the 12th—many in the country had likewise suspended; Pennsylvania and Rhode Island were under a general suspension, and, finally, on the 18th, the New York city banks concluded to suspend specie payments on their deposits and circulation. The Chemical Bank was the only exception, and that followed the course recommended by the others during the same week. The violent reaction is illustrated by the following returns:

LOANS, CIRCULATION, DEPOSITS AND SPECIE OF THE NEW YORK CITY BANKS, AND SPECIE HELD BY THE SUB-TREASURY, 1857.

Date.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 3,	\$109,149,000	\$3,602,000	\$95,946,000	\$11,430,000	\$11,172,300	\$22,602,300
Feb. 7,	112,876,000	3,423,000	94,022,000	13,613,000	11,142,800	24,761,500
March 7,	111,899,000	3,465,000	95,353,000	15,159,300	11,707,300	26,594,000
April 11,	115,374,000	3,787,000	96,518,000	15,174,300	10,534,400	26,069,300
May, 2,	114,409,000	3,003,000	99,159,000	14,403,100	12,009,900	26,413,000
June 6,	115,333,000	3,338,000	96,594,000	12,431,000	13,134,700	25,565,700
July 3,	115,044,000	3,901,000	93,334,000	10,317,000	13,537,300	23,154,300
Aug. 1,	130,597,000	3,635,000	94,445,000	13,161,600	13,918,000	25,079,600
Sept. 5,	112,321,000	3,673,000	79,491,000	11,673,300	10,237,300	21,394,100
Oct. 3,	105,935,000	7,916,000	67,978,000	7,743,300	11,406,400	19,143,600
Oct. 10,	101,917,000	7,523,000	63,301,000	6,190,150	11,400,413	17,590,563
Oct. 17,	97,345,000	8,037,000	52,394,000	5,514,400	7,943,200	13,337,600
Oct. 24,	95,533,000	6,384,000	57,530,000	5,335,300	10,411,600	16,396,300

This course of contraction is now considered by our leading bank directors as unnecessary, and as productive of nearly all the evil that has arisen. A more liberal policy would have relieved the merchants, and thus would have saved the merchants extraordinary losses. The capital of the banks, by mercantile failures, has been damaged from 33 to 50 per cent., a loss that will require many years to recover.

The suspension of the city banks was precipitated by the heavy loss of the steamer *Central America* in September, by the gradual withdrawal of confidence among bill-holders, and finally among depositors, and by the heavy failures; among these we may enumerate the Ohio Life and Trust Company, the Illinois Central Rail-Road Company, the New York and Erie Rail-Road Company, the Michigan Southern Rail-Road Company, and other corporations whose stock and bonds had been hitherto considered solid securities in this market, and whose failures served to destroy confidence among the Western bankers, and induced them to withdraw their remaining deposits for the time in this city. "Confidence," it is said, "is a plant of slow growth"—a maxim that applies especially to banking operations. The utter prostration of private credit will induce the bankers of the South and West to keep their balances here at a low figure for some time to come. The system of allowing interest on current accounts, by banks and bankers, will be either done away with or essentially modified. The practice has worked well during a period of confidence and prosperity, but is found to be a dangerous one to both banks and private bankers. It has induced both parties to solicit business from the interior, and thus larger balances have been maintained here than were necessary, and the control of such large sums has led to imprudent loans to rail-road companies and others who could not respond in time of urgent need.

Indiana Bonds have declined during the month 15; Virginia, 13; North Carolina are quoted at 70, against 91 in September. This is nominal. There are neither buyers nor sellers of North Carolina, South Carolina or Georgia State securities. Missouri Sixes are 5 per cent. less, Louisiana 10 & 12. Florida Seven per cents are rarely seen in this market; 85 is asked. (This State has never recovered from the stain of repudiation, and is classed with Mississippi, Arkansas and Michigan, for repudiation or discredit.) Notwithstanding the extreme depression which marks the prices of State loans, they are yet from 50 to 100 per cent. higher than during the years 1840-1842, when the banking system and commercial affairs of the country were narrowed down to the

lowest limits, and currency, as now, was too limited for the business wants of the people. It is not extravagant to say that the contraction of the currency since August last, to the extent of twenty millions, has damaged property in this State two hundred millions in market value.

We annex the prices of State loans at the close of the past eight weeks :

	Sept. 4th.	11th.	18th.	25th.	Oct. 2d.	9th.	16th.	23d.
U. S. 6 per cents, 1867-8, .....	117	117	117½	117½	117½	117½	117½	114
Ohio 6 per cents, 1886, .....	95	94	94½	94	90	89	90	91
Kentucky 6 per cents, .....	97½	97	99½	99½	97½	85	90	98
Indiana 5 per cents, .....	76	80	80	80	75	70	70	65
Pennsylvania 5 per cents, .....	88	88	80	79	79	80½	89	81
Virginia 6 per cents, .....	89	87½	86	84	78	77	68	71
Georgia 6 per cents, .....	100	100	100	98	98	..	98	89
California 7s, 1870, .....	57	55	56	55	50	57	58	60
North Carolina 6 per cents, .....	91	91	91	91	88	..	85	70
Missouri 6 per cents, .....	78½	70½	71	70	64½	64½	67	65
Louisiana 6 per cents, .....	75	76	78	80	78	78	80	68
Tennessee 6s, .....	80	74	75	75	74	74	65	70½

**Rail-Road Bonds.**—Sales of the second mortgage convertible bonds of the Erie Rail-Road Company were made this week at 75. For the first mortgage bonds (1867) 80 is offered. Third mortgage of 1868 (of which there are \$6,000,000) are offered at 50. Sinking Fund bonds are quoted at 88 a 40. The quotations for miscellaneous stocks and bonds are rather arbitrary and unreliable. The sales that occur from day to day are only indications of extreme necessity on the part of a few holders, but are no criteria of the estimated value by those who are able to remain holders. We annex the closing prices of miscellaneous securities for the last eight weeks :

	Sept. 4th.	11th.	18th.	25th.	Oct. 2d.	9th.	16th.	23d.
Erie R. R. sevens, 1869, .....	..	88	87	70	70	75	52	75
Erie R. R. bonds, 1875, .....	60	60	54	50	50	85	20	26
Erie Convertibles, 1871, .....	52	50	40	35	25	21	17	20
Hudson River R. R. 1st mort., ..	90	98	88	98	80	85	71	77
Panama R. R. bonds, .....	..	..	25	24	85	80	90	85
Illinois Central sevens, .....	88	87½	85½	83	67	71½	60	68
New York Central sixes, .....	84	88	80½	74½	69	70½	64½	..
Onton Company shares, .....	16	16½	15½	15	14½	18½	14½	13
Pennsylvania Coal Company, ...	75	69	71½	66	56	60½	66	52
Cumberland Coal Company, ....	18	10½	10½	9½	5	5½	7	5½
Del. and Hudson Canal Co., ....	109½	106	106½	105	96	94	96	89

In order to show the comparative values of the present day and those of the suspensions of 1833—1840, we annex quotations for the year 1842, (four years after the resumption of specie payments in New York.) New York State Sixes, in the year 1842, reached 82 a 84. Pennsylvania Fives were dull at 81 a 83, the State being under suspension. Ohio, although paying specie, were heavy at 50 a 55. Maryland Sixes, while yet under suspension, were difficult to negotiate beyond 45. Indiana and Illinois, (which have never resumed in full to this day,) were down to 15 a 17. We annex the current values in April, 1842, with the advance which took place up to March, 1845, and the comparative prices last week :

Stocks.	Inter- rest.	Redem- ptible.	Price, Apr. 1842.	May, 1845.	Nov., 1869.	October, 1867.
New York State, .....	6	1840	82 a 84	108	120	90
" " .....	5½	1861	77 a 80	104	..	80
" " .....	5	1853	75 a 77	106½	114½	84
Pennsylvania, .....	5	..	81 a 83	78½	96	81
Ohio, .....	6	1856-60	50 a 55	97½	110	86½
Kentucky, .....	6	1860	68 a 70	101½	110	85
Alabama, .....	5	1865	25 a 40	73½	95	82
Indiana, .....	5	1861	15 a 17	84½	89	70
Illinois, .....	6	1870	15 a 16	89	88	85
Maryland, .....	6	1866	40 a 45	..	100	100½
Michigan, .....	6	1869	15 a 20	..	..	80

It will be borne in mind that in 1842, the last four States named, as well as Pennsylvania, were not paying their coupons.

**Rail-Road Shares.**—The suspension of the Illinois Central Rail-Road Company, and the financial difficulties of the Michigan Central, Michigan Southern and the Erie Rail-Road Companies, have added to the distrust before prevailing, as to the soundness of Rail-Road Stocks, and at present it is difficult to obtain loans upon them, even with a large margin. The dividends of the above-named companies are for the present deferred. It is understood, however, that the current business of the New York Central, Chicago and Rock Island, and Galena and Chicago Rail-Road Companies, will enable them to maintain a dividend paying policy. All the others named in the annexed list, it is thought, will defer their dividends for 1858.

We annex the closing rates for leading Rail-Road Shares for the past eight weeks:

	Sept. 4th.	11th.	18th.	25th.	Oct. 2d.	9th.	16th.	23d.
N. Y. Central R. R. shares,....	74½	70½	69½	65½	58	53½	65½	59½
N. Y. & Erie R. R. shares,....	21¼	20¼	18	16½	10¼	9¼	11¼	9¼
Harlem R. R. shares,.....	7¼	6	7½	7½	7	7	7¼	6¾
Reading R. R. shares,.....	51½	44¼	46¼	38	31	23	36¼	24
Hudson River R. R. shares, ...	19	19¼	18	16	14	13½	14¼	14
Michigan Central R. R. shares,	66	64½	60	54	38¼	32	42	34
Michigan Southern R. R. shares,	24	21¼	19¼	19	14	10½	11¼	8
Panama R. R. shares,.....	85	80	62	51	60	63	71	65
Baltimore & Ohio R. R. shares,	60¼	59¼	53½	52	55	54	37¼	44¼
Illinois Central R. R. shares,...	99	93	93	89	75½	73¼	79	76¼
Clev. and Toledo R. R. shares,...	40¼	35¼	37¼	34	26	23¼	23¼	23
Chicago and Rock Island R. R.	32	73¼	72¼	65¼	58	56	71¼	59¼
Milwaukee and Miss. R. R.,...	33¼	36	33¼	35	11¼	13¼	19¼	14
Galena & Chicago R.R. shares, ...	88	88	..	84	54¼	55	63	69

The Treasury Department having exhausted the funds appropriated to the purchase of Government Securities, the latter have fallen in price, for want of purchasers. The price a week ago for United States Six per cents of 1867-8 was 117¼; now they can be had at 114. Ohio and Kentucky Sixes have advanced 1 to 3 per cent. California Sevens are quoted 2 per cent. better.

Various meetings of the friends of the New York and Erie Rail-Road Company, including the leading share and bondholders, have been held this month, with a view to furnish the requisite aid to the company. On a part of its floating debt the company suspended on or before the 10th inst. About \$500,000 will be required this month, in order to enable it to meet the payments of the coming two months.

The contraction of currency in New England has been quite as great as in other States during the past two months. We annex the leading items of the Boston banks since June last:

1857.	Loans.	Specie.	Deposits.	Circulation.
June 2,.....	\$53,100,000	\$4,088,600	\$17,945,000	\$6,534,000
July 7, ....	53,900,000	3,500,000	19,500,000	7,300,000
Aug. 11,.....	53,350,000	3,350,900	16,929,500	6,990,000
Sept. 1,.....	53,353,000	3,431,800	16,564,700	6,537,400
Sept. 8,.....	53,029,900	3,365,400	15,798,600	6,993,000
Sept. 15,.....	51,752,000	2,529,800	14,526,000	6,800,000
Sept. 21,.....	49,765,000	2,624,000	12,983,000	6,322,000
Oct. 6,.....	49,316,000	2,563,000	12,961,400	6,237,700
Oct. 20,.....	48,454,500	2,560,000	12,776,000	6,071,000
Oct. 27,.....	49,427,000	2,303,800	13,966,000	6,014,000

The curtailment of bank note circulation and bank loans since August 1st is estimated at nearly sixty millions, viz.:

New York State, bank bills,.....	\$5,000,000
New England States, bank bills,.....	6,000,000
New York State, bank loans,.....	25,000,000
New England States, bank loans,.....	15,000,000
<b>Total contraction,.....</b>	<b>\$59,000,000</b>

Our merchants, manufacturers, traders, mechanics and all classes are thus compelled to suspend or curtail their business. It is estimated that in New York city alone there will be fifty thousand operatives out of employment.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES. DECEMBER, 1857.

No. 6.

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HISTORY OF THE POST OFFICE.

WRITTEN FOR THE BANKERS' MAGAZINE, BY PLINY MILLS.

THE UNITED STATES POST OFFICE; ITS PRESENT CONDITION AND  
FUTURE PROSPECTS.

THE last number of the BANKERS' MAGAZINE contained a statistical view of the postal systems of some fifty different nations, together with a historical sketch of the Post Office in the German Principalities, France, Great Britain and the United States. From the official figures given in that article, we see, that while the correspondence by mail and the postal revenue actually decreased during twenty years of high postage in Great Britain—ending with 1835—the revenue and correspondence both, from the date of low and uniform postage, in 1840, has greatly increased—the latter six hundred per cent. The vast economy in the management of the Post Office in that country is seen in the fact, that while the correspondence increased from 75 millions of letters in 1840, to 478 millions in 1856—at least six-fold—the expense was but little more than doubled. Had it been deemed necessary, but few figures would have been required to show clearly—what was demonstrated by Mr. Rowland Hill—that the slight diminution in the net revenue of the Post Office in Great Britain, consequent to the great reduction of postage in 1840, was far more than made up to the national

treasury, during each and every year thereafter, in other branches of national income, and all from the direct and sole cause of the activity and prosperity of all business interests, engendered by a reduction in the rates of postage. We believe, and are confident that it is susceptible of a clear demonstration, that the principal reasons why our Post Office has not kept pace with the advancing spirit of the age, and been made as efficient as the post in several other countries, are the following: In the first place, several popular fallacies have been engendered and kept up by official Post Office reports. Again, the official heads of this important department, for the last fifteen years, have almost invariably thrown their official and personal influence against all the great improvements urgently demanded by the people; and in carrying out this opposition, several of these officers have exhibited an unwarrantable interference with the legislation of the country. All of the principal improvements have been accomplished, not through their aid, but in the face of their opposition. The annual reports of the Postmaster General, since 1852, have declared and attempted to prove that the legitimate revenue of the Post Office has been less than its legitimate expenditures, while the contrary has been the fact, as must be evident when we have a complete view of the premises. The true state of the case is—and this is the important matter that has been overlooked—the Post Office has performed a large amount of labor, and consequently been put to great expense, without any clear record or any adequate return.

The payment for and on account of letters and documents transported and delivered by the Post Office for the government—the sum of \$700,000—is entirely inadequate to the service performed. To show the amount of “franked” matter sent from Washington alone, the following items were given in an official statement from the Postmaster of Washington City to the Post Office Committee of the House of Representatives, as the amount of that description of mail matter for one month—January, 1854.

*Free Mail Matter from Washington for one Month.*

	<i>Weight.</i>	<i>Postage.</i>
Letters from members of Congress, . . .	lbs., 3,446	\$4,664
Documents do. do.	693,508	110,961
Letters from Departments, . . . . .	7,065	6,782
Newspapers, (numbering 1,110,020,) . .	111,002	11,100
	<hr/>	<hr/>
Total for one month, (pre-paid rates,)	815,021	\$133,507
For twelve months, do. do.	9,780,242	1,602,087
Postage for twelve months, if not pre-paid,		3,168,390

The newspapers were not counted, but weighed; and as the newspapers of the country average about one and a half ounces each, these have been considered as averaging ten papers to a pound. The postmaster expressed it as his opinion, that the free matter during that month, of which he gave the results, was less than the average quantity. The amount given would make about 5,000 tons of “free” matter in a year, from the Post Office at the city of Washington alone; or an average for each week-day of fifteen tons. Looking at this \$1,602,087 due by government at pre-paid rates, for the postage on free matter,

outward only, from the city of Washington alone, in a year, it would be a very moderate estimate that should put the postage of the government at the rate the citizen pays, at \$2,500,000 annually. If we look at the revenue and expenses of the Post Office for ten years, and see what appropriations were made for the free matter transported for government, we shall see whether the Post Office actually supported itself or not.

<i>Date.</i>	<i>Postal Expenses.</i>	<i>Revenue from Postages.</i>	<i>Appropriations that were made.</i>	<i>Appropriations that should have been made.</i>
1847.....	\$3,971,275	\$3,703,999	\$309,448	\$2,500,000
1848.....	4,326,850	4,161,078	.....	2,500,000
1849.....	4,479,049	4,505,176	200,000	2,500,000
1850.....	5,212,953	5,352,971	200,000	2,500,000
1851.....	6,024,566	6,351,978	375,889	2,500,000
1852.....	7,108,459	5,082,537	1,741,445	2,500,000
1853.....	7,982,757	5,240,724	700,000	2,500,000
1854.....	8,577,424	5,983,537	700,000	2,500,000
1855.....	10,044,996	6,711,830	700,000	2,500,000
1856.....	10,407,868	6,920,822	700,000	2,500,000
<b>Total.....</b>	<b>\$68,136,197</b>	<b>\$54,014,652</b>	<b>\$5,626,782</b>	<b>\$25,000,000</b>

That the Post Office did not support itself from the postage paid by citizens during the last ten years, and also support the burden of all the "franked" matter thrown on it by government, is evident from the above figures. The "official" statement is, that the entire postal revenue for ten years was \$59,641,434, and the expenditures \$68,136,197; *therefore*, there was a "deficiency," showing that the Post Office did not support itself by \$8,494,763. But the reality is this. At the rates of postage now levied, the cost of transporting and delivering the letters and documents for the citizens and the government, for ten years, was as follows:

Postage due and paid by citizens for ten years.....	\$54,014,652
Postage due (but not all paid) by government.....	25,000,000
<b>Total.....</b>	<b>\$79,014,652</b>
Expenses of the Post Office for ten years.....	68,136,197

Post Office earnings exceeded the expenses by..... \$10,878,455

It is clearly evident that any attempt to show whether our Post Office supports itself under the present laws, regulations, rates of postage and management, must begin by showing what are its legitimate expenses and what its legitimate income. The theory and practice of our law-makers is in strong contrast to the action of the members of the British Parliament in 1839 and 1840, at the time of the agitation and adoption of the penny postage. They at once abolished and renounced the franking privilege, on the principle that officers of the government could as well afford to pay their own postage as private citizens; that they were in that case put to far less trouble to frank and send documents for others, and that all postage necessary for carrying on the business of the government should be charged to the treasury, like all other national or government expenses. In reality, we do not know the amount of expenses and burdens that fall on the Post

Office, and yet the head of that Department has taken upon himself to say, that its income is not sufficient for its legitimate support. If a merchant or man of business were to know the precise amount of income that he actually received, while he was ignorant of a large portion of his expenditures, would he, or could he, conduct and manage his affairs with prudence, judgment and economy? It is a parallel case with our Post Office, burdened as it is annually with five thousand tons of franked matter.

The history of our Post Office for the last sixteen years discloses the following facts: Letter postage has been reduced from a scale of five rates, running from 6 to 25 cents, and averaging, perhaps, thirteen or fourteen cents a letter; first (in 1845) to five and ten, and next (in 1851) to three, five and six cents, and lastly, in 1855, to three and ten cents; and yet there has been no sensible diminution of the postal receipts, taking one year with another. Taking the yearly increase of the postal revenue for a number of years before the first reduction as a criterion, the receipts of the Post Office in 1855 and 1856 were as large, if not larger than they would have been under the old rates. And yet the postage on each separate letter averages less than one-third the charge previous to 1845. By the side of that fact it may be stated here that in the postal history of all nations, there is no instance on record where a reduction of postage, however great, has been followed by any permanent reduction of the postal revenue. In public as in private affairs, the inhabitants of a country extend their patronage just in proportion to the business and economical facilities afforded them.

After the successful introduction of penny postage into Great Britain, in 1840, the citizens of the United States commenced holding public meetings and petitioning Congress for a reduction of rates, and other postal improvements. The pressure and agitation were kept up from 1841 to 1845, and during that period, the Postmaster General—the Hon. Charles A. Wickliffe—used every exertion, and brought every influence, official and personal, to defeat the measure. With all this uncalled-for interference with the wishes of the people and the legislation of the country, by an executive officer, the bill reducing postage to the two rates of five and ten cents was passed, and went into operation in 1845. The incumbent of this office from 1853 to 1857—James Campbell—made every possible effort, not only to defeat the wishes of the people in having the rates of postage reduced and made uniform, but to raise the then existing pre-paid rate of letter postage from three to five cents, and to double all the rates on printed matter. These measures were introduced in a bill, at the solicitation of the Postmaster General, by the Chairman of the House Committee, and at once defeated, receiving only the small minority of thirty-six votes.

The efforts made by the Postmaster General to raise the rates were successful in increasing the postage from six to ten cents on all letters that are transported over 3,000 miles. This is the first instance on record, at least in this country, where an executive officer, whose duty it is to administer the laws as he finds them, has gone out of his way to increase the burdens and raise the charges of the people in conducting their necessary correspondence—and may it be the last!



It may be uncharitable to hint, that our statesmen have heretofore paid so little attention to the postal subject as to be unacquainted with its details, though it is unquestionably true that this branch of government has not received the attention that its importance demands. In examining the postal subject we cannot arrive at correct results by any system of generalization, or by wholesale comparisons. It is a question of detail, of calculation and of fact, in which certain cardinal principles cannot be ignored or lost sight of. It is true that the people of Great Britain write many more letters than the people of the United States; and it is equally true that this is in consequence of receiving a far greater amount of postal accommodation for the money they pay. It is eminently true that the large and profitable amount of correspondence passing through the British Post Office is the direct result of low and uniform postage, combined with the great facilities for collecting, distributing and delivering letters and other mail matter in cities and large towns. While we have populous cities with varied interests that require an immense local correspondence, our postal affairs are conducted in the same manner that they were in the first years of the Republic. Except by the labors of private parties, who are allowed to deliver letters from the Post Office, and levy a tax for the service, or to set up private Post Offices of their own, for the collection and distribution of mail matter, we have hardly an improvement or facility for distributing letters in cities to-day that did not exist seventy years ago. People who write letters may carry or send them to the Post Office, and those to whom they are addressed have the privilege of calling for the same and taking them out. Except through and by the labors of the private postman and carriers, we, as a people, seem not to be aware that the greatest want and the most profitable field for postal facilities is in and about our large cities and towns. In the country the distance between Post Offices may be reckoned by miles, but in large cities the legitimate wants of the people are not met except by having deliveries many times a day, and places for obtaining stamps and mailing letters at every one or two hundred yards. The relative postal wants of the residents of different city and country districts, and the extent to which those wants are met, in this country and in Great Britain, may be seen by the figures representing the average number of letters written by each person in a year, in the various localities. The figures relating to the annual correspondence in this country are in whole numbers and decimals.

## CORRESPONDENCE IN THE UNITED STATES.

<i>Different Localities.</i>	<i>Letters per person, annually.</i>
Country districts at the South,.....	1.6
Country districts at the North,.....	3.5
Country districts throughout the Union,.....	2.8
All of the Southern States,.....	2.9
All of the Northern States,.....	6.1
Throughout the United States,.....	4.9
City of New Orleans,.....	19.7
City of Cincinnati,.....	21.2
City of New York,.....	80.0
City of Boston,.....	40.8

These figures are not supposed to be exact, but they are a very near approximation to the precise number, arrived at by a close calculation, based on the relative population and postal income. The following statement exhibits the annual correspondence per person—in whole numbers—in different localities in Great Britain :

## CORRESPONDENCE IN GREAT BRITAIN.

<i>Different Localities.</i>	<i>Letters per person, annually.</i>
Country districts of the Kingdom,.....	8
Throughout the Kingdom,.....	17
England alone,.....	23
Average in cities,.....	45
In London,.....	48
In Manchester,.....	57

These results are very different from what we see in this country. They all go to establish one clear, indisputable fact. They prove, beyond question, that the people of cities write from five to twenty times as many letters as the residents of country districts. And as we know that a very large portion of the inhabitants of cities and towns are minors, paupers, vagrants and ignorant persons, it is clear that the adult male business population have occasion to write from a hundred to a thousand letters each, per annum. We know from the habits and wants of the population in rural districts that the adult persons who are engaged in agricultural and mechanical pursuits do not usually carry on one-fortieth part as much correspondence as the mercantile classes in cities. Bearing these facts in mind, and remembering that there are from six to twelve deliveries a day in all parts of London, with over five hundred receiving houses and letter pillars where letters can be mailed—averaging one for every second block or square throughout the city—bearing these facts in mind, we need not be surprised at the widely different results in that country and this, as conveyed in the following authentic figures :

## ANNUAL NUMBER OF LETTERS IN DIFFERENT LOCALITIES.

<i>Date.</i>	<i>London Local Letters.</i>	<i>London Mail Letters.</i>	<i>Total London Letters.</i>	<i>Total in the United States.</i>	<i>Total in Great Britain.</i>
1847,....	34,630,817	43,757,540	78,388,357	47,585,757	322,146,243
1848,....	33,672,747	45,991,153	79,663,900	52,364,819	328,830,184
1849,....	33,960,398	45,845,683	79,806,081	60,159,862	337,399,199
1850,....	33,887,844	44,856,170	88,744,014	69,426,452	347,069,071
1851,....	40,585,952	47,819,499	88,405,451	83,252,735	360,647,187
1852,....	40,403,207	51,171,423	91,574,630	95,790,524	379,501,499
1853,....	42,816,314	54,402,023	97,218,337	102,139,148	410,817,489
1854,....	46,191,569	57,186,159	103,377,728	119,634,418	443,649,301
1855,....	45,844,963	59,647,549	105,492,512	126,723,425	456,216,176
1856,....	47,894,708	64,961,321	112,856,029	131,450,409	478,393,803
Total..	404,885,519	515,638,520	920,527,039	888,527,549	3,864,670,152

We see by the above, that the people of London alone (less than two and a half millions) have written and sent through the post more

letters, in the last ten years, than all the people in the United States, while the population of Great Britain—about the same as in the United States—have written almost five times as many as the people of this country. We must seek for a solution of this in the far greater postal facilities in the United Kingdom, particularly in cities, than in this country. See the gigantic results of a good local post in London. There are almost one-half as many letters written and mailed in London, for distribution in the city—(local letters, see first column in the preceding table)—as are written in a year by all the people in America! Could we get at the results of our local distribution of letters, we should find that the number of letters written in our cities, and distributed by the government post in the place where written—“drop letters,” as we very appropriately call them—we should find that they were only about one-fortieth or one-fiftieth part as many as in the cities of Great Britain. In other words, the active business population of our cities write about as many letters to go through the mails to a distance, as the same population do of that class of letters in cities in England; but of local letters, for distribution in the city where they are written, only about one-fortieth part as many.

It is just as easy to show that the local correspondence of cities is as much more profitable to the Post Office than correspondence that is conveyed hundreds of miles, as it is to demonstrate that the correspondence of cities is of more importance and of greater amount than the correspondence of rural districts. The whole secret of accommodating the people with a good CITY POST, and making it profitable at the same time, consists in having our means adapted to our wants. The mails are sent over the routes between New York and Boston three times a day, twice a day from New York to Washington, once a day from Charleston to New Orleans, once a week between some small country villages, once a fortnight from New York to San Francisco, and once a month from Missouri to Great Salt Lake City. By the very same rule, and for the same reasons, there should be a local distribution of letters in large cities like New York, Boston and Philadelphia, from six to twelve times a day. The great bugbear that frightens our law-makers and administrative officers, is the so-called “free letter delivery” in towns and cities. The very term “free letter delivery,” as applied to the local distribution of letters in English cities—as we stated in our last article—is a misnomer. It does not exist, nor is it asked for in this country. The local distribution of letters in the cities and towns of Great Britain amounts to just this: One uniform rate of postage is fixed on all single letters—local and otherwise—without regard to distance, and this postage—one penny sterling—pays for transporting the letter to the end of the route; and this, in cities and towns, means to the door of the person addressed. It unquestionably costs a shade less to circulate and deliver letters in a city—those that are mailed there for delivery—than it does to transport them hundreds of miles, and then deliver them. The actual result is this: the large number of local letters in cities, at the postage of one penny for each, pays all the expense of collection and delivery—wages of receivers, mail-men and letter carriers—while these persons collect and deliver all letters that are to go and that come from out

of town, without any extra charge, and then the profit on these local letters alone—admitting that the letters from a distance are delivered “free”—is very large. The following table, made up from the official report of the year 1854, needs no explanation :

LOCAL CORRESPONDENCE IN CERTAIN CITIES IN GREAT BRITAIN, WITH THE EXPENSE OF COLLECTION AND DELIVERY.

<i>Cities.</i>	<i>Number of Letters in the Mails.</i>	<i>Local Circulation or Drop Letters.</i>	<i>Gross Revenue from Local Circulation.</i>	<i>Wages of Letter Carriers and Receivers.</i>	<i>Net Profit on Local Circulation.</i>
London,.....	57,186,159	46,191,569	\$1,385,747	\$761,510	\$624,037
Liverpool,.....	9,145,802	7,390,042	221,701	27,035	194,666
Manchester,.....	10,088,556	8,149,560	244,487	38,225	206,262
Dublin,.....	6,592,834	5,329,134	159,874	38,940	120,934
Edinburgh,.....	4,208,094	3,401,670	102,050	20,060	81,990
Bristol,.....	4,384,416	3,543,816	106,314	15,855	90,459
Total,.....	91,605,861	74,005,791	\$2,220,173	\$701,825	\$1,518,348

The total number of letter receivers and letter carriers in the United Kingdom, in 1854, with the gross amount of their salaries, was as follows :

	<i>Number.</i>	<i>Salaries.</i>
Letter receivers in the Kingdom,.....	4,280	\$236,742
Letter carriers in cities and towns,.....	4,395	804,675
Letter carriers in rural districts,.....	4,326	601,420
Total, carriers and receivers,.....	13,000	\$1,642,877

Looking at the results in the two tables given above, we find that the money received for postage on the local letters, in six cities only, amounted to a larger sum than the entire cost of letter carriers and letter receivers throughout the united Kingdom of Great Britain and Ireland! And we may mention, in this connection, that the rural letter carriers penetrate all the country districts of Great Britain, the carriers in their walks going from three to six miles from every village Post Office, at least once a day. Really, the “free letter delivery” of Great Britain is a most expensive (*i. e.*, profitable) piece of machinery!

The gigantic results shown in the English Post Office are due to three or four simple principles. There is one uniform rate of postage on all single letters—those weighing not to exceed half an ounce—and this same rate also pays the postage on all parcels of printed matter—done up in packages open at the ends—so that with one kind of stamp the citizen pre-pays more than nineteen-twentieths of all the packages he puts in the Post Office. There is in every city and village a letter delivery by carriers, from two to twelve times a day, with convenient places at every one or two hundred yards, for posting letters and parcels. There is a system of remitting money by mail, through money orders or drafts, for small sums, between all the principal Post Offices; and the money order business, like the uniform postage, is based on so simple and economical a system, and is carried on with such satisfactory results, that there is combined the greatest convenience and smallest cost to the

citizen, and the largest economy of management to the Post Office officials.

It is useless to say that the business of collecting and distributing letters in a city in Europe is any different process, and involves any different principles, from that of distributing letters here; for it is not true. And certainly, so far as correspondence is concerned, our social and commercial wants are like those of the residents of London, Manchester, Paris and Berlin. Could we get at the amount of letter distribution done by private parties in our large cities, it would be found that there is a far greater correspondence carried on outside of, than through the post. And yet there is no regularity, uniformity, safety or system, and with all the multifarious appliances, we are wretchedly served, as every one knows. Philadelphia has reported through the government Post Office a less correspondence—or at least a smaller postal revenue—in proportion to population, than any other large city in America. There a private individual carries on a very profitable and extensive system of city letter distribution. A few weeks since the papers of that city gave full details of a large number of letters being found in an old house where they had been secreted for years, by one of this private postman's letter carriers, after he had stolen the postage money or stamps. In New York a large operator in the private postal line is a notorious drunkard, and a few years since the proprietor of one of these private Post Offices in Broadway was arrested for secreting, suppressing or stealing several thousand circulars handed him for distribution by one party. His depredations did not make him liable to the penalties awarded for robbing the mail. The fact is, and it cannot be disguised, that our Post Office, being an exclusive government function, for long distances, and allowing private parties to carry it on for short distances—in cities—is all a farce. We either want an efficient uniform government Post Office over the entire country, or it should be abolished altogether, or thrown open to private parties. Look at the financial folly of its entire operation. We make the Post Office perform nearly three million dollars worth of labor for the government, and appropriate for the same, out of the treasury, less than a quarter of that sum, and then the government allows private parties to step in and set up a post in the very localities where a good postal establishment is most needed, and where it can be made the most profitable. We seem not to know that the candle is burning at both ends, and we wonder that it is consumed. With any thing like a critical examination of our postal establishment, and to a person of any sagacity, it is clearly evident that in the localities where a post is most needed—large cities—and where it would pay the best, there our post is most notoriously inefficient. The postal establishment labors under the following prominent disadvantages:

*First.*—It performs a large amount of service for the government without adequate compensation.

*Second.*—There is not a uniform rate of postage, and the labor and expense of conducting the postal business is thereby greatly increased.

*Third.*—The correspondence of the country has never been stimulated and increased by low and uniform postage and the best postal facilities.

*Fourth*—Our local correspondence, in cities—the most profitable business of the postal establishment, when on a correct basis—labors under every disadvantage, being the cause, and justly, of constant complaint on the part of the citizens.

*Fifth*.—In all the large cities, in consequence of the irregularity, uncertainty and inconveniences of the National Post Office, private posts carry off a large share of the business.

If the above premises are correct, the remedies are neither hard to find or difficult to carry out. Find the amount of matter that is sent "free" by government departments, officers and members of Congress, and have a sum paid or appropriated from some quarter sufficient to meet it. Then make one rate of postage, so low that it will not be exorbitant for single letters and the smallest packages for the shortest distances, and let this rate pay as many descriptions and sizes of written and printed packets as possible. Abolish all private posts in cities, and make a government post that is adequate to the wants of the citizens. It may be safely promised that a convenient, reliable, economical, punctual and rapid distribution of letters in our cities will meet with all that encouragement and that extensive use that attends a good post in European cities. Send all letters and printed packages—perhaps up to a certain amount, say four or eight postages in one parcel, as is done in Great Britain—whether they are pre-paid or not, and if not pre-paid, charge double postage. Make a money-order system for remitting money in sums not exceeding twenty or twenty-five dollars; at first between all the larger offices, extending it as it becomes known and understood. Return all "dead" and refused letters to the writers, and enforce the payment of such postages as have not been pre-paid.

The question of the most profitable rate or rates of postage may be discussed and examined for years, and we are forced to one conclusion; and that is, that there is no convenient, economical or just system without UNIFORMITY. The truth is, several of our rates of postage are too low, not allowing a fair compensation, and others are too high. Our rate of one cent for drop letters or local letters, one cent for printed circulars, and one cent for transient newspapers, are all too low. They are not compensating; and if raised to two cents, the charge would not be considered high, provided all letters of half an ounce weight, and printed packages up to four ounces, could be sent any and every distance for the same sum. Let us imagine a two cent rate of postage, with a two cent postage stamp, and a total abolition of all of the one cent rates and stamps, and the three cent rates and stamps. This is what we propose to do, and pay with the two cent stamp. It should be the minimum; nothing—we are not here speaking of newspapers or periodicals paid quarterly or by the year—that is, no letter or transient package should be mailed or sent the shortest distance for less than this sum. We would pay with this two cent stamp our city or drop letters—and that should include delivery by a carrier, as carriers should work for salaries, and deliver every thing in cities without extra charge—our letters for all distances in the United States, all circulars, and all packages of printed matter, up to four ounces in weight, that are done up open at the ends. Is it

not reasonable to suppose that there would be a sufficient increase in letters for city circulation, and to go to a distance, along with the increase of price of postage on drop letters, on printed circulars, and on transient newspapers, to make up for the loss on the three cent letters, and the few letters that now pay ten cents? And we must bear in mind that one of the greatest arguments for a uniform rate of postage is the simplicity, economy and cheapness that it effects in carrying on the postal business. Twice the number of workers, with a change to a uniform rate, will suffice for an increase of letters six-fold. We gave the exact official figures in our last number, (page 345, Nov. No.,) showing that the mere handling, sorting, distribution and delivery of letters (all expenses except transportation) in Great Britain, amounted to thirty dollars for each thousand letters, when there were several rates; and but seven dollars—less than one-fourth what it cost formerly—with a uniform postage. **UNIFORMITY** of postage is the sheet anchor of the British, as it is of every other postal system where it has been tried.

Now, let us ask, if we are to have a uniform rate, if that rate can be made as high as three cents, with any chance of success? It could not and would not do for local city letters, for circulars or transient newspapers. One great and prominent reason why the citizen should be made to pay—and would pay willingly—two cents for a city letter, two cents for a circular, and two cents for a transient paper, is because he could have his letter transported any distance in the country for that money, and because it would be part of a system of uniformity, that would conduce so much to the simplicity and economy of labor within the Post Offices, and so largely to the convenience of the people in mailing their documents.

Suppose we look for a moment at a plan for two rates. Suppose city (or local) letters were two cents, and letters for a distance three or four cents. What a vast amount of labor and inconvenience in the work of rating and sorting in the Post Office, and how perplexing to the citizen! To the writer of these pages it appears perfectly certain, that the uniform rate of two cents on all the matter mentioned above would furnish, within one year, as large an income to the Post Office as there is now; and all the convenience and economy of money and labor, to citizens and postal officers, would be clear gain. If the citizens paid as much money, in the gross, as formerly, they would get more for their money.

Let any one figure it up, and if he comes to a different conclusion, we will ask him where the right or justice exists in government to lay a special tax on the correspondence in cities, towns and thickly-settled States, in order to obtain money to defray the expenses of transporting the mails into the wilderness and to the thinly-settled frontier. The number of letters, the postal revenue and the expenses, in each State, will be seen in the following table. There are, also, columns representing the revenue and the number of letters for each thousand persons in each State, a column showing the proportion of expenses that is taken up in receipts, and a column showing the amount of postal revenue that would come from each State, in all, if government paid postage at the rate the citizen pays—being \$2,500,000 a year for the “franked” matter.

## POSTAL STATISTICS OF THE DIFFERENT STATES.

State.	Postal Revenue, 1856.	Rev. per 1,000 persons.	Number of Letters, 1856.	Letters per 1,000, 1856.	Postal Expenses, 1856.	Proportion of Exp. to Rec'ts.	Postal Revenue, with Gov. Postage added.	Proportion of Exp's to Rec'ts.	Cost per Letter.
Massachusetts..	\$557,659	\$492	11,862,071	10,028	\$385,969	69	\$769,290	50	1 5
Connecticut,...	190,924	476	3,589,997	3,700	175,181	92	268,390	66	2 0
New York,....	1,436,100	411	29,259,948	8,432	1,087,816	72	1,961,100	52	1 6
California,....	265,019	791	2,769,354	8,266	268,714	101	365,514	74	4 3
Rhode Island,.	62,543	875	1,274,287	7,680	39,544	63	66,277	46	1 4
Iowa,.....	117,415	850	2,392,238	7,141	153,313	181	161,978	95	2 9
N. Hampshire,	100,000	308	2,037,459	6,269	99,948	100	187,950	72	2 2
Michigan,.....	156,183	307	3,182,164	6,252	232,637	249	215,464	108	3 2
Vermont,.....	96,689	297	1,968,950	6,068	117,331	123	138,314	89	2 7
Wisconsin,....	149,676	271	8,049,596	5,525	170,369	114	204,478	82	3 5
Illinois,.....	333,820	268	6,797,370	5,463	568,337	166	460,359	120	3 6
Maine,.....	152,710	245	3,111,403	4,987	170,745	119	210,664	81	2 4
Pennsylvania,.	591,220	232	12,045,868	4,737	523,796	69	615,588	64	1 9
Ohio,.....	451,707	204	9,303,343	4,154	610,995	151	622,159	108	3 2
New Jersey,...	107,738	189	2,925,117	3,652	133,336	123	143,624	89	2 7
Indiana,.....	171,410	149	3,492,409	3,037	308,972	177	284,482	129	3 9
Pacific Ter's,.	14,046	142	140,312	3,551	88,175	272	19,376	196	5 9
Other Ter's,...	32,379	369	671,933	8,310	112,265	840	45,495	247	7 4
Total, North,.	\$4,937,588	309	98,350,374	6,124	\$5,136,658	104	\$6,380,277	75	2 3
Dist. Colum.,.	43,731	741	591,000	15,101	88,161	87	60,296	68	1 9
Maryland,....	187,104	292	3,312,166	5,956	268,471	141	268,109	102	3 1
Louisiana,....	163,579	273	3,332,354	5,555	371,411	227	225,657	165	5 0
Delaware,....	19,648	308	400,320	4,127	19,477	100	27,108	72	2 2
Florida,.....	20,058	181	408,374	3,681	105,566	237	27,670	332	11 5
Missouri,....	141,765	168	2,883,406	3,434	237,373	202	195,565	147	4 4
Georgia,.....	140,070	150	2,353,368	3,052	326,406	233	192,226	169	5 1
Virginia,....	213,090	144	4,443,494	2,998	413,998	190	300,955	137	4 1
Texas,.....	68,003	186	1,365,374	2,771	251,533	370	98,312	263	8 0
Alabama,....	109,225	181	2,225,414	2,665	324,368	297	150,675	216	6 5
S. Carolina,...	91,503	180	1,670,449	2,649	270,437	294	126,642	214	6 4
Kentucky,....	121,308	111	2,471,601	2,274	224,422	185	167,343	134	4 0
Mississippi,...	74,444	111	1,516,765	2,257	248,708	384	102,703	242	7 3
Arkansas,....	27,832	110	567,066	2,240	234,177	342	33,394	610	18 3
Tennessee,...	101,465	93	2,067,716	1,593	193,103	195	139,998	141	4 2
N. Carolina,...	71,337	78	1,464,663	1,539	206,063	237	99,163	203	6 4
Total, South,.	\$1,556,308	144	31,709,035	2,285	\$3,746,313	241	\$2,146,919	174	5 2
Grand total,...	6,587,892	244	131,450,409	4,375	8,971,132	136	9,087,692	99	3 0

By distributing \$2,500,000—the supposed cost of transporting the “franked” matter for government, instead of \$700,000, the sum now paid—among the different States, in the proportions of their present postal revenue, the revenue of each State would then be, as seen in the last column but two. In the column of postal expenses, the complete amount of expenses is not quite all stated, but all is given that is set down under the head of each State, in the official Report of the Department. If the entire sum were given, it would not alter this comparative statement, or much affect the general result. We see by this—the last column but one—that only 50 per cent. of the postal revenue



of Massachusetts is used in expenses for that State, 52 per cent. in New York, and so on with the old, the thickly-settled, and the commercial States, while in Texas, \$268 is expended for every \$100 received, and in Arkansas \$610 to \$100 of revenue. The sums here given as the expenses of each State are not supposed to be the exact amounts required for all the postal expenses within the State—as sometimes a mail route runs through several States, and the expenses of mail transportation over it all falls on or is set down to the State where the route commences. But as these routes generally commence at the east or north, and run west or southwest, the largest show of expenses is made in the States farthest east. We do not claim as a literal fact that the entire expense of each letter mailed in the State of Massachusetts—see last column of table—amounts, on the average, to one cent five mills, and those in Arkansas to just eighteen cents three mills; but it is a fact, that when the amount of correspondence, the postal revenue and the postal expenses of each and every State are all fairly considered, the proportion of money received in postage in each State is, to each letter mailed in that State, as here given. We know that letters starting in New York sometimes go to Arkansas, Texas, Florida or New Mexico, and we do not claim that the exact proportion of money due on each letter mailed in each State can be clearly adjusted, and should be charged to each citizen residing in the State. But—and here lies one great argument for a *UNIFORM* and a *LOW* rate of postage—we do know, by the preceding authentic figures, that the expense of transporting and distributing letters differs very widely in each State; and the general rule is, that the newer, the more sparsely-settled and the less commercial the State, the larger the proportion of expenses to receipts. To illustrate this in a very striking light, let us compare the postal expenses and receipts, and the amount of correspondence in the two States of New York and Massachusetts, with the amount in all of the Southern States and the region west of the Mississippi River. They stand as follows:

<i>Localities.</i>	<i>Number of Letters.</i>	<i>Postal Revenue.</i>	<i>Postal Expenses.</i>
New York and Massachusetts,.....	40,622,014	\$2,750,390	\$1,423,305
Southern States, and west of Mississippi River,.....	37,689,417	2,739,277	4,318,780

While the amount of correspondence, and the postal revenue in New York and Massachusetts, exceed all south of the Potomac and Ohio, and west of the Mississippi, the expenses are less than one-third. Again, let us divide the Union into three sections, calling them the Northeast, the Middle and the Southwestern sections, and see the comparative amount of revenue, expenses, letters, cost per 10,000 letters, and per single letter. The Northeast section comprises New England, New York, New Jersey and Pennsylvania; the Middle section, from Delaware to the southern boundary of Virginia and Tennessee, and west to the Mississippi, including, also, Missouri and California; the Southwest section includes the balance, the Gulf States, the Territories, Iowa, Arkansas and Texas. This is the record:

<i>Sections of the Union.</i>	<i>Postal Revenue.</i>	<i>Number of Letters.</i>	<i>Postal Expenses.</i>	<i>Cost per 10,000 Letters.</i>	<i>Single Letter.</i>
Northeast section,	3,295,533	67,145,120	\$2,682,681.	\$400	1c. 8m.
Middle section,....	2,478,161	47,861,212	3,798,537	794	3c. 3m.
Southwest section,	813,928	16,444,077	2,489,914	1,514	6c. 7m.
First two,.....	5,773,694	115,006,332	6,481,218	564	2c. 4m.
Last two,.....	3,292,089	64,805,289	6,288,451	978	4c. 1m.
Grand total,....	6,587,822	131,450,409	8,971,132	682	3c. 0m.

From these facts we see and know that the expense of transporting and distributing letters is not in proportion to the distance they are carried. We see that all of the letters circulated from Maine, on the east, to Tennessee and Missouri, throughout our northeastern and middle sections, involve an average expense—transportation and every thing included—of two cents four mills a letter. It costs more to send and take care of a letter that goes fifty or a hundred miles in Florida, Arkansas or Texas, than it does to take one from Portland, Maine, to Memphis, from Boston to St. Louis, or from New York to New Orleans.

Now our Southern brethren will do us the credit to believe that we propose nothing sectional, nothing narrow and nothing partial. Every single fact, figure and circumstance goes to prove, beyond all cavil, that correspondence is carried on to a far greater extent in the thickly-settled social and commercial districts of the North and East, than at the South and West. The people in these districts write the largest share of the letters, and pay by far the largest share of the postage, while with them postal expenses are comparatively light. Were there two nations placed in the relative positions of New York and New England on the one hand, and Mississippi, Louisiana and the States of the South and Southwest on the other, the one could have a self-supporting mail system, at a uniform rate of postage, not to exceed one-quarter what would be required in the other. In the State of New York alone are written, annually, 29,259,943 letters, while in all of the States south of the Potomac and Ohio Rivers, Missouri, Arkansas and Texas included, the number is but 31,709,035. The city of New York alone contributes one-tenth of the postal revenue of the nation, and writes one-tenth of the letters, being a larger proportion than is contributed by every State that borders on the Gulf of Mexico.

These are facts, and they are not held up as a reproach, but to illustrate the financial condition of our postal system, and to show that a good, an active, and an economical postal establishment is of vast importance in large towns, cities and thickly-settled and commercial districts. The people in those localities where many letters are written, where correspondence is the life-blood of the commercial and social system, feel that they have a right to ask that a postal system shall be adapted to the wants of those on whom its support principally falls. We, as a people residing in cities and thickly-settled States ask for not one single privilege or one charge for service that is not to be accorded to the lonely settler of New Mexico, or the planter of Texas, under the same circumstances, but we do ask for a uniform rate of letter postage of just two cents for all distances; and the facts given in this article—and they challenge examination for their general correctness—these facts clearly prove, beyond a doubt, that this rate will be ample to defray the expenses of all,

except, perhaps, in some forest frontiers or thinly-settled regions; and there, any extra expense—if there is any—should fall on the entire treasury of the nation, instead of being levied as a partial, a special and an unjust tax on the industrious active classes, who make extensive use of the Post Office. This direct appeal is made with a knowledge of the fact, that the opposition to low and uniform rates of postage comes almost invariably from the statesmen of the South and Southwest. We make it, on the ground that it is due to the commercial, social and intellectual necessities of the great mass of the people. We make it, because we firmly believe that it would conduce to the greater convenience, economy and profit of the postal establishment. We demand it on the ground of equal and exact justice.

We want and need a convenient number of receiving-houses and letter pillars in our cities, after the plan of the distribution system in England. These "receiving-houses" do not require to be Sub-Post Offices, or offices for the delivery of letters, but only for the reception of letters and the sale of stamps. Under these circumstances, a very small salary, and a small commission on the sale of stamps, is sufficient to compensate the receiver.

The rights of the citizen are not attended to in this country, in the management of "dead letters." In this case we have only to look at the satisfactory and just method adopted in Great Britain. There there is no "Dead Letter Office," but there is a "Returned Letter Office." Letters are not reported "dead" except they are anonymous, or when, from other circumstances, the owner cannot be found. There, with the great bulk of the letters, a rapid and secure method of returning "miscarried" letters to the writers is adopted, by means of which every letter is returned on the very day it arrives at the Returned Letter Office. It is done so expeditiously, that a clerk returns 200 per day, and 1,200 in a week. At this rate all of our "dead letters" could be returned, at a cost to the nation of less than one hundred thousand dollars. With a system of letter delivery in cities and towns, the refused or miscarried letters could usually be sent to the department and returned to the writers, in from one to three weeks of the date of mailing. In England, letters that miscarry usually get back to the writers within a week of the date of mailing. Oftentimes these dead or miscarried letters would be of great advantage to the writer, particularly in informing him that his letter had not reached its destination. On the face of it would be written, usually—as is practiced in England—the cause of its non-delivery.

The great complaint is not, that three cents is an exorbitant sum to pay for a letter to go hundreds of miles, but there certainly is no convenient, economical or just method of carrying on postal affairs, except through the medium of one uniform rate, and there is no use of talking of three cents for that uniform sum. The sum of two cents is a medium, a compromise between one cent for various articles and packets, as now charged, and the three cent rate. It could not, by any possibility, bring much less than our present postal revenue. We once had a charge on letters by the sheet, instead of by weight, and we still have the same absurdity running all through our rates for printed matter.

It would require several pages of this magazine to exhibit the multifarious charges, the complicated system, and the gross absurdity of

our various rates of postage on printed matter. Suffice it to say, that from a single newspaper sheet up to a book packet, the size of Webster's Dictionary, there are over seven hundred distinct, separate, regular rates, besides what are entailed by special charges on each sheet or article, when there are several in one parcel. There is no hazard in saying that our rates of postage on letters or printed matter are not levied with any regard whatever to the convenience of the citizen or economy of labor in the Post Office. Where is the use of having a separate charge for every half ounce, instead of two full postages for each ounce beyond the first? Where is the common sense in levying a separate rate on each separate ounce a printed package weighs, besides entailing a still more complicated and perplexing system by charging different sums for different distances, and still other and separate rates for different species of printed documents? What can be more convenient than to have a single letter postage stamp (two cents) pay for each and every printed package that weighs not to exceed four ounces, without regard to the quality or sort of its contents, the distance it has to travel or the number of pieces it contains? Then, a package that weighs from four to eight ounces would be four cents, and beyond that four cents for each half pound, or fraction of a half pound; and beyond the first two pounds, eight cents a pound. That would make an average charge of about ten or eleven cents a pound, being about the same as we pay now, and do away with a complicated and absurd system, that is so intricate that not one clerk in a Post Office out of three, and not one citizen in ten knows, or can tell our rates of postage on printed matter. The single letter postage—two cents—for printed packages up to four ounces, cannot be thought too low, when it is considered that a great majority of these packages will be either a single newspaper, circular, handbill or small pamphlet, that will not average over an ounce and a half. We propose to abolish the one cent postage altogether. The fact that we have a three cent piece, and have not one of two cents, is no argument for a greater convenience in a three cent rate, for a person can certainly pay a single two cent postage with a three cent piece, even if he loses the odd penny, and in almost all cases it will be done by purchasing stamps, five for a dime, twenty-five for fifty cents, fifty for a dollar or two hundred and fifty—one sheet—for five dollars. Another great advantage there will be, in the greater convenience of reckoning postage on large packages. Three is a bad multiple, while two and four are both good ones. A large package of printed matter will have a charge of just four cents for each half pound, eight for each pound, beyond the first two, and eight also for the last fraction of a pound. If a letter weighs over half an ounce, and not over an ounce, it will be two postages—four cents—and if over one ounce and less than two ounces, it will be four postages—eight cents—as no notice should be taken of half ounces beyond the first ounce.

Any person who will give it an examination will see that we have, at this time, a most troublesome, perplexing and absurd system of rates, and it must, we think, be quite as clear, that in a financial and economical point of view, our proposed scale of rates is satisfactory, simple, economical and adapted to our wants. All of which is respectfully submitted.

## FINANCES OF FLORIDA.

## I. BANKS. II. REPUDIATION OF FUNDED DEBT.

THE Union Bank of Florida was chartered by the territorial legislature 12th February, 1833, with an authorized capital of \$3,000,000. To supply this capital the legislature authorized the issue of territorial bonds to the extent of three millions of dollars. These bonds were issued, and afterwards negotiated by Messrs. Charles Fenton Mercer and — Gamble, in London. \$400,000 additional bonds were authorized in behalf of the Southern Life Insurance and Trust Company, which had a capital paid in, January, 1838, of \$500,000. The governor was also authorized to endorse the bonds of the Bank of Pensacola, chartered December, 1835, to the amount of \$500,000, making an aggregate indebtedness of the territory, \$3,900,000, viz :

Bonds to the Union Bank, (redeemable in 1862, 1864, 1866 and 1868,) . . . . .	\$3,000,000
Bonds to the Southern Life Insurance and Trust Co.,	400,000
Endorsement of the bonds issued by the Bank of Pensacola, . . . . .	500,000
	<hr/>
	\$3,900,000

Florida and Iowa were both admitted as States of the Union by act of Congress, passed March 3, 1845. The constitution of Iowa, adopted at the same time, provides that no officer in a banking company shall be eligible for the office of Governor, Senator or Representative, while he serves in the bank, or for twelve months afterwards. No act of incorporation shall be passed or altered except by the assent of two-thirds of each House, and by giving three months' notice. No bank charter shall be for more than twenty years, nor shall it ever be extended or renewed. The capital of a bank shall not exceed \$100,000, nor shall a dividend be made exceeding ten per cent. a year. Stockholders shall be individually liable for the debts of the bank, and no notes shall be issued for less than \$5. The credit of the State shall not be pledged in aid of any corporation whatever.

Since the adoption of the constitution in 1845, no bank has been chartered by the State legislature, and no provision has been made for the above mentioned debt, or the annual interest thereon.

## THE FLORIDA TERRITORIAL DEBT.

The following memorial was presented in both Houses of Congress at the session of 1846-7 :

*To the Honorable the Senate and House of Representatives of the United States in Congress assembled :*

The undersigned, in behalf of Messrs. Hope & Co., of Amsterdam, and other holders of \$250,000 of bonds of the Bank of Pensacola, bear-

ing the endorsement to bearer, of the territory of Florida, begs respectfully to state, that under date of the 24th June, 1842, he had the honor of addressing to your honorable bodies a memorial, a copy of which, with the documents accompanying it, are hereto annexed. That a reference to said memorial and documents will show—

1st. That the charter of the Bank of Pensacola, approved 14th of February, 1835, received the sanction of Congress, by not having been disapproved, as provided by law, at its ensuing session.

2d. That the \$500,000 of bonds issued by the Bank of Pensacola, by virtue of its charter, received the endorsement to bearer of the governor of the territory, an officer and agent of the Federal government, on the 2d December, 1835, and that the issue of bonds also received the tacit approbation of Congress, by not having been disapproved at its ensuing session.

3d. That on the 10th of February, 1838, the governor of the territory of Florida approved an act, which also finds itself tacitly sanctioned by Congress, relieving the stockholders of the Bank of Pensacola of all personal responsibility.

4th. That the public documents in the archives of Congress for 1840 show that so far back as November, 1839, the rail irons and other property of the Bank of Pensacola, hypothecated to the territory for her endorsement to bearer of the above \$500,000, have been suffered to be shipped to New York, or sold to the Alabama and Montgomery Railroad Company; that these acts, not having been disapproved by the governor of the territory and Congress, remained tacitly sanctioned by them.

5th. That the coupons of interest on said bonds have not been paid since the 1st of January, 1840.

That said memorial and documents were then referred by the House of Representatives to its Committee on Foreign Affairs. That said committee not having made a report, the said memorial and documents were taken up from the unfinished business of the House on the opening of the following session of Congress, and again referred by the House to the same Committee on Foreign Affairs, *and have* there since remained without being reported upon. That resolutions of repudiation have been passed by the territorial legislature of Florida, and have not been disapproved by Congress. That the territory of Florida has since become a State. That its constitution has been approved by Congress, and that said constitution denies to the legislature *the power of laying any tax for the purpose of paying the bonds which were issued by the territory.* From all which your honorable bodies will perceive that no other alternative is left your memorialists than an appeal to the justice and honor of the nation through their representatives. For by the act of 10th of February, 1838, above cited, the territory of Florida has relieved the stockholders of the bonds of Pensacola of all personal responsibility.

By subsequent resolutions the government of the territory has repudiated the bonds of the Bank of Pensacola, bearing its endorsement.

And, to crown the whole, the territory, in becoming a State, provides, "That the legislature shall not have the power of laying any tax for the

purpose of paying the bonds which were issued by the territory." All which acts appear to have met the approbation of Congress, from the fact of their not having been disapproved, as required by the law creating the government of the territory of Florida. The undersigned trusts that, in view of such an apparent abandonment of all moral obligation, your honorable bodies will adopt such measures as may lead to the relief of your memorialists, who, as in duty bound, will ever pray.

EDM. J. FORSTALL,

For HOPE & Co. and others.

*New Orleans, January 22, 1847.*

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## MONEY, WEIGHTS AND MEASURES.

*On the Origin, the Elements, the Alterations and the Abandonment of the Troy Pound Weight, employed as a Standard in the Coinage and Commerce of Great Britain, her Dependencies, and by the United States.*

Read before the Physical Section, at the annual meeting of the Scientific Association, lately held at Montreal, by J. H. GIBBON, M. D., United States Mint, North Carolina.

"We can on most subjects, especially in physics, sooner discover what is not true, than what is."—*Cicero on the Nature of the Gods.*

About nineteen hundred years ago—fifty-two years before the modern era—Cæsar described the native inhabitants of Britain "to use brass and iron rings for moneys, by certain weight." The same custom prevailed among the Gauls, who had intimate intercourse with Britain, by ships, before the invasion of the Romans. The weights which prevailed in the gold-ring money of the Celts, annually dug up in Ireland, and employed by the Scandinavians along the shores of the Baltic Sea, prove to be multiples of *one* certain ounce or integers of its proportions—the term "unsha," "ounce," being claimed as purely Celtic. In Pagan Ireland a Mint was founded for the manufacture of gold rings and chains, there recognised as current moneys. More recently, an English ambassador wrote from Antwerp: "He had purchased a painting by Reubens with certain links of his gold chain"—the links being of certain fineness and weight, probably stamped by the goldsmiths, the coiners and bankers of the age.

The aborigines of Atlantic Africa still fabricate such ornaments of solid gold, occasionally brought to our Mints. The metal is wrought by hammer into bars of varied shapes, round, square, six and eight sided, cut into massive links, then weighed and twisted into rings. These simple diversities of form *appear* to indicate titles or qualities of fineness, to serve as symbols of distinct values in exchanges, by precisely similar

weights of determinate character. Colored paintings on vases and walls preserved in civilized countries of antiquity near the Mediterranean Sea, depict a custom of weighing gold and silver rings carried by "men of Cush," or Ethiopia. The earliest writing of an ancient people, who employed the same alphabet as the Phœnicians, their neighbors, describe rings or rounded plates of gold, stamped with "images," or molten into moulds as "likenesses of idols," to have served for worship, for ornaments and as money, by certain weight. The reformed law of the same people ordained "exact measures and perfect weights" for the requisitions of trade and the administration of justice—a mutual equipoise between physical and moral truth for comparisons or parallels, accessible to the people.

An old pound weight of geographical significance, named *Easterling*, divided into twelve ounces, was in use among the Anglo-Saxons some centuries before the Norman conquest. The same weight, called the *Tower* and the *Moneyers' pound*, was styled by early French writers the *Roman* and the *Rochelle pound*; also known among the Germans as the *Cologne pound*. A simple system of *exchange*, by which a pound of silver money, in tale, was made to equal a pound in gross weight, had been arranged by Charles the Great, in France, towards the end of the eighth century. In Britain, under the first William of Normandy, an ordinance declared "the weights and measures throughout the kingdom shall remain as our worthy predecessors have established."

An act of Henry the Third, in 1266, explains the primitive initials of these ancient British, Gallic and German standards, to all which one common derivation is imputed. "By consent of the whole realm the measure of the king was made, that is to say, an English penny of silver, called a *sterling*, round and without any clipping, shall weigh thirty-two wheat corns, taken from the middle of the ear. And twenty pence of silver do make one ounce; and twelve ounces of silver do make one pound; and eight pounds of silver do make a gallon of wine; and eight gallons of wine do make a London bushel, which is the eighth part of a quarter." This general arrangement for money weights and measures was that of the Eastern nations, by which Europe had been overrun. The term "*Easterling*" of the Norman French was transmuted on the English tongue, first to "*Easterling*," and finally to "*Sterling*." Another pound weight, also divided into twelve ounces, had been brought from Cairo, in Egypt, to Troyes of Champagne, in France, during the Crusades. Carried into England by foreign goldsmiths, Lombard merchants, possibly from Venice, about the year 1496, it gradually superseded the old *Easterling* weights, and found access into the British Mint by decision of Henry the Eighth.

In 1543 this king began to debase the fineness of the silver coins, and also reduced their standard weight. The British statute of 1266 established two common measures for money weights, dry and wet quantities, with presumed consent of the people and approval by the king, which seem to render "wheat and silver money the two weights of the balance, the natural tests and standards of each other." Unfortunately for such decision, neither wheat corn grains nor silver are *by nature* exact weights suited for a standard, "a rule by which other things may be correctly compared, adjusted and valued." The accredited proportions of these



old measures being accessible, an attempt has been made to test their quantities.

Dr. Elwyn, of Pennsylvania, chairman of a committee "on articles used as food," at the World's Fair, in London, during 1851, reported the whitest bread and finest flour exhibited there by Hecker & Brother, of New York, to be the product of North Carolina wheat. It was decided to prove the standard of the silver penny of our remote ancestry by the approval of English and other contemporaries, in wheat corn grains from "the Old North State of Carolina." Six different growths of last year's (1856) crop, intended for seed and consumption, selected in October from two prominent varieties, the red and the white, choosing grains of average quality but perfect fullness, were antagonized by a pennyweight Troy of the purest silver, specially prepared from solution, for assays of gold. No two samples of thirty-two wheat corn grains were found of the same weight. Of early red—May wheat—from thirty-eight to forty and forty-three corns were required to balance the silver piece, while of white wheat, from twenty-eight to thirty-five and thirty-six grains effected the same purpose, showing a disproportion equal to fifteen wheat grains in the six parcels; that is, from twenty-eight to forty-three corns—a deviation in the value of a silver penny equivalent to nearly one-half the standard weight.

Forty perfect grains of wheat, drawn indiscriminately from a heap, showed twenty-six variations in weight, from .071 to .117 thousandths of a French half gramme—an aggregate disproportion equal to .046 thousandths, by modern gold measure. The irregularity of a wheat grain *unit* for coinage, or any other purpose which requires accuracy of detail, is conclusive. Neither seeds nor grains have been proposed to serve as just measures for perfect comparison, multiplication or division of quantities. Variety, rather than uniformity, distinguishes such natural productions, according to the immutable laws of the original contriver. Scarcely two leaves from the same tree present the same precise profile. Few grains or seeds, from the same ear or pod, agree in weight.

Another curious but well-authenticated truth becomes highly important in this connection of physical law. Perfectly pure silver is nowhere found "native," but is entirely the result of the wit and industry of man, called "art"—"the application of knowledge to practice." Imperfectly refined silver, necessarily of irregular qualities, always so in its natural condition, cannot offer a just rule for the admeasurements of weights in coinage, nor provide a correct standard for the arts or the commerce of social life.

To ascertain the, as yet unknown, quality of the metal in the old British penny, the chief assayers in Philadelphia were addressed to procure information from books of reference or actual assay. The answer decided—

"The ancients intended fine silver and pure gold in their coins, refined them as well as they could, and issued them for fine metal. But the old silver pennies of Britain are now so few and expensive—one in the Mint collection cost seven dollars—we cannot afford to assay them."

As this point was essential for accurate calculations, Mr. Du Bois added,

in a postscript, "Since writing the above, I have assayed a silver penny of William the Conqueror. It gives a fineness of .950 thousandths, and contains gold equal to .009½ thousandths." This trial shows an alloy of some base metal exceeding .040 thousandths (.040½) contained in the silver penny, diminishing its standard, in that degree, from one of perfect purity.

"The Mint Remedy" of the United States, regarded to be a necessary allowance for casual deviations in the quality of silver pieces, cannot exceed .003 thousandths, instead of .040, on each side the standard. It is not now proposed at Mints to have the coins of the highest quality, but the rule or standard of purity ordered by law must be exact, both in fine metal and alloy. By recent proof with wheat corn measure, the weight of the old penny may have varied from five grains in the red to eight grains in the white wheat. The modern "allowance" for variation in quantity is one-fourth or one-half a grain in a coin, approaching the value of the Anglo-Norman penny. The silver penny of old time—the only money except rings known to the native Britons—was at once a coin, a weight and a measure. Its character of purity checked and ruled the values of all moneys, weights and measures represented by or deduced from it. Such values do not depend solely on weight nor solely upon fineness, but on their combined powers, the product of both. The keystone of the so-called "system" of 1266 was conceived to be "*the weight* of the silver penny sterling."

But *defective quality* caused this "keystone" to crumble. The superstructure erected upon such foundation failed, because metallurgical irregularity was *not* checked by metrical exactness. The measures were faulty throughout—"weighed in the balances, they were *both* found wanting." The basis for calculation in this ancient scale being inaccurate, no truth could be elicited by any increase of numbers or quantities in progression. Some of the silver pennies of the early Britons were nearly divided by the impression of a cross, through the middle on the reverse, so they could be broken into half pennies, and again into quarters, called "fourthings" or farthings. This practice of simple division had continued until silver half-pennies and farthings were specially coined by King John, 1185—*first* in Ireland, where his principal Mint was.

A few references to the manners of a distant age may be regarded appropriate in this place. At that time many houses in London were thatched with straw; chimneys were not built; coals had not then been carried to London; wheat flour was not in common use; splints of light wood were more frequently employed than tallow candles. Wine could be had—at the apothecaries' shops—like tea a few years ago in France. Printing was not yet invented in Europe; gardening not known in Great Britain. There were no coaches; ladies wore neither pins nor silk stockings.

During the latter part of the reign of Henry the Third, of England, "a penny" of fine gold was ordered, of the value of twenty pennies of silver. The word "penny" had its derivation from the French "denier," the "denarius" of the Latins. The French title, shortened into "denny" by the Normans, was easily changed on the English tongue to "penny" --at that time a common term for money in general, of whatever metal

it might be. Golden deniers, coined sparingly in France, bearing the figure of a lamb, were called deniers d'agneau, or moutons d'or. During the reigns of the early Norman kings, their rents, though reserved in money, were answered in cattle, corn and other provisions, because money was then scarce among the people. Coins of gold, named "nobles d'or," were first issued from the British Mint by Edward the Third, in 1344; but with so much difficulty that it was thought necessary to order by law "no one should be *obliged* to receive them." Edward the Fourth, in 1461, struck a gold coin of the value of ten shillings, named an "angel," because such an image was represented upon the face of it, with the likeness of a ship on the reverse. Henry the Fourth—1483 to 1509—introduced "the sovereign" or "rose noble" of gold. "The guinea," designed to be of the value of twenty shillings, but requiring subsequent correction, was not ordained till the reign of Charles the Second in England.

In 1377, during the reign of Richard the Second, there existed great complaint of the clipping and exportation of coins, and it was ordained by the officers of the Mint, that "all money should be of *one* weight, and such as is not of due weight, be bought according to its value," and "that gold should pass only by weight." The refining was presumed to be exact and regular, but the moneyers alone possessed this art; the whole secret, craft, mystery and management were in their hands. In some instances, when there existed a *design* to debase the coinage by additions of copper or other alloys, great secrecy was recommended to and practiced by the sovereign. It is part of the modern Mints (or money-houses, as the French correctly name them) to adjust, with accuracy, both the fineness and the weight of each piece of gold and silver coin. The impression should offer an assurance to the public of integrity in both elements of valuation. An economy in the precious metals would obviously result from a general conformity in national Mint practices. One common law, one weight, one measure and one custom, might regulate moneys, however varied their titles or devices. "It is silver, *not* names, that pays debts and purchases commodities."

The ancient British Easterling pound is presumed to have been a heavier weight than the French Troy, for by the original law of 1266, the sterling pound of silver should contain 7,680 wheat corn grains. The modern Troy is reputed to hold but 5,760 grains, a heavy difference in favor of the Easterling of 1,920 grains. The grain weight is regarded by high English authority as "the common *unit* of all weights"—it has been declared "identical among all." The moneys, weights and measures being altered from time to time under successive reigns, by a reduction in the number of grains to a pennyweight, or by change in the character of purity of the metal coined into pennies, such variations in *either* element of valuation necessarily deranged the higher denominations in arithmetical progression, with a graduated disproportion. The coins of Britain were struck with hammer and anvil die until a screw-mill, call "ballancier," invented in France, began to be used in England about the year 1662, when letters were first placed upon the edges of the coins. Decimal arithmetic was introduced into Europe during the reign of Queen Elizabeth in England. Galileo then began

to make his wonderful discoveries with the telescope at Florence—the continent of America and the islands being settled and planted by various emigrations from what were called “The Older Countries.” Among the earliest traces of legislation for the American Continent were certain acts of Parliament, declaring the assize of London and the standard of the English exchequer to be the only prototypes of weights and measures for the British Colonies.

New standards, made in exact conformity to the rule prescribed in 1266, were ordered for the colonies of North America, in the latter part of the reign of Queen Elizabeth. The people and parliament, in their addresses to this royal lady, always mentioned “the reformation of the coinage” as one of the principal merits of her reign. It is recorded as such in the epitaph upon her tomb.\* With a supposition that the laws of physical nature operate uniformly, that the motions of the heavenly bodies, of which the earth is one, are governed by fixed rules, applicable to all matter—the *unit* of measure in Great Britain was again decided, during the reign of George the First, while Sir Isaac Newton was Master of the Mint, by ascertaining the length of a pendulum line, vibrating seconds of mean time, in the latitude of London, at the level of the sea, in a vacuum. To this measure, a rule was applied and subdivided, to form the imperial standard yard of Great Britain and her dependencies, which was carefully deposited in the custody of the Commons’ House of Parliament. Such is the elementary measure from which modern English weights and measures have been most recently deduced, by reference to a certain cubical weight of distilled water at a stated temperature.

After the peace of 1816—another era in British coinage—the House of Commons addressed the Prince Regent upon the subject of “A Standard Measure in its possession.” In 1821 a committee of the Royal Society, to whom the matter had been referred, proposed, and it was so decided, by act of George IV., in 1824: *First*. That the Parliamentary standard yard, made by Bird in 1760, be henceforth the legal standard of the English empire. *Second*. That the Parliamentary standard Troy pound weight, made in 1758, continue unaltered. *Third*. That seven thousand grains be *declared* to constitute the pound weight Avoirdupois, now called the British Imperial pound.

By act of Congress of the United States, in 1828, “the brass Troy pound weight, procured by the Minister of the United States at London in the year 1827, for the use of the Mint, shall be *the standard* of the Mint of the United States, conformably to which the coinage thereof shall be regulated.” Yet we possess *three several standing weights for coinage accounts, each one derived from a distinct unitary measure taken from as many different nations*. *First*. We have a Troy standard for *quantities*, from Britain. *Second*. A metrical standard for *qualities* from

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\* Queen Elizabeth ordered the ounce of silver, in England, to be cut into sixty pennies, so that the penny, forming the twentieth of an ounce, thenceforth became the sixtieth part. From the termination of Queen Elizabeth’s reign, the coinage of English silver has generally retained a *purity* of .925 thousandths, called the “Sterling Standard.”

France. *Third.* An Avoirdupois standard for *proportions*, from Spain. The sole remnant retained from the original scale of the mother country, being the Troy ounce, now divided and multiplied *decimally*.

Other elements of that eccentric moneyed arrangement have been superseded by preferences, which begin to prevail also in Great Britain. Thomson Hankey, Jr., Esq., a Governor of the Bank of England, admitted before a select committee of the House of Commons, appointed "to report on a decimal coinage," that "to take advantage of the anomalous state of the English law respecting Troy weights generally, the Bank of England had determined, some time in 1852, to discard the use of the Troy pound in the purchase and sale of bullion, and to confine its calculations to the decimals of the Troy ounce." But a series of old English laws required that every weight used within the walls of London should be stamped by one of the city companies, as well as by the corporation. "Upon application for the stamps, a difficulty turned upon the question whether a decimal was the *aliquot* part of an ounce, and whether the bank was not using illegal weights in London." Proceedings were suspended, to allow consultation, when an act of Parliament was advised to be necessary to legalize these new weights in England, which had been employed at the Mints of the United States since 1837, without special enactment for such division.

In the year 1853, Sir John Herschell, Master of the British Mint, expressed a conviction that "some legislation *must* speedily take place upon the subject of weights and measures when the report of a commission "to restore the lost standards shall have been given in." The standard yard of 1760 and the Troy pound weight of 1758 having been injured or destroyed at the burning of the Houses of Parliament in 1834, the Chancellor of the English Exchequer, in 1838, had named the Astronomer Royal, with several gentlemen of eminence, "a commission to consider the steps to be taken for a restoration of the standards of measure and of weight." A report from this commission, presented in 1841, was not ordered to be printed for the use of the House of Commons until 1855, from which report it appears: "The bar adopted for the legal standard of one yard was so far injured, it was impossible to obtain from it, with the most moderate accuracy, the statutable length of one yard. The legal standard, one pound Troy, was missing after the fire." Several existing copies of the old standard measures and weights remain in England and elsewhere, founded upon the same base of calculation, by use of which the values of the primitive standards can be restored, without sensible error, as perfect as the originals. But the commissioners expressed themselves "not prepared to recommend the adoption of the same plan for restoration, because, since the passing of the act deciding the former standards, it has been ascertained that several elements of reduction therein referred to *are doubtful or erroneous.*"

The commissioners unequivocally decided, "it is desirable that measures should now be taken which may ultimately tend to the *removal* of the Troy scale." The elements of its valuation, originally inexact, have been perverted by arbitrary changes and some hasty legislation. It is at present asserted that "the Troy pound has become comparatively

useless in England, even in the few trades or professions in which Troy weights are commonly employed, and to the great mass of the British people it is entirely unknown." The proportion of *comparative* use is stated to be "as one set of Troy weights to several thousand sets of Avoirdupois weights." The Avoirdupois pound, containing sixteen ounces, each *lighter* than a Troy ounce, was therefore recommended to be adopted as a standard weight in Great Britain, instead of the Troy pound, the commissioners desiring "to remove the confusion caused by the existence of two scales of weights."

"The two co-existing modes of estimating weights being undoubtedly an *evil*, its bad effects are increased," say they, "by identity of names, in different scales of very different values." The commissioners evince a disposition to favor moderate changes of a systematic kind, and declare "no circumstance whatever would contribute so much to the introduction of a decimal scale in weights and measures, in those respects in which it is really *useful*, as the establishment of a decimal coinage."

The true requirement is the establishment of a *decimal system* in coinage, founded upon *one common unit*, for calculations in every department of the Mints. It was suggested, as a future convenience, "to prepare a set of itinerant standards, for the purpose of passing from colony to colony, and back again to England, in certain rotation, to verify once in ten years the correctness of colonial standard."

The act of George the Fourth, (1824,) fixing the substance of the metal—yellow brass—for standard Troy weights as well as the ordinary modes of adjustment, are both objected to in practice at the present day in England. One governmental inspector of weights and measures, wrote Mr. Airy, "in case of dispute, a tradesman's weight found deficient by the standard of one town would be over-weight by the standard of the next town." Another inspector at the city of Bristol said: "The present act of Parliament, with regard to weights and measures, (George Fourth, 1824,) is full of legal errors. It is a jumble of disjunctions. There are no two lawyers to be found to agree upon any one of its sections." A civil engineer wrote from London to the chairman of the commission: "Whenever I go into any county or place in England I have not visited before, my first question is as to the *manners and customs* of measuring work, which are as various and as whimsical as you can conceive."

In consequence of acknowledged imperfection in the law of 1824, there are three kinds of weights now used in Scotland—namely, pounds consisting severally of fourteen, sixteen and seventeen and a half ounces. It is even proposed to introduce a pound of eighteen ounces. The fees charged for verifying weights and measures are declared so high in England, that with some this is an argument against any change in such common implements. The legal stamp of verification was also stated to prove a shield under which *false weights* may be more securely used than as a protection against fraud or extortion.

The confessed irregularities in the *unitary* values of different weights, ordinarily employed by the people of England, is so great that in an attempt to decide a wager about a remarkable beast, at a fair in Essex, three good judges of cattle required to put upon paper their several es-

timates of the live weight, each was found to make his calculation by a distinct *unitary* measure: first, a grazier, counted by scores of twenty pounds each; second, a butcher, by stones of fourteen pounds each; third, a stock-dealer, by stones of eight pounds each; so that neither the interested parties nor the judges could tell who had won the bet, nor for a long time who had calculated the ox at the greatest weight. Each one declared he could not form the least idea of it, "only in his own way!" which did not happen to be the way of his neighbors. There are also said to be fifty ways of selling wheat in use in England. The *unitary* values of all British weights and measures being originally defective, and the *apparently* simple connection between the coins and the weights of commerce which once did exist being broken down, "*the principles* upon which such "arts" were primarily founded have been lost or abandoned by the people. From testimony taken before a select committee of the House of Commons, on a decimal coinage, no confidence is had in the modern arrangements for the *unitary* values in the money currency of Great Britain, the Master of the Royal Mint having plainly declared, "the scale of money system now in use in England is *not founded* upon any scientific principle."

Three *diverse* elementary weights, derived from as many antique, unknown or doubtful sources, are yet employed as distinct standard weights, in the several processes of mintage, namely: *First*. To receive bullion and decide its *quantity* after melting by the Troy pound of twelve ounces, subdivided into twenty pennyweights and their grains. *Second*. To report the *quality* of metal after assay, by twenty-four carat grains and their eighths. *Third*. To designate *proportions in the values* of the coins by sterling pounds, shillings, pence and farthings.

In the Mints of the United States several modifications of this intricate moneyed contrivance have been gradually effected: *First*. The Troy ounce, divided and multiplied *decimally* for *quantities* of bullion, discarded other portions of that standard weight since 1837. *Second*. The French gramme for silver and the half gramme for gold, with their several thousandths, were adopted in 1835 as standards for *qualities* in calculation of assays to displace carat grains and their divisions. *Third*. The sterling pound and its awkward proportions were dropped at once, in 1792, for an *arbitrary* element of *value and proportion* derived from Spanish standard: an accredited, but defective "ounce of silver," the sixteenth part of a pound Avoirdupois, subdivided and multiplied *decimally* for "moneys of account."

The act of Congress of the 2d of April, 1792, "establishing a Mint of the United States," was founded upon a report of the first Secretary of the Treasury, Alexander Hamilton. He considered "a pre-requisite for determining with propriety what ought to be the *money unit* of the United States, is to endeavor to form as accurate an idea as the nature of the case will admit of what it actually is." "The pound sterling," he said, "though of various values, is 'the unit' of the moneys of account of all the states—formerly colonies of Great Britain." "But it is not equally easy to pronounce what is to be considered as '*the unit*' in the coins," which needs to be an established weight.

Notwithstanding the alterations for coinage calculation, introduced

from time to time, the "money scale" of the United States remains obnoxious to the same comment, "irregularity in system," like the English, being copied in its outline from a disordered model, not founded on physical truth nor practical exactness, according to the highest scientific authorities in the British islands. A systematic base for calculations of every kind, uniform and intelligible throughout, is now required for the coinage, the commerce, the arts and the professions of social life in Great Britain, for her colonies, and by the United States. With regard to any *unitary* value in the coins of our respective countries, the search will be difficult; for in the mintage of each the gross *quantity* is multiplied in one certain set of weights by the *quality*, in another distinct series of weights and divided into pieces, *proportioned* by a third range of weights; every admeasurement of each kind being derived from a *different unitary origin*, of remote character and doubtful perfection.

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## ON THE TRUE PRINCIPLES OF BANKING.

BY WILLIAM M. GOUGE.

THERE is nothing novel in the modern system of banking, except its being carried on by corporations and by the instrumentality of paper money.

Private bankers were known to the Greeks, the Romans and the Jews. At Rome, especially, they appear to have been very numerous, and to have done an extensive business. The shops round the Great Forum were chiefly occupied by them, and we may learn from Cicero and other ancient authors, that the Romans commonly paid money by their intervention. A Roman would sometimes give an order, or, as we should say, draw a check on his banker; but the usual way of managing pecuniary transactions was by writing their names in the banker's books.\*

Previous to the establishment of the Bank of England, the goldsmiths of London performed most of the functions of bankers. To those who deposited money with them, they sometimes allowed six per cent. interest, but the usual rate did not exceed four per cent.

In Virginia, as is stated by a writer in the *Richmond Enquirer*, the merchants formerly acted as bankers to the planters. Governor Wolcott, in his message to the legislature of Connecticut in May, 1826, says that "private banks existed in this country before and a short time subsequent to the Revolutionary War."

As a country advances in wealth and population, the business of dealing in money naturally becomes a distinct profession. It is a business which requires no laws for its special encouragement; no charters to

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\* "In foro, et de mensuræ scriptura, magis quam ex arca domoque, vel cista pecunia numerabatur."—*Terence*.



cause it to be conducted to the public advantage. The trade in money is as simple in its nature as the trade in flour or the trade in tobacco, and ought to be conducted on the same principles.

Restore the natural order of things, by abolishing money corporations, and, in those parts of the country where there is little population, little wealth and little commerce, there will be little banking; while in those parts of the country where commerce is extensively carried on, bankers will rise up in proportion to the wants of the community.

In most villages, all the call there is for bankers could be answered by the postmasters. Offices of deposit, of transfer and of loan, are not necessary in villages. The only call there for a dealer in money is to collect debts due to persons at a distance, and transmit the money to whom it is due. The publishers of periodicals now collect a great part of what is owing to them on account of subscriptions through the medium of the postmasters. Many of the debts due to merchants might be conveniently collected in the same way, if government were careful to appoint none but solvent and trustworthy persons to be postmasters; and if it should make a rule to remove them on proof being given of their having neglected to pay over money which they had collected.

But it would not be necessary for government to go even thus far for us to have a good banking system. The postmaster, in most small towns, would stand the best chance of becoming collector of debts for persons at a distance, and the commissions he would receive would, in many cases, exceed the amount paid to him as a public officer; but if he were found untrustworthy, or incapable, the business would be transferred to the storekeeper, or some other respectable inhabitant of the village.

In the larger towns, and even in the small towns which are centres of wealthy districts, the business of dealing in exchanges, and of acting as an agent between lenders and borrowers, would become a distinct profession.

In each city the number of bankers would be in proportion to the amount of business to be done, and their capital in proportion to the trade of the city. A merchant of Philadelphia who wished a note discounted would, instead of having his choice among a dozen corporations, have his choice among perhaps twice that number of private bankers. Instead of being obliged to approach the supercilious director of some overgrown moneyed institution, he would deal with a private trader, to whom it would be of as much importance to lend as it would be to himself to borrow. The extent of business these private bankers would do would depend, in a degree, on the disposition they showed to accommodate their customers. The competition amongst them would be so lively that, after the manner of the bankers of Europe, they would allow a credit on deposits. Being responsible in the whole amount of their private fortunes, they would seldom extend their loans so far as to cherish the wild spirit of speculation. Their whole fortunes would be in the business, and their whole faculties exerted for its proper management, and it is in this way only that *any* business can be well conducted.

If there should be a necessity for placing any restrictions on these private bankers, it would be simply that of restraining them from issuing notes, bills or checks, which would circulate in the same way as the present bank notes. Some intelligent men who have turned their atten-

tion to the subject, think that even this would not be necessary. They are of opinion that the competition among private bankers would be so brisk, that they would effectually check one another.

In opposition to this it may be urged, that much has been lost by the breaking of private bankers in England; though it must be admitted, this is not a case exactly in point, since the private bankers of England are influenced in their operations, though not regulated, by the great corporate institutions of that kingdom.

In Scotland, where the private banks have the predominance, little has been lost by the breaking of these institutions. But the evils produced by the occasional breaking of a bank are far from being the greatest evils of the system. No instance has occurred of a bank breaking in Philadelphia, and yet who can adequately describe all that the people of this city have endured from banking. We have satisfactory evidence that the Scotch banks, by their "expansions" and "contractions," produce evils, the same in kind, though not in degree, as are felt in Philadelphia.

But in neither England nor Scotland can we, perhaps, be said to have a fair example of private banking, as the government receives bank notes in payment of taxes. When the government receives one kind of paper, the people lose their clear perception of the difference between cash and credit, and where room is made in this way for the circulation of paper, the most worthless kind sometimes obtains circulation as easily as the best. "Numberless instances," says the *Edinburgh Review*, "have occurred in the history of British banking within the last few years, in which the notes of individuals without any real capital, and who were from the beginning in a state of insolvency, have continued to circulate for a long period in company with the notes of the best established houses, and to enjoy an equal degree of credit."

The private bankers on the continent of Europe do not circulate any paper, but it is not in our power to say whether this is, in all instances, owing to obstacles thrown in their way by government, or to the indisposition of the people to receive paper where it is not taken in payment of taxes. If notes issued by private bankers should circulate as the notes of the present corporations, they would become money. As a credit money, they would necessarily fluctuate in quantity. It is not desirable that, in addition to changes in the state of credit, proceeding from great natural or political causes, we should have changes in the currency to add to the uncertainty of trade.\*

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\* "Hitherto," says Tooke, "the legislature has restricted individuals, under the severest penalties, from establishing private mints, and uttering metallic money of intrinsic and discreditable value; yet, with a degree of inconsistency which strikes us as most extraordinary the more attentively we consider it, our law-makers have permitted individuals to establish private banks of circulation; and to utter paper money, possessed of only a conventional value which a *breath of panic may at any time destroy*. On the same principle that the government protects the public against the probable insecurity which might arise from individuals being permitted to utter metallic currency, it should guard against the more probable, nay, *certain insecurity* which is created when individuals utter a paper currency. In every civilized country, supplying and regulating the circulating medium is a function of the sovereign prerogative.

If these notes produced no other evil, they would prevent us from accumulating that stock of metallic money which is required for the varying exigencies of peace and war. After this had been for a time in circulation, the receiving of them would be, as in the case of the present bank notes, a matter of necessity rather than of choice.

The evil would, indeed, in time, correct itself; but if we can prevent it, why suffer it at all?\*

We can certainly carry the credit system far enough, by the agency of ledger entries, notes of hand, bills of exchange and bonds and mortgages. We do not require the additional aid of credit money to run us deeper in debt.

Why should a private banker, having a capital of his own, of five hundred thousand or a million dollars, and deriving therefrom an income of thirty thousand or of sixty thousand per annum, desire to double his income, by the circulation of paper money? He would make a legitimate use of his credit, in receiving money on deposit, at five per cent., and lending it again at six per cent. More than this he ought not to desire.†

If the capital of a private banker is small, he will derive as much profit from his credit as he is justly entitled to, in his commission on bills of exchange, and in the difference between the rate he will pay for money taken by him on deposit and that at which he will lend this money to others.

The issue of notes by bankers, for the convenient discharge of their own business, will not be necessary. The private bankers of London and Lancashire issue no notes. At the clearing-house in London, in which their accounts are daily settled by an exchange of checks, trans-

\* What is here advanced is not at variance with the principles of Adam Smith, as will be seen by the following extract from his writings:

"To restrain private people, it may be said, from receiving in payment the promissory notes of a banker for any sum, whether great or small, when they themselves are willing to receive them; or, to restrain a banker from issuing such notes, when all his neighbors are willing to accept them, is a manifest violation of that natural liberty which it is the proper business of law not to infringe but to support. Such regulations may, no doubt, be considered as in some respects a violation of natural liberty. But those exertions of the natural liberty of a few individuals which might endanger the security of the whole society, are, and ought to be, restrained by the laws of all governments—of the most free as well as of the most despotical. The obligation of building party-walls, in order to prevent the communication of fire, is a violation of natural liberty, exactly of the same kind with the regulations of the banking trade which are here proposed."

The proposal Adam Smith here supports, is that of prohibiting private bankers from issuing notes of a less denomination than five pounds sterling, nearly *twenty-five dollars* Federal money. On the principles on which he proposes to prohibit the issue of notes of some denominations, the issue of notes of all denominations may be prohibited.

† "There is no more reason why a man, or body of men, should be permitted to demand of the public interest for their reputation of being rich, than there would be in permitting a man to demand interest for the reputation of being wise, learned or brave. If a man is actually rich, it is enough for him to receive interest for his money and rent for his land, without receiving interest for his credit also."—*Raymond*.

actions to the amount of four or five millions sterling are adjusted with the help of about two hundred thousand pounds in money.

If arrangements of this kind were not found to answer the desired end, a public office of transfer and deposit might be established in each city, on the model of the Bank of Hamburg, with the exception of buying and selling bullion and dealing in exchange, which ought to be left to private bankers. The establishing of such an office would be attended with a little expense, but if it would not be worth paying for, it would not be worth having. If the bankers objected to paying all the expenses, the government might, as such an office would be a safe and convenient depository of the public funds, share the expenses with them. There is nothing in the constitution to prevent the establishment of public banks, which shall be mere offices of deposit and transfer. And as such banks would be a great public benefit, the defraying of their necessary expenses out of the public revenue would not be objectionable.

In this way we should secure all the advantages the present system affords, and avoid all its disadvantages.

We should have places of deposit safer than the present; for the money deposited in a public bank by one man would not be lent to another.

The business of settling accounts by transfers of credit would be greatly facilitated. One public bank would suffice for each city, and the time which is now lost in running from bank to bank would be saved.

The private banks, paying interest on deposits, would extend throughout the country the advantages of savings banks.

Men who wished to borrow would deal with a private banker as an equal, instead of dealing, as at present, with an overgrown corporation, as a superior.

The business of dealing in exchange would be better conducted than at present, for it would be left free to individuals, and they would show the same disposition to oblige and give satisfaction that is now evinced by the dry goods merchant or the importer of groceries.

Instead of having to pay the expense of three or four hundred public banks, we should have to pay the expense of only twenty or thirty, for this number of offices of deposit and transfer would suffice for the whole United States.

We should escape all the evils that flow from banks as corporations, from fluctuations of the circulating medium, and from the false system of credit which has its origin in the present banking system.

And what should we lose? The supporters of the present system admit that "the only substantial advantage attending paper money appears to be its cheapness." Taking their own estimates of the amount of bank notes and bank credits, the sum thus gained does not amount to more than forty cents a year for each individual in the nation. Is it worth while for so trifling a gain, (admitting it, by way of argument, to be a gain,) to endure all the evils of a bad system, and forego all the advantages of a good?

## THE SUPPRESSION OF COUNTERFEITING.

*Report of the Executive Committee of the Association of Banks for the Suppression of Counterfeiting.*

THE undersigned, to whom was submitted the subject of the green ink for bank note printing, said to be patented by Mr. George Matthew, of New York, under the name of "*The Canada Bank Note Printing Tint*," or, "*Patent Green Tint*," together with specimen bank notes printed therewith, accompanied by the request of Mr. Tracy R. Edson, of New York, that the subject might be examined into and reported upon by the Association, and the specimens submitted to the most searching experiments, has considered the subject, and caused experiments to be made upon some of the specimens, and begs leave respectfully to report that the ingredient, of which the *green-tinted ink* is made, having been ascertained, by careful chemical examination, and its character being very clearly laid down in "the books," a hope was at first quite confidently entertained that we had at last found one color besides *black* upon which we could safely rely as approaching so nearly to the impregnability of that color as to answer all practical purposes for printing bank notes with it, and so furnishing an additional safeguard, equally invulnerable with that, to all attempts at alteration. The hope so confidently entertained would quite naturally be confirmed and made more confident, if possible, by perusing certificates, furnished by Mr. Edson for this purpose, from the following distinguished gentlemen, viz. :

T. Sterry Hunt, Chemist to the Geological Survey, (Montreal,) who, after stating that "the ordinary black printing ink which, having a basis of carbon, is insoluble and indestructible," speaks in another part of his certificate of this green ink, and says, "It is the *most permanent of colors*, and as *indestructible* as the *carbon* of the ordinary black printing ink."

John Torrey, Emeritus Professor of Chemistry, College of Physicians and Surgeons, New York, and Assayer U. S. Assay Office, N. Y., who says, in his certificate, "The green compound is insoluble and indestructible by all chemical agents, except such as will destroy the paper itself." He had previously stated that all the tests mentioned to him by Mr. Edson, "besides all others known to me, were applied to the green ink, but it resisted every one of them."

Wolcott Gibbs, Professor of Chemistry and Physics in the Free Academy in New York, who states, "There can be no reasonable doubt that the basis of the green ink, when properly prepared, may be considered indestructible and unchangeable; since, as is well known to chemists, and as I have satisfied myself by new and specially devised experiments, it can only be acted on by boiling with concentrated oil of vitriol, or by fusion with powerfully oxydizing agents." He also says, that

when prepared and applied in the manner proposed, "it is not possible to remove it from the paper without, at the same time, so far removing the black ink as to render it impossible to obtain even a tolerable photographic copy of the black portions of the note."

B. Silliman, Jr., Professor of General and Applied Chemistry, in Yale College, says, in his certificate, "This ink is a compound, and theoretically, therefore, it can be decomposed; but this result cannot be attained without the entire destruction of the paper. By mechanical means, aided by the presence of alkalies, it may be removed, but not without removing the BLACK CARBON INK at the same time." And

E. N. Hosford says, in his certificate, "The basis of the green ink is insoluble in any chemical re-agent which will not at once destroy bank note paper. If the green ink be properly prepared, the impressions made with it will be as imperishable as those made with black ink, and neither can be removed from a given surface upon which both have been impressed, without at the same time removing the other."

After reading such statements as these, from gentlemen so well known and so distinguished in their profession, it would seem to be almost a work of supererogation to go into a chemical examination of the specimens furnished for that purpose. But as neither the Executive Committee nor the Association have ever reported upon any subject of the kind until it had been submitted to the chemist usually employed by it, it was thought best to pursue the usual course in this case, also, and some of the specimens were accordingly given to Mr. Charles T. Carney for examination. His report thereupon is herewith submitted. It will be seen that, contrary to our sanguine hopes and expectations, the green ink can be, and has been chemically discharged and removed without disturbing the note proper, printed in black, and without injury to the paper, on which both were printed together; and that, therefore, this ink is no effectual safeguard against alterations.

With regard to the question of copying notes printed in this way, by photography, lithography, anastatic printing and kindred processes, setting aside the obvious fact, that if the green tint is removed there remains simply a note printed in black ink to copy, which is readily and easily done, it may be said that most of the remarks made in the report adopted by the committee, and published under vote of October 6, 1856, and in previous published reports therein referred to, upon these points, are believed to be applicable to the case in hand. But the fact that notes printed in this way are exposed to perfect alterations will undoubtedly be, in the opinion of the committee, fatal to its use. The undersigned accordingly recommends the passage, by the committee, of the vote herewith submitted.

JAMES G. CARNEY.

*Boston, August 19, 1857.*

Voted, unanimously, that the Executive Committee cannot recommend to the associated banks the adoption of the "Patent Green Ink," submitted by Mr. Edson, of New York, for the prevention of counterfeiting and altering bank notes, as furnishing any substantial additional security to their issues.

*Boston, August 18th, 1857.*

To the Executive Committee of Associated Banks :

GENTLEMEN,—Having examined, at your request, the notes printed with the green groundwork, called the "Patent Green Tint," to ascertain the possibility of removing said "tint," I have the honor to submit herewith the result of my investigations: I return the note of the "City of Burlington," received from you, printed upon this patent, from which I have removed a portion of the "tint" or groundwork, without disturbing the note proper printed in carbon ink, or the paper. This "green tint" can be removed by two distinct chemical processes, and in my judgment the entire "groundwork" may be removed by either method, so that an alteration or photographic copy can be made with ease.

I remain, very respectfully, your most ob't,

CHARLES T. CARNEY.

At a meeting of the Executive Committee of the Association of Banks for the Suppression of Counterfeiting, Boston, August 26, 1857, the foregoing reports having been made at the last meeting of the committee, and having been had under consideration until now, the vote appended to the first report was unanimously adopted, and it was also voted that 500 copies be printed for distribution among the banks belonging to the Association.

CHARLES B. HALL, *Secretary.*

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## THE SAVINGS BANKS OF NEW YORK.

At a meeting of officers of Savings Banks, held October 14, at the banking room of the Seamen's Bank for Savings, in Wall street—present, representatives of the following institutions, viz. :

BANK FOR SAVINGS, (Bleecker street.)	MANHATTAN.
EAST RIVER SAVINGS INSTITUTION.	MARINERS'.
BOWERY SAVINGS BANK.	MECHANICS AND TRADERS'.
INSTITUTION FOR SAVINGS OF MERCHANTS' CLERKS.	DRY DOCK.
IRVING SAVINGS BANK.	BROADWAY.
EMIGRANTS' INDUSTRIAL.	GREENWICH.
SOUTH BROOKLYN.	SEAMEN'S BANK FOR SAVINGS.
BROOKLYN.	WILLIAMSBURG.

Mr. John C. Green, of the Bank for Savings, was called to the chair, and W. Platt, of the Seamen's Bank for Savings, was requested to act as Secretary. After discussion the following resolutions were proposed :

1st. The banks of discounts and deposits in our city having suspended specie payments, the savings banks are necessarily compelled to pay the depositors only in the bank notes of these institutions ; while they paid specie, the savings banks

paid gold to their depositors, and they will now pay in the currency of these institutions, which is secured by stocks with the Comptroller of the State.

2d. *Resolved*, That the banks for savings be recommended to adhere to the rules of payment according to their by-laws; but that each institution be recommended to pay such amounts (in specie) as shall be deemed sufficient to meet the necessities of depositors.

W. PLATT, *Secretary*.

It is obvious that this was the best course for the savings institutions to adopt, in justice to themselves; or, in other words, *in justice to their depositors*, for the Board of Trustees act merely in behalf of and for the protection of their depositors. A careful scrutiny of the reports of these institutions shows that their funds are securely invested, and in such a way as to secure for the depositors the highest permanent good. A very large portion of their funds is invested in mortgages on real estate worth double the amount loaned upon it. These funds could not be immediately converted into cash to meet such sudden demands as occurred on Wednesday and Thursday, October 13th and 14th. If the depositors want (as is the case in a few instances only) a portion of their funds for immediate necessities, they can, at a moment's notice, get all they want in the bank notes guaranteed by the State, secured by State bonds, &c.; but if they will wait six months or thereabouts, they may then obtain the gold which is now flowing into the country by millions. Our advice to the depositors (and to those citizens who have depositors in their families) is TO LET THEIR MONEY STAY WHERE IT IS—*perfectly safe from fire, robbery and other risks.*

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We understand a circular has been issued to all holders of loans from the Buffalo Savings Bank, as follows:

*“Buffalo, Oct. 15, 1857.*

*“At a meeting of the Board of Trustees of this bank, held this day, it was Resolved, That the debtors of this institution, on bonds and mortgages, be required to pay their indebtedness at the rate of 12½ per cent. a month—the first instalment payable on the 20th day of November next—and that the Secretary immediately communicate a copy of this resolution to the several debtors.”*

Then follows the notification, with “your prompt attention will obviate the necessity of a foreclosure of your bond and mortgage.” This is one of the inevitable effects of the present revulsion in the currency, and much distress will follow the execution of such an order. Property will fall into the hands of mortgagees at heavy sacrifices.

We are glad to find that the savings banks of New York city do not feel compelled to adopt any such course. Their investments are made after due caution and search; but the real interests of the depositors point to a lenient course towards the debtors of banks.



## LETTERS ON THE CURRENCY.

Our last number, pages 406-408, contained three letters from Hon Nathan Appleton on the present crisis. We now add a fourth, written early in the month of November :

*To the Editors of the Boston Post :*

A writer in the *Post* of the 30th ult. undertakes to criticise some of the positions taken in my letter on the money crisis. His style is so courteous, and he seems so sincere in his opinions, that I consider him entitled to a respectful reply. But it is evident that this writer and myself look at the subject from entirely different points of view. The great question with him is, whether the banks can expand under a severe financial crisis ; and he thinks they cannot. Now, what is a financial crisis, and what is its cause ? It is a scarcity of money, growing out of the contraction of the bank circulation. It is caused by the action of the banks, but does not control that action.

The only legitimate ground for contraction by the banks is the efflux of coin from the country to a degree to endanger their circulation. This is the only cause which ever did, or ever can, produce a financial crisis in this country. When the export of specie ceases, the crisis is, or ought to be, over. The banks can then hold their own at least. Now, my argument is, that the export of specie ceased after the early part of September, and could only be made at a loss compared to bills of exchange. Here, I contend, the contraction ought to have ceased ; instead of which, the New York banks have continued the contraction of their liabilities from eighty-eight millions, on the 12th of September, to seventy-two millions on the 10th of October, and still further since. It is this continued contraction of which I complain, after all occasion and necessity had ceased.

In September we were safe, with a money market rather stringent than otherwise ; but it is the subsequent and continued turning of the screw which has produced the appalling state of things which now exists. The whole history of banking cannot show an equal example of ignorance of the "true principle and science of banking," as has been exhibited by the New York bank managers.

As a cure for this horrid mistake, I proposed that the New York banks should expand their loans ten or fifteen millions immediately, to replace themselves as near as may be in their position on the 12th September. This your correspondent thinks impossible in so short a time. How, impossible ! The contraction went on at the rate of four or five millions a week ; there can certainly be no difficulty in expanding as fast or faster, provided there be mercantile houses enough left standing to borrow it.

Your correspondent seems to make a distinction between deposits and circulation, which does not exist in fact. They are essentially the same

thing. They are convertible into each other at the pleasure of the possessor. I do not understand what he means by the banks "liquidating their debts in the shape of deposits or credits." This can only apply to those banks which have stopped payment. Neither can I agree that deposits or circulation shall be classed as the means of the banks. They are credits which the community choose to hold for their own convenience, and are increased or diminished by the expansion or contraction of the banks in their loans. They compose the circulating medium, and are the means of the mercantile community to whom they belong. In the present case, it is the forced and unnecessary contraction of which we complain.

The means of each bank consist in its specie, as shown in its daily balances at the clearing-house. The aggregate means consist in the aggregate specie of all the banks. The proportion of specie to their liabilities is a proper comparative view of their strength. This proportion, in January last, was \$11,172,000 to \$10,000,000, or 11 per cent. This was continued with little variation until the last of August, when it was diminished to 10 per cent., but was increased in September to 14, 16 and 18½ per cent.: showing, at the very time of this disastrous contraction, greater relative means than at any time for these two years. So futile is it to say that the banks have furnished all the aid possible, as much money under the pressure and crisis as they did under the highest expansion of their loans. Your correspondent will thus perceive that his elaborate tables have no bearing on my view of the case.

Your correspondent speaks of a custom of the New York banks. He says, "A custom prevails very extensively of discounting large amounts of paper, with the express understanding or agreement that one-quarter or one-half shall lay in bank till another discount is obtained upon the same condition." Is this true? I am sorry for it. I have no hesitation in pronouncing it a pernicious custom. It smacks very much of usury.

It seems to be well understood that the actual suspension of the New York banks was not the result of natural causes, but arose from the disgust and indignation of the merchants, who viewed the action of the banks in its true light, and were determined to let them know that, driven to the wall and crushed as they were, they were still able to retaliate by using their power. This was acting out the common principles of human nature; but was probably unfortunate, as it furnishes a pretext for continuing the system of contraction as necessary to their resumption. It is a poor pretext, as there can in fact be no doubt that the true way to restore confidence and set the wheels of trade in motion is to adopt a liberal expansion by discounts. This is the direct and shortest road to resumption, which would then easily come of itself. Why should the New York banks continue to keep their currency above the value of specie in any other part of the world?

Your correspondent says, "The evils upon us are the too great expansion of credits, both of merchants and banking institutions." I do not agree with him. No doubt there are cases in which individuals and banks have extended their credits to their own injury; but the present evil arises wholly from the sudden check and stoppage of the credits

which the New York banks had so freely given. The present evil is not too much, but too little credit. It is easy to decry credit, and applaud a pure specie currency. But who does not know, that it is a system of extended credit which has built up the wealth and prosperity of the country ?

NATHAN APPLETON.

### ENGLISH THREE PER CENT. CONSOLS.

By a recent exhibit of the public debt of Great Britain, it would appear that the total debt, bearing three per cent. interest, exceeds five hundred millions sterling ; of which the three per cent. Consols (or consolidated debt) amount to about four hundred millions. Of course a reduction of  $\frac{1}{4}$  or  $\frac{1}{2}$  per cent. on the market value of these funds is a momentous affair to the holders ; and when the decline amounts to 1, 2 or 3 per cent., a panic among the holders is apt to follow. Thus a fall in Consols alone, being about one-half the national debt, is equivalent, at

1 per cent., to a loss of.....	\$20,000,000
$\frac{1}{4}$ " " " .....	10,000,000
$\frac{1}{2}$ " " " .....	5,000,000

Bank expansion, speculation and overtrading have a tendency, for a short time, to enhance the rates for public funds. This was strongly marked prior to the revulsion of 1825 and 1846-'47. Thus, in 1822-'23, Consols attained 83 a 85 $\frac{1}{2}$  as their maximum values ; but in 1824-'25, during a period of unprecedented speculation, reached 94 $\frac{1}{2}$  a 97. Again, in 1841-'42, they were 90 $\frac{1}{2}$  to 95 $\frac{1}{2}$ , while in 1844-'45, when the railroad mania prevailed, they reached 100 $\frac{1}{2}$  a 101 $\frac{1}{2}$ , and during the famine years of 1847-'48, sold as low as 78 $\frac{1}{2}$ .

The expansive movement of 1851-'52, following the gold mania of that period, suddenly raised the prices of Consols to 101 $\frac{1}{2}$  in December, 1852, and 101 in April, 1853, and during the war with Russia (thirty millions sterling having been added to the national debt) they were quoted as low as 85 $\frac{1}{2}$ . Since then they have not reached par, but have ranged from 90 to 94. Now, however, with highly unfavorable features in the national and in the commercial affairs of England, Consols have again declined to 87 $\frac{1}{2}$  ; and when the people of England begin to realize (as they soon will) the necessity for a further increase of the national debt, to sustain an expensive war in India, and with a prospect of paying heavily in gold for foreign breadstuffs, we fear Consols will recede to the low figures of the famine year above mentioned.

This would be a calamity not only to Great Britain but to the United States ; for there is a sympathy, and a growing one, between the people of both countries, which the commercial relations of both people are calculated to foster. We annex, for future reference, the highest and lowest prices of Consols for each year, ending in April, 1848-1856 :

Year ending April,	Highest Price.	Lowest Price.	Mean Price.
1848,.....	£90 0 0	£78 15 0	£84 7 6
1849,.....	94 10 0	80 0 0	87 5 0
1850,.....	97 17 6	90 12 6	94 5 0
1851,.....	98 10 0	95 0 0	96 15 0
1852,.....	99 2 6	95 12 6	97 7 6
1853,.....	101 12 6	98 15 0	100 8 9
1854,.....	101 0 0	85 2 6	93 1 3
1855,.....	95 17 6	86 17 6	91 7 6
1856,.....	93 5 0	85 12 6	89 8 9

On the 6th November they closed at  $88\frac{1}{2}$  a  $88\frac{1}{2}$ , and full confidence felt on the part of the public in the coming values for the next six months.

*Highest and lowest price of Three per Cents in each year, from 1731 to 1849.*

Year.	Highest.	Lowest.	Year.	Highest.	Lowest.	Year.	Highest.	Lowest.
1731,....	99	94	1770,....	87	78	1811,....	66 $\frac{1}{2}$	61 $\frac{1}{2}$
1732,....	101	96	1771,....	88	81	1812,....	68	56 $\frac{1}{2}$
1733,....	103	92	1772,....	95	87	1813,....	67 $\frac{1}{2}$	54 $\frac{1}{2}$
1734,....	94	90	1773,....	87	86	1814,....	72 $\frac{1}{2}$	61 $\frac{1}{2}$
1735,....	98	92	1774,....	89	86	1815,....	65 $\frac{1}{2}$	53 $\frac{1}{2}$
1736,....	113	100	1775,....	90	87	1816,....	64 $\frac{1}{2}$	59 $\frac{1}{2}$
1737,....	107	105	1776,....	90	81	1817,....	84 $\frac{1}{2}$	69
1738,....	106	102	1777,....	80	76	1818,....	82	73
1739,....	105	97	1778,....	72	61	1819,....	79	64 $\frac{1}{2}$
1740,....	101	98	1779,....	64	59	1820,....	70 $\frac{1}{2}$	65 $\frac{1}{2}$
1741,....	101	98	1780,....	68	60	1821,....	78 $\frac{1}{2}$	68 $\frac{1}{2}$
1742,....	102	98	1781,....	59	56	1822,....	83	75 $\frac{1}{2}$
1743,....	103	100	1782,....	61	53	1823,....	85 $\frac{1}{2}$	72
1744,....	99	90	1783,....	68	58	1824,....	96 $\frac{1}{2}$	84 $\frac{1}{2}$
1745,....	92	85	1784,....	57	54	1825,....	94 $\frac{1}{2}$	75
1746,....	89	75	1785,....	71	55	1826,....	84 $\frac{1}{2}$	73 $\frac{1}{2}$
1747,....	86	81	1787,....	78	69	1827,....	89 $\frac{1}{2}$	76 $\frac{1}{2}$
1748,....	91	76	1789,....	81 $\frac{1}{2}$	71 $\frac{1}{2}$	1828,....	88 $\frac{1}{2}$	80 $\frac{1}{2}$
1749,....	102	91	1790,....	80 $\frac{1}{2}$	70 $\frac{1}{2}$	1829,....	94 $\frac{1}{2}$	85 $\frac{1}{2}$
1750,....	101	98	1791,....	89 $\frac{1}{2}$	75 $\frac{1}{2}$	1830,....	94 $\frac{1}{2}$	77 $\frac{1}{2}$
1751,....	108	97	1792,....	97 $\frac{1}{2}$	72 $\frac{1}{2}$	1831,....	84 $\frac{1}{2}$	74 $\frac{1}{2}$
1752,....	106	101	1793,....	81	70 $\frac{1}{2}$	1832,....	85 $\frac{1}{2}$	81 $\frac{1}{2}$
1753,....	106	104	1794,....	72 $\frac{1}{2}$	62 $\frac{1}{2}$	1833,....	91 $\frac{1}{2}$	84 $\frac{1}{2}$
1754,....	104	102	1795,....	70 $\frac{1}{2}$	61	1834,....	93	87 $\frac{1}{2}$
1755,....	101	90	1796,....	70 $\frac{1}{2}$	53 $\frac{1}{2}$	1835,....	92 $\frac{1}{2}$	89 $\frac{1}{2}$
1756,....	90	88	1797,....	56 $\frac{1}{2}$	47 $\frac{1}{2}$	1836,....	92 $\frac{1}{2}$	86 $\frac{1}{2}$
1757,....	91	86	1798,....	58	47 $\frac{1}{2}$	1837,....	93 $\frac{1}{2}$	87 $\frac{1}{2}$
1758,....	98	99	1799,....	69	52 $\frac{1}{2}$	1838,....	95 $\frac{1}{2}$	90 $\frac{1}{2}$
1759,....	88	79	1800,....	67 $\frac{1}{2}$	60	1839,....	93 $\frac{1}{2}$	89 $\frac{1}{2}$
1760,....	83	76	1801,....	70	54 $\frac{1}{2}$	1840,....	93 $\frac{1}{2}$	85 $\frac{1}{2}$
1761,....	88	66	1802,....	79	66	1841,....	90 $\frac{1}{2}$	87 $\frac{1}{2}$
1762,....	87	63	1803,....	73	50 $\frac{1}{2}$	1842,....	95 $\frac{1}{2}$	88
1763,....	96	82	1804,....	58 $\frac{1}{2}$	53 $\frac{1}{2}$	1843,....	97 $\frac{1}{2}$	82 $\frac{1}{2}$
1764,....	86	80	1805,....	62	57	1844,....	101 $\frac{1}{2}$	96 $\frac{1}{2}$
1765,....	91	85	1806,....	64 $\frac{1}{2}$	58 $\frac{1}{2}$	1845,....	100 $\frac{1}{2}$	91 $\frac{1}{2}$
1766,....	90	87	1807,....	64 $\frac{1}{2}$	57 $\frac{1}{2}$	1846,....	97 $\frac{1}{2}$	93 $\frac{1}{2}$
1767,....	91	87	1808,....	69 $\frac{1}{2}$	62 $\frac{1}{2}$	1847,....	94	78 $\frac{1}{2}$
1768,....	98	88	1809,....	70 $\frac{1}{2}$	63 $\frac{1}{2}$	1848,....	89 $\frac{1}{2}$	80
1769,....	89	84	1810,....	71	63 $\frac{1}{2}$	1849,....	90	78 $\frac{1}{2}$

## THE BANK OF ENGLAND.

## ADVANCE OF RATES OF INTEREST BY THE BANK OF ENGLAND.

THE advance in the rate of interest to 7 per cent. by the Bank of England on the 12th of October was a measure of self-protection, and one fully authorized by the exigencies of trade. It would be well if the banks in this country could, under similar circumstances, and with similar prospective advantages, increase their rates on loans to 7, 8 or 9 per cent., and thereby deter speculation. Since the close of the war with Russia, in the spring of 1856, the policy of the Bank of England has not, however, been a consistent one. They have adopted, upon too slight considerations, and in repeated instances, during the years 1856-'7, a lower rate for a higher; and, in turn, (finding their error,) changed from the low to the higher rate. These changes have been as follows:

1856, May 22.—The bank reduced the rate of interest from 7 to 6 per cent., (less than three months after the Peace Conference at Paris.)

May 29.—Another reduction to 5 per cent., the reserve of gold having increased to £10,766,040.

June 26.—Another reduction to 4½ per cent., the gold coin and bullion having increased to £12,428,970, being the largest amount held during the year 1856. This continued only until the first day of October, when the effects of too sudden an expansion were very obvious, and the bank saw fit to reverse the wheel, thereby giving a wholesome check to the tendency to overtrading.

October 1.—The bank rate raised from 4½ to 5 per cent.

October 6.—At a special meeting the board again advanced the rate, viz.: From 5 to 6 per cent. on sixty day bills, and from 6 to 7 per cent. on larger paper; and the next week refused to make loans on stock for a longer period than seven days. Two days afterwards they determined to confine their stock loans to exchequer bills, the gold on hand on the 11th of this month having declined to £9,589,400.

These sudden changes precipitated the fall of the Royal British Bank on the 24th of October.

November 13.—The Bank of England further applied the screw by an order to make the minimum rate of interest on all loans, long or short, 7 per cent.

December 4.—After numerous failures of commercial houses and provincial banks, the Bank of England, in view of large accumulations of bullion, reduced the rate from 7 to 6½ per cent., and on the 18th, (two weeks later,) to 6 per cent., the Bank of France at the same time relaxing its restrictions by taking bills having 75 days (instead of 60) to run. These movements were hasty and unwise, as may be seen by the speedy return to higher rates.

1857, January 9.—The rate on government stock advanced.

April 2.—The rate on commercial bills advanced from 6 to 6½ per cent., and on the 9th the bank advanced the rate on government

stock to 7 per cent., and refused to discount brokers' bills having more than one month to run.

May 7.—The bank refused to make loans on government securities *on any terms.*

June 18.—The rate of discount reduced from 6½ to 6 per cent. (The Bank of France on the 25th, from 6 to 5½.)

Sept. 3.—The Bank of England recommenced their loans on six months' bills [of late confined to three months.] This was a measure rather calculated to encourage, than repress, speculation.

October 12.—The rate advanced from 6 to 7 per cent.

October 19.—The rate advanced from 7 to 8 per cent., and finally, on the 5th of November, to 9 per cent.

These changes in the bank policy occurred, it must be borne in mind, when there was a continuous flow of gold and silver from England to India and China—a current that should forcibly have led the bankers, the merchants, the legislators, of England to fear a reaction. We will refer to the figures, and show the export of gold and silver from England alone to the East during the years 1851 to 1855 :

	<i>Export of Gold.</i>	<i>Export of Silver.</i>	<i>Total.</i>
1851,.....	£102,280	£1,716,100	£1,818,380
1852,.....	921,789	2,630,238	3,551,977
1853,.....	881,202	4,710,665	5,590,866
1854,.....	1,174,299	3,132,003	4,306,302
1855,.....	947,272	6,409,889	7,358,161
	<hr/>	<hr/>	
	£4,026,792	£18,598,895	£22,625,686
Dollars,.....	\$20,000,000	\$90,000,000	\$110,000,000

For the first months of 1856, the export of silver alone was £7,165,893. The fact is, China and India have absorbed annually a very large portion of the product of gold and silver—the latter especially. Two items of Chinese productions will alone account for this, the enormous exports of silk and tea to England and North America for five years having been as follows :

	<i>Tea, lbs.</i>	<i>Raw Silk, lbs.</i>
1850,.....	50,512,000	1,769,000
1851,.....	71,446,000	2,055,000
1852,.....	66,860,000	2,118,000
1853,.....	70,735,000	2,338,000
1854,.....	85,792,000	4,576,000

Thus, in less than eighteen months, there have been at least eleven changes, when three or four would have been sufficient, with due regard to the predisposition to overtrading and speculation, which was strongly displayed as soon as peace was restored in 1856. Thus the bank mania throughout Continental Europe was so strong in the summer of 1856, and the mania for joint stock operations in England were such as to indicate, beyond dispute, that so sudden and violent a change must, ere long, produce a reaction; and in October, 1856, the bank suddenly raised its rates of discount *one* per cent.

The speedy reverse of this policy occurred in December following, and the changes since have been too frequent for the public good. The manufacturing and commercial interests, as well as all others, of a

nation, *require uniformity and consistency of action on the part of its banking concerns.* Capital is invested only after due consideration by its owners, and upon an implied assurance that the wheels of commerce shall not be suddenly stopped or affected, so far as that can be produced by a contraction of bank circulation. The tariff policy and the bank policy of the country should, therefore, be subject to no violent or frequent changes. Both, if properly regulated, are calculated to encourage domestic labor and the interests of commerce; yet both, when mismanaged, engender and perpetuate evils of great magnitude. (*For a list of the directors of the Bank, see another portion of this No.*)

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### THE BALANCE OF TRADE.

THE balance of trade is a subject that, though often quoted in commercial conversation, has not been studied with the care and completeness that its importance merits. It is in fact to a nation, what a balance-sheet is to a merchant, and is the only record that we have of our increase or decrease in national wealth.

In consequence of the superficial consideration that has been given to this subject, there prevail some erroneous opinions in regard to our national balance-sheet. Among these prevalent opinions may be mentioned one: That our debt to Great Britain is large, and is one of the causes of "panics," "stringencies in the money market," and other disturbances, the phrases of which are now "household words," and like "electricity," &c., in natural science, make the nomenclature of financial disturbances, that many cannot understand or are too lazy to investigate. The facts of the case are, that Great Britain is now, and has been since 1836, in our debt. After allowing liberally for the interest on the State and rail-road securities which she holds, the debt or balance of trade in favor of the United States, which Great Britain paid last year, was over \$10,000,000. Great Britain, with London for its focus, is the great *exchange market of the world.* We pay all our debts through London and not to London, and hence have to ship our gold to that market.

In consequence of the *ad valorem* tariff system of this country, which gives a premium to false invoices, it is difficult to get an accurate exhibit of the imports into this country. We can safely add from ten to twenty per cent. to the invoices of manufactured goods to get their true value, or the amount which we pay for these goods. France and Germany have a large balance of trade against us, according to the Secretary of the Treasury's report; and according to a true exhibit, they would have a much larger.

If we examine the tabular statement given below, we shall find some curious facts in regard to who are our customers and to whom we are customers. In the former class, Great Britain must be ranked first, both in amount of trade and in balance of trade. The nominal debt which Great Britain paid us last year was over forty millions of dollars;

while the total balance of trade in favor of the United States, as shown by the Treasurer's report, was twelve millions of dollars. It therefore follows, that our trade with the rest of the world brings us in debt nearly twenty-eight millions. The trade with Spain shows the next largest balance in favor of this country. The trade with Australia ranks third, and is, in proportion to its extent, the most profitable to us. Ireland, the British North American Colonies, Sardinia, Trieste, Hayti and Peru, show large balances of trade in favor of the United States, when compared with the total trade,

In regard to the other class of countries—those who have the balance of trade in their favor—we find some curious facts. Cuba shows the largest balance of trade against us; Brazil is the next in order, and China third—and in the aggregate show a balance of trade of nearly forty millions of dollars, where the total trade is less than seventy millions. France is the only manufacturing country that shows a large balance of trade (according to our *ad valorem* tariff) against us. The characteristics of each nation are in a measure shown by their trade. With nearly all the countries under the British flag, the trade is in favor of the United States, and their aggregate balances in our favor amount to over fifty-seven millions, and seven millions against the United States. All of the Dutch possessions show a trade against the United States, and exemplify the close trading of that commercial people. All of the Spanish West Indies have a balance against the United States. The countries on the Atlantic coast of South America have a trade against the United States, while those on the west side show a trade in favor of this country. And generally, countries north of us show a balance in favor of this country, while the tropical countries have the trade in their favor.

To arrive at a true exhibit of the commerce of the United States in its relation to balance of trade, or of the amount of specie which is gained or lost to the country, we must take into consideration our *ad valorem* tariff and our foreign debt. We can estimate the balance of trade for the past year, as follows :

Exports,.....		\$326,964,908
Imports of free goods,.....	\$56,955,706	
Imports of dutiable goods,.....	257,684,236	
Ten per cent. for false invoices for dutiable goods,.....	25,768,423	
Seven per cent. interest on \$400,000,000 of foreign indebtedness,.....	28,000,000	\$368,408,365
Total indebtedness for 1856,.....		\$41,443,457
Exports of specie for 1856,.....	\$45,745,485	
Imports " " 1856,.....	4,207,682	\$41,537,803

It will be seen, therefore, that this estimate of our foreign indebtedness is proven by the actual loss of specie.

Our receipts of gold from California last year did not differ materially from forty millions—so there was no increase of specie in this country in that year—while the increase in population, actual wealth and internal trade, all of which should be followed by an increase in their



representation or money, have been going on in a geometrical ratio. We therefore have here one cause for the recent commercial disturbances.

*Tabular Statement showing the Balance of Trade of the United States with every Important Commercial Nation, for the fiscal year 1855—1856.*

	<i>Exports to.</i>	<i>Imports from.</i>	<i>Balance in favor of the U. S.</i>	<i>Balance against the U. S.</i>
England,.....	\$154,079,585	\$118,045,544	\$36,033,991	....
Ireland,.....	4,874,780	89,082	4,285,698	....
Scotland,.....	3,908,542	4,181,506	....	\$224,964
Gibraltar,.....	429,016	88,126	390,890	....
Malta,.....	314,586	44,224	270,362	....
British East Indies,.....	767,629	7,005,911	....	6,238,282
Cape of Good Hope,.....	418,251	458,594	....	65,343
Australia,.....	5,084,972	184,452	4,900,520	....
Honduras,.....	333,789	332,117	51,622	....
British Guiana,.....	875,263	151,574	723,689	....
British West Indies,.....	4,434,652	2,235,243	2,199,404	....
Canada,.....	20,858,241	17,488,197	3,369,044	....
British North American Colonies,....	8,146,106	3,522,324	4,623,784	....
France,.....	42,510,973	49,016,062	....	6,505,089
French West Indies,.....	623,237	88,220	539,967	....
Denmark,.....	227,715	1,180	226,535	....
Danish West Indies,.....	908,801	225,622	673,173	....
Holland,.....	3,586,423	2,426,479	1,159,949	....
Dutch East Indies,.....	210,156	1,399,239	....	1,189,133
Dutch West Indies,.....	651,493	789,668	....	138,170
Hanse Towns,.....	14,239,371	14,453,519	....	219,141
Prussia,.....	79,792	161,169	....	81,407
Russia,.....	686,405	880,531	355,324	....
Sweden and Norway,.....	1,919,363	871,245	1,048,118	....
Spain,.....	7,424,318	2,223,466	5,200,852	....
Manilla, &c.,.....	342,654	2,972,025	....	2,629,371
Cuba,.....	7,809,263	24,485,693	....	16,626,430
Spanish W. Indies, (Cuba excepted,).....	1,142,724	3,370,968	....	2,228,244
Portugal,.....	378,190	287,166	91,023	....
Italy,.....	463,020	1,635,865	....	1,172,845
Sardinia,.....	2,204,933	817,179	1,387,759	....
Stooly,.....	378,771	1,438,526	....	1,109,755
Trieste,.....	2,444,843	476,541	1,968,307	....
Turkey,.....	1,511,425	741,871	769,554	....
Hayti,.....	2,126,454	104,259	2,022,195	....
Mexico,.....	3,702,259	3,563,631	138,528	....
Uruguay,.....	551,322	361,036	190,286	....
New Granada,.....	1,611,322	2,325,017	....	713,697
Venezuela,.....	1,712,774	4,202,622	....	2,489,848
Brazil,.....	5,094,904	19,262,657	....	14,167,753
Buenos Ayres,.....	1,359,868	2,322,161	....	1,062,293
Chili,.....	2,367,743	2,467,819	899,924	....
Peru,.....	1,244,223	217,759	1,026,464	....
China,.....	2,553,237	10,454,486	....	8,896,199
Miscellaneous,.....	2,543,860	2,603,122	....	54,262
<b>Total,.....</b>	<b>\$326,964,903</b>	<b>\$314,632,742</b>		
<b>Net apparent balance in favor of the United States,.....</b>				<b>\$12,332,161</b>

## BANKS AND BANKING IN GERMANY.

[From the *London Bankers' Magazine*.]

THE most ancient, as still also the most accredited of the German banks, is the Bank of Hamburg, a public or State institution. It was founded in 1619, ten years later than that of Amsterdam, and in a great measure upon the same basis. It is simply and exclusively a bank of deposit. Its original object was the establishment of a greater unity or uniformity in the circulation of general coin values, often much deteriorated by wear, or depreciated by undue admixture of baser metals; but it was found too difficult, after persevering trials, to bring such a chaos of money signs, often tokens only, into any regularity or classification according to intrinsic worth and real exchangeable values. A last attempt was made by the formation of two distinct departments in the bank, one for the deposit of specie, the other for bars or ingots. Even this was found to be an inconvenient complication, and so, from 1790, silver in the shape of bars or ingots only was accepted as an invariable basis for the issue of certificates of deposit. It does not appear that, even in these days of Californian and Australian golden showers upon Europe, any change has been made, and that gold has been admitted to the honors or advantages of deposit as a recognised certificated value. The bank, from its origin, has pursued its quiet course, and fulfilled its allotted functions undisturbed and unsignalized by any sinister occurrence, save once. In 1813, after the disasters of the Moscow campaign, Davoust, Prince of Eckmuhl, one of Napoleon's famous marshals, and robbers as well, then in command at Hamburg, took possession and appropriated the treasure of the bank, not probably of any vast amount in those days of war and confusion. Restitution was, however, subsequently enforced, as one of the conditions of the treaties of Paris, in 1815. In the absence of reliable or accurate information, it was estimated some years ago that the bank held on an average about £4,000,000 of deposit in silver bullion, or an amount fluctuating between three and five millions. These amounts would of course vary with the greater or less activity of the commercial movement, generally on an ascending scale, and the relative abundance or scarcity of capital. Since the period referred to, ten years ago, the trade and shipping movement of the great Hanseatic emporium cannot have been accelerated less than 25 per cent., and it may be assumed that bank deposit business will not have advanced in a less proportion. Commercial transactions are carried on by cheques or orders on the bank, which are simply transferred from the account of the drawer to that of the receiver, unless in the case of the hard money being required, which the latter would draw by another cheque. As the bank neither discounts nor makes advances on securities, there are, therefore, so many millions of hard money withheld from active and profitable circulation; that is, such a proportion of the deposits as upon banking calculations and experience might be advantageously put out to usance without risk of loss, or any

conceivable hazard to banking solvency which interest and discount profits would not cover ten times over. The Bank of Hamburg and its deposits have the guarantee of the little but wealthy State. Its charges are covered, with a contribution to State revenue besides, by a moderate levy upon all depositors or parties having accounts with it.

The Bank of Vienna dates from 1703; it was then a bank of deposit mainly, allowing 4 per cent. interest, but also with power of issuing notes, then of little avail. It was a State instrument merely for effecting loans. In the wars of the French revolution, more than three-fourths of a century afterwards, its issues, however—its forced issues in fact—ascended to 1 milliard, (80 millions of florins,) say at 2*s.*, the florin *convention* money, 106 millions sterling. This inordinate mass of inconvertible paper money fell, of course, to one-twelfth of its nominal value. The government bought it up, or rather compromised it with another paper issue, at the rate of one-fifth the nominal value of the old currency, which soon descended to two-fifths of its nominal rating.

In 1816, the bank was refounded, new modelled, with a share capital of 100 millions of florins, in shares of 1,000 florins each, each share payable in 100 florins silver, and 900 in old paper money, of 40 per cent. less than its nominal value, so that, in effect, each 1,000 florins share cost, or was represented by a real value of 460 florins only. It would be idle, with our limited space, to attempt to follow the history of this new edition of the old bank, although with all its annals before us, official, semi-official and of impartial origin. Suffice it to say, that in the revolutionary period of 1848–9, it rendered incalculable service to the State, when all Austria, Bohemia, Hungary and Lombardy were in insurrection, and the empire existed only in name. But it was at the cost of its own, just falling short of irredeemable ruin. Unnecessary to track its course, all that remains to say is, that it has two departments of issue, one for State notes, representing State obligations, the other for general purposes, advances upon securities and currency. Herr Horn last year estimated the State note circulation at only 1,542,880 florins, which must be a mistake, the general issue, irrespective of that, being nearly 906 millions. It is difficult to reconcile these figures, of reputed authority as they are, with those cited as of from documents by M. Seneuil, in 1852, when the total circulation, as appears but not discriminated, was stated, for 1851, at a trifle less than 151 millions of florins, State and commerce entering, in the aggregate discounts and accommodation, for rather more than 106½ millions. It is not necessary to reproduce the tables here. There can be no question, however, that under the able administration of Baron de Bruck, both State and bank note currency has been systematically diminished and extinguished year by year, and it is now stated, with something like authority, that the Austrian treasury has been preparing, and will be ready at the close of this year, to meet and then restore the convertibility of Vienna bank paper on demand.

In 1852, M. Seneuil acquaints us there were only ten banks of circulation in all Germany, apart from the land banks. These were the banks of Berlin, Pomerania, Breslau, Dessau, (territorial,) Leipzig, Lu-

beck, Rostock, Austria and Bavaria, (mortgage and commercial bank.) The respective circulations of paper money, discounts and advances to governments, irrespective of loans, then stood thus, with capital amounts and specie in hand :

	<i>Circulation.</i>	<i>Discounts and Advances.</i>	<i>Capital.</i>	<i>Specie.</i>
	<i>Thalers.</i>	<i>Thalers.</i>	<i>Thalers.</i>	<i>Thalers.</i>
State Bank of Berlin, ....	31,000,000	17,514,753	11,494,000	23,104,379 thalers, at 1s. 8d.
Cassenerverein of do.....	1,000,000	243,503	1,000,000	1,621,804 " "
Pomerania, .....	1,000,000	1,085,109	1,334,500	483,311 " "
Breslau City Bank, .....	800,000	666,638	1,000,000	333,607 " "
Dessau, (territorial,).....	2,500,000	57,833	1,500,000	705,369 " "
Leipzig, .....	7,600,000	209,841	1,500,000	3,990,332 " "
Lubeck, .....	320,000	nil	25,000	65,790 " "
Rostock, .....	500,000	93,365	500,000	117,099 " "
Austria, .....	150,945,543	106,023,769	21,260,320	29,379,340 " at 2s. 0d.

It will readily be seen that the banks cited act upon varying principles and practice, which it would require a whole number of the *Magazine* to discriminate and explain. Somewhere about 1854, a city bank, for and in Frankfort-on-the-Maine, was established, with a capital of ten millions of florins, (the Prussian thaler, at 1s. 8d.,) but of the extent of its operations nothing has yet transpired. In 1848 or 1849, a joint-stock bank at Hesse Darmstadt was projected and carried into effect, with special privileges from the Sovereign Grand Duke. It was founded by the Baron de Haber, a merchant banker and man of ability, who had already established a business connection beyond his own means of capital, for carrying it on. But for the restrictive nature of the privileges enjoyed and vigorously enforced, its natural, as its projected seat, would have been at Frankfort, but this the governing senate of the imperio-republican city, in the exercise of its absolute authority, refused a license for. As, however, Darmstadt is only between seventeen and eighteen miles distant, the bank having its representative agency in Frankfort, might have carried on a successful banking business in that great money market but for the opposition, as said, of the great houses of the Rothschilds, Bethmans, &c., who declined to acknowledge either its notes or other paper obligations. Thereupon it stopped payment, although solvent. Patronized in 1853, by the Messrs. Pereire, of the great Société General du Crédit Mobilier at Paris, it has recommenced business with a capital of twenty-five millions of florins, represented by 100,000 shares of 250 florins each, now, we believe, all paid up; say, in sterling, a capital of some two millions.

Thus stood purely banks and banking affairs in Germany until 1855, when the *Bankfieber*, as the German press has it, or banco-mania, as we should say, set in, originated and fomented from that modern hive of scheming, the Paris Bourse. As in France, so in Germany, such a class as private bankers, dealing exclusively in money discounts and deposits, had no existence. Capitalists there were such as the Sinas, of Vienna, the Rothschilds, of Frankfort, and the Solomon Heines, of Hamburg, and in plenty who dealt in loans, State and private discounts, honored letters of credit, traded in produce, in rail-roads and multifarious other speculations where money was fairly and honorably to be made, but

bankers, as such, there were none, and therefore comes the distinction properly drawn, although not exactly defined, by which, in exchange parlance, they are designated as "foreign bankers." So far as banking, indeed, in that sense, every hotel keeper in the great cities of Germany, such as Frankfort, Aix la Chapelle, Mayence, Hamburg, Vienna, &c., is a banker, who exchanges your foreign money, takes particular care of the *agois*, is well versed in the mysteries of exchange, and if he knew you or your connections, has no objection to cash a bill, more especially if you are a *Mi lord Anglais* on his travels, who enjoys much more credit abroad than he finds at home on the Royal Exchange. The same may be said of money changers, head rail-road officials and steam-boat agents, as practically we have found when armed with a certificate of character and credit always honored from our friends of the several London banks.

But 1855-56 introduces us to a more organized system of banking, not still in the sober English method, but approximating to it theoretically—practically leading to, as perhaps in origin designed for, monetary establishments in aid of a grand European combination for the concentration of capital and credit for every conceivable purpose of sharing public and illicit private gain, whose central dominating seat shall be at Paris, the very classic domain of *chevaliers d'industrie*, of the thousands who would live superbly in idleness at the cost of all the world, but who to work practically "are ashamed." Frugal, simple, hard-working Germany, since France has been inundated, is invaded by hordes of schemers from the far West. The crisis is near at hand, and the symptoms of money-market derangements, here and elsewhere, are already observable, the consequences of which will be serious to those implicated. Anxious, as many no doubt are, to escape the responsibility which they have incurred, they will suffer, should the revulsion prove severe, and of its impending certainty there seems great apprehension. Without descending into the further particulars, about which much might be said, we proceed to recapitulate what Herr Horn has made public, of the progress of the *Bankfeber* in Germany, to the middle of the year 1856.

The State paper bank currencies, in the year 1856, are put by Herr Horn at something more than 200,000,000 florins, at 1s. 8d. the florin, the amount for Austria being, we think, underrated.

Here follows the general circulation, or common commercial currency, according to the same authority:

	Florins.	Dollars.	£ Sterling.
Bank of Prussia, .....	78,750,000	31,500,000	6,300,000
Berlin Cassenverein, .....	3,750,800	1,500,340	300,048
Bank Chevallere in Pomerania, .....	3,750,000	1,500,000	300,000
Bank of Breslau, .....	3,750,000	1,500,000	300,000
Bank of Cologne, .....	3,750,000	1,500,000	300,000
Leipzig Bank, .....	33,750,000	18,500,000	2,700,000
Chemnitz, .....	1,125,000	450,000	90,000
Mortgage Bank, Oberlausitz, .....	1,875,000	750,000	150,000
Railway, Dresden, Leipzig, .....	1,515,000	738,000	145,300
Loan Bank, Hesse Electoral, .....	187,500	75,000	15,000
do. Weimar, .....	18,750,000	7,500,000	1,500,000
do. Dessau, .....	15,000,000	6,000,000	1,200,000

	<i>Florin.</i>	<i>Dollars.</i>	<i>£ Sterling.</i>
Braunschweig, [where is the place],.....	11,250,000	4,500,000	900,000
Railway, Köthen, Borenbourg,.....	2,625,000	1,050,000	210,000
do. Tharingia,.....	11,350,000	4,500,000	900,000
Discount Bank of Lubeck,.....	1,305,250	483,100	96,430
Mortgage Bank of Bavaria,.....	17,142,860	6,337,144	1,371,433
do. for South Germany,.....	85,714,338	34,235,712	6,837,133
do. National of Wlabaden,.....	4,338,718	1,715,484	343,097
do. Hamburg,.....	6,428,570	2,371,423	514,236
do. Frankfort,.....	74,238,715	29,715,484	5,948,036
National Bank of Vienna,.....	905,877,370	362,260,948	72,476,139
Total note circulation,.....	1,290,127,365	514,523,540	102,905,906

Since Herr Horn has typed these figures, the paper circulation of Germany has, perhaps, doubled. Prussia has, at this moment of writing, proscribed, very properly, the credit circulation of any bank paper; but its own is prohibited. The crash seems to be inevitable. The land banks alone have securities in the markets, in addition, for over forty millions sterling.

### THE SUSPENSION OF 1837.

In our review of the circumstances preceding the suspension of 1837, (November No., p. 393,) we inadvertently stated that Judge Taney's nomination to the Supreme Court took place on 24th June, 1834, by a Senatorial vote of 28 to 18. This is a mistake. The vote at that date was on his nomination for the post of Secretary of the Treasury—a nomination that was *rejected* by a vote of 28 to 18. His nomination as Chief Justice was made by General Jackson on 28th December, 1835, and was *confirmed* on the 15th March, 1836, by a vote of 29 to 15. In order to show the political feeling existing at those dates, we republish the votes on both occasions :

#### Senatorial Vote for Roger B. Taney, as Secretary of the Treasury, June 24, 1834.

##### YEAS, 18.

*Benton, Mo.,	*Hendricks, IND.,	*Morris, OHIO,	*Tipton, IND.,
*Brown, N. C.,	Kane, ILLA.,	*Robinson, ILLA.,	†White, TENN.,
Forsyth, GA.,	*King, ALA.,	*Shepley, ME.,	Wilkins, PA.,
*Grundy, TENN.,	*King, J. P., GEO.,	*Tallmadge, N. Y.,	*Wright, N. Y.
*Hill, N. H.,	*Linn, Mo.,		

Bell, of N. H., McKean, of Pa., did not vote.

##### NAYS, 28.

Bibb, KY.,	Frelinghuysen, N. J.,	Poindexter, Miss.,	SOUTHARD, N. J.,
Black, MISS.,	Kent, Md.,	PORTER, LA.,	Sprague, Me.,
Calhoun, S. C.,	Knight, R. I.,	†Prentiss, Vt.,	†Swift, Vt.,
Chambers, MD.,	LEIGH, Va.,	PRESTON, S. C.,	TOMLINSON, Ct.,
Clay, KY.,	MANGUM, N. C.,	ROBBINS, R. I.,	Tyler, Va.,
Clayton, DEL.,	Moore, Ala.,	Silsbee, Mass.,	Waggaman, La.,
EWING, OHIO,	Nandain, Del.,	Smith, Conn.,	WESTER, MASS.

Yeas, 18; Nays, 28; Absent, 2. Total, 48.

\* Voted *Yea* on both nominations. † Voted *Nay* on the second nomination.

† Voted the reverse on the other nomination.

Those in small capitals voted *Nay* in both cases.

*Vote on the nomination of Roger B. Taney as Chief Justice Supreme Court United States, March 15, 1836.*

## YEAS, 29.

*Benton, Mo.,	*Hill, N. H.,	*Morris, Ohio,	*Shepley, Ma.,
*Brown, N. C.,	Hubbard, N. H.,	Nicholas, La.	†Swift, Vt.,
Buchanan, Pa.,	*King, Ala.,	Niles, Conn.,	*Tallmadge, N. Y.,
Cuthbut, Ga.,	*King, J. P., Geo.,	†Prentiss, Vt.,	*Tipton, Ind.,
Davis, Mass.,	*Linn, Mo.,	Rives, Va.,	Walker, Miss.,
Ewing, Illa.,	McKean, Pa.,	*Robinson, Illa.,	Wall, N. J.,
*Grundy, Tenn.,	†Moore, Ala.,	Ruggles, Ma.,	*Wright, N. Y.
*Hendricks, Ind.,			

## NAYS, 15.

CALHOUN, S. C.,	LEIGH, Va.,	PORTER, La.,	TOMLINSON, Conn.,
CLAY, Ky.,	BLACK, Miss.,	PRESTON, S. C.,	WEBSTER, Mass.,
Crittenden, Ky.,	MANGUM, N. C.,	ROBBINS, R. L.,	White, Tenn.
EWING, Ohio,	NANDAIN, Del.,	SOUTHARD, N. J.,	

29 Yeas; 15 Nays; 4 Absent.

1 Rhode Island; 1 Delaware; 2 Maryland did not vote.

Those who wish to examine the debate on the "Removal of the Deposits" will find Mr. Binney's Speech in Niles' Register, vol. 46, p. 57; Mr. Clay's, vol. 45, p. 349; Mr. Clayton's Report, vol. 46, p. 10; Mr. McDuffie's Speech, vol. 45, p. 319; Mr. Polk's Speech, vol. 45, pp. 313, 335; Mr. Polk's Report, vol. 46, p. 38; Mr. Turney's Report, vol. 45, p. 258; Mr. Webster's Speech, vol. 45, p. 418; Mr. Wright's Speech, vol. 45, p. 400.

We have always considered the removal of the deposits as the remote cause of the crisis of 1837. That measure led to the extended establishment of banks throughout the various States during the years 1834—1836; and the deposits of public funds in the hands of many of these banks, managed, in many cases, by inexperienced parties, which led to wild speculation on the part of these institutions and to unsafe expansion on the part of all the others.

The safeguards placed around the Bank of the United States, according to its charter in 1816, would have secured for it a consistent and wise management from 1833 to 1836, similar to that of 1825 to 1832; but the unexpected and unauthorized interference of the executive in the matter, as early as 1832, compelled the bank to act upon the defensive, and thus pursue an illegitimate course. So far as a sound, useful and constitutional currency is concerned for the future, we think it may be gained by the issue of treasury notes according to the wants of the government; such notes to be receivable in payment of custom-house dues and of other debts to the government, and to be used exclusively in the payments to the government creditors. Such an issue, to the extent of twenty million of dollars, *convertible into gold on demand*, could be safely made, and based upon the treasury operations of the first quarter of the next fiscal year. In addition to this, an issue of treasury notes might safely be made upon the deposit of gold or silver at the

\* Voted Yes on both nominations.

† Voted the reverse on the other nomination.

Those in small capitals voted Nay in both cases.

**Treasury by individuals.** Such notes would readily become a part of the system of domestic exchange throughout the Union, and serve as a substitute for the local bank issues of the States. This is substantially the process of the Bank of England, whose circulation is regulated by the amount of bullion in its vaults—a circulation that is not only a legal tender, but available for all the commercial transactions of the country. By the charter of 1844, the bank may issue and keep in circulation fourteen millions sterling, for which the government is responsible, that being the amount of public debt due the bank. Thus the entire amount issued by the bank May 9th, 1857, was £23,567,945, upon the following basis :

I. Government debt due the bank, . . . . .	£14,475,000
II. Gold coin and bullion in issue department, . . . . .	9,092,945
	<hr/>
Total amount outstanding, . . . . .	£23,567,945

The ample guarantee by the government of these notes, gives them *at all times* an undoubted character. They circulate with as much freedom and confidence as gold itself, in all parts of the United Kingdom. We allude to this admirable system of issues, equivalent to Treasury notes in our own country, because it is a model for our adoption, and that now is the time for Congress to adopt some measure of the kind, that shall be free from the reproach of any connection between the banks and the government, but that shall, beyond all question, create a truly national, responsible, convertible and convenient currency. We presume the country will never assent again to the adoption or creation of a national bank, liable to or affected by, remotely or directly, the fluctuations of commerce; but a bank of issue and deposits, without being one of loans, would confer a vast benefit upon the people at large, and could be made to create a currency *at par* from the Atlantic to the Pacific.

Such an issue of Treasury notes need not interfere with the circulation of ordinary bank notes; and in order to test their fitness for the purposes of their issue, they should at first be limited to one-fourth or one-third of the annual expenses of the government. Their convertibility into coin at all times, and their availability for government purposes would, we think, secure for them an adoption as remittances between remote points of the country, and create a circulation reliable at all times and in all places, North and South, East and West.

The distinguishing feature between the suspension of 1837 and that of 1857, is, that the former was more general than the latter. In 1837 there were less than a dozen banks that maintained specie payments, whereas now there are one hundred or more that have not suspended payment or have already resumed. Among these are several in Pennsylvania, viz. : Bank of Pittsburgh, Farmers' Bank, Bucks County; also all the banks in New Orleans; the State Bank of Ohio and all its branches; the Banks of Kentucky and all their branches; State Bank of Indiana and branches; the Banks of Illinois and Indiana; more than half of those in Missouri, one in New York city, three in Charleston, S. C., and all the Canada banks.



## SUSPENSION OF 1857.

REPORT OF MESSRS. FOOT AND RUGGLES TO THE CLEARING-HOUSE.

*To Thomas Tileston, Esq., and other Presidents of Banks represented in the New York Clearing-House :*

Gentlemen,—In obedience to your instructions we yesterday appeared before his Excellency Governor King, at Albany, to present your memorial and enforce your views in respect to the proposed extra session of the legislature.

The general scope and character of the public views then submitted to the governor will sufficiently appear in the brief but comprehensive outline reported in the Albany newspapers, and copied this morning in the public journals of this city.

We deem it important, however, to add that in addition to those broader and more general considerations, we also submit in detail the legal technical reasons necessary to show that the “*insolvency*” of banks, contemplated by existing laws, and calling for the summary process of receivers, and consequent suspension of their corporate functions, was an actual, practical insolvency in the common sense of the term, and not a merely technical or constructive insolvency, arbitrarily inferred from a momentary or temporary delay in paying all their obligations in coin; and that the creditors of banks actually solvent might safely and properly be left to their ordinary remedy, by suit at law.

We deem it important to show that this view of the case had been explicitly and authoritatively established by the Supreme Court in recent decisions, and also to satisfy the governor that those decisions had been made in cases in court actually arising, and were in no sense voluntary or extra judicial.

For this purpose we showed to him that, in point of fact, there had been three separate applications for injunctions and receivers against three different banks, pending before two of the judges of this district—two before one judge and one before another; that those judges having deemed the applications important, called in their associates of this and the second judicial district for consultation, as is often done in difficult and important cases; that the result of their deliberations was a decision by the two judges before whom the applications were pending, denying the motions for injunctions and receivers. The decision was in accordance with the unanimous opinions of all the judges present.

As the community was deeply concerned in the questions thus decided, the judges very wisely and properly stated the propositions on which their decisions were founded, and allowed a report of them to be published. In this they did no more than has been often done by the old Court for the Correction of Errors and the present Court of Appeals, viz. : pass resolutions in important cases of public interest, dictating the principles settled in the case decided, and allow them to be reported and published.

Since the announcement of these propositions, Judge Roosevelt, on the application made to him for an injunction and receiver against the Bank of New York, has denied the motion, and is preparing, as we understand, his reasons in full for his decision.

After presenting these and other facts and views to the governor, we respectfully asked for an expression of his opinion on the subject. He was pleased to say in answer, that he had "listened with pleasure and advantage to the reasons presented in behalf of the leading banks of the city of New York," but that he was not prepared, at present, to do more than to hold the question of an extra session in reserve.

Respectfully, your obedient servants,

SAMUEL A. FOOT,  
SAMUEL B. RUGGLES.

New York, October 17.

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### THE BANKS AND THE LAW.

[From the Albany Evening Journal, Oct. 15.]

Failure or refusal to redeem their notes may be made by our banks at two different places, their own counters and their agencies. The remedies for each are different. If the demand for specie be refused at the counter, between the hours of ten and three, the holder of the notes may have them protested in the package, unless protest be waived by the bank, and the facts of the non-payment admitted in writing. This protest or admission in writing, accompanied by the notes, is sent to the Banking Department. The superintendent forthwith gives the bank notice that it must pay the notes. If it neglects to do so for fifteen days, he then publishes a notice in the State paper that all the notes issued by the bank will be redeemed out of the trust funds in his hands for that purpose. These funds (State stocks and bonds and mortgages) are then sold by him at public auction, upon a ten days' notice, and the proceeds applied to the payment and cancellation of the defaulted notes. Ample time—six years and six months—is subsequently given to bill-holders within which to present all the notes. These then cease to be a charge or claim upon the fund in the superintendent's hands.

This officer next makes *pro rata* distribution of the residue of the fund among the creditors of the bank, and if there be a surplus, deposits in the State Treasury for the use of his department. If failure by a bank to redeem its notes takes place at its agency, the bank is obliged to pay interest upon the notes presented, at the rate of twenty per cent. per annum. If the redemption and payment of interest do not take place within twenty days, the superintendent proceeds against the bank in the manner above described. After this default, the bank cannot issue or put in circulation any of its notes. On an application at the counter to redeem, the bank may offer the par notes of, or its drafts drawn upon, banks in Albany, Troy or New York, in payment of its circulation so presented, accompanied, if required, by an affidavit that such drafts are available at those points for immediate payment. This will have

the effect to save the bank from costs of suit, if one is brought upon its defaulted notes.

Any creditor of a bank having a demand exceeding one hundred dollars, payment of which is refused, may, within ten days after such refusal, apply to a justice of the Supreme Court for an order declaring the bank insolvent, restraining it from doing further business, and appointing a receiver. The judge is to consider the "expediency" of this order, for the "prevention of fraud and injustice." If the order be granted, after hearing and inquiry, and a receiver is appointed, this officer takes possession of the entire property of the bank, save what the superintendent has, and publishes a notice to creditors to establish their claims within thirty days. Under the direction of the superintendent, he converts into cash the stock and mortgage securities, "with the least possible delay," reduces to cash all the demands and accounts of the bank, by private and public sale, and "within ninety days" from the time of his appointment declares a dividend among the creditors, unless the time is enlarged by an order of the Supreme Court. This cannot be done for a period exceeding ninety days.

The stockholders of a bank may themselves proceed against it. One or more of them, owners to the extent of one-tenth of its capital, may apply to a Supreme Court judge to have it declared insolvent, "or in imminent danger of insolvency." On a verification by affidavit of the facts alleged, the judge may, at his discretion, temporarily enjoin the bank from paying out money, transferring its assets or contracting liabilities. Subsequently, upon a hearing of the parties, this injunction may be made final, and the bank declared insolvent, and a receiver of its effects be appointed.

A New York State moneyed corporation which for one year neglects to pay its notes is deemed to have surrendered its franchises. These are the outlines of the provisions of our banking law for the protection of billholders and creditors. They will suffice for information at this juncture, upon a topic of general interest. The banks of this State, however, are kindly regarded by the public, and in the general sympathy for the misfortunes which have overtaken them, in common with the rest of us, will, in hardly a single instance, be made the subject of the coercive provisions of our statutes. Forbearance, kindness and patience will be the rule of conduct now throughout New York.

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[From the *Albany Argus*, October 15.]

As the legislature is probably soon to meet with a view to consider the existing laws applicable to our banks in their present suspended condition, it will be interesting to the public to know what was done in a like emergency in 1837. We therefore copy at length all the important sections of that act, and give an abstract of those not applicable to the present state of things. It must be borne in mind that any legislation, to be adopted at the present time, must be framed in reference to the following provisions of the constitution, which did not exist in 1837 :

The legislature shall have no power to pass any law sanctioning in any manner, directly or indirectly, the suspension of specie payments by any person, association or corporation, issuing bank notes of any description.

And also in reference to that clause of the constitution of the United States, which says, that "no State shall pass any law impairing the obligation of contracts."

Legislation must obviously be confined to a modification of existing stringent provisions for winding up banks which fail to pay specie. Even within this limited scope, and acting only upon the remedies for enforcing the payment of specie, it will be no easy matter to devise relief laws which will not be liable to the constitutional objection of "sanctioning in any manner, directly or indirectly, the suspension of specie payments." The banks must be moderate in their demands and prudent in the legislation which they seek, and trust much to the forbearance of the public.

The suspension act of 1837 was passed on the 16th of May, and entitled, "An act suspending for a limited time certain provisions of law, and for other purposes."

The first section was as follows :

Section 1. Every provision of law in force, requiring or authorizing proceedings against any bank in this State, with a view to forfeit its charter or wind up its concerns, or which requires such bank to suspend its operations and proceedings, in consequence of a refusal to pay its notes or evidences of debt in specie, is hereby suspended for one year. But such suspension shall not apply to any bank which shall, during said time, refuse to receive in payment of debts due to such bank the bills or notes of any other bank subject to the provisions of this act, and against which an injunction has not been granted.

[The last clause was modified by a subsequent act, so as not to apply "to any debt due from one bank to another."]

Section 2 provides that costs shall be recovered only as in suits against individuals, and taking away the priority in the courts of suits against the banks.

Section 3 regulates the amount of circulation which each bank may issue.

Section 4. No such corporation shall, directly or indirectly, divide or pay to or among its stockholders, or to any person for them, any dividends, interest or profits whatever, until it shall resume the payment of its notes and evidences of debt in specie.

Section 5 prohibits the banks from selling specie at a premium.

Section 6 requires monthly statements to be made and published.

Sections 7 and 8 relate to the "Safety Fund."

Section 9, notwithstanding provisions of the act, requires the bank commissioners to "take prompt and efficient steps to forfeit the charter and wind up the concerns of every bank which they shall find to be in dangerous or insolvent circumstances."

Section 10. The act to "continue in force for one year."

*The Government and the Times.*—From the circular which is published below, it will be seen that the Secretary of the Treasury is taking

measures, through the Collector of the port, to obtain the views of leading merchants as to the effect of the revulsion upon the foreign commerce of the country and upon the consumption of imported goods. Mr. Schell's extensive acquaintance with our prominent and most intelligent merchants will doubtless enable him to secure information of great importance and value. The following is a copy of the circular which has been issued :

CUSTOM HOUSE, New York, Oct. 13.

Sirs,—The Secretary of the Treasury wishes to obtain the opinion of importing and other merchants of intelligence and information, as to the effect which the present financial condition of the country will have upon importations from abroad.

The particular points to which his inquiries relate are, *the probable amount of importations for the next twelve or eighteen months ; the probable change in the price of the more important articles of import ; and, also, the probable amount of goods now in warehouse that will be withdrawn for consumption during the residus of the current fiscal year,* with any other information that may bear upon the subject, and aid him in the preparation of the usual estimates for Congress.

Your views and opinions in relation to these matters are respectfully solicited.

Your obedient servant,

To Messrs. ———.

AUGUSTUS SCHELL.

#### SUPREME COURT AND THE BANKS.

##### *Denial of Injunction against the Bank of New York.*

SUPREME COURT—Special Term—ROOSEVELT, J.—*John Livingston agst. The Bank of New York.*—The plaintiff, a holder of two of the circulating notes (amounting to \$200) of the Bank of New York, was refused payment on 13th October. He applied for an injunction against the bank, which at that time was refused for the time being—the judge withholding his final decision until after an examination of the papers. During the week he rendered an elaborate opinion denying the injunction :

*Livingston agst. The Bank of New York.*—The plaintiff being, as he alleges, the owner of two "circulation" notes of the Bank of New York, each of the denomination of \$100, on the afternoon of the 13th of October, between the hours of 1 and 2 o'clock, presented them to the paying teller of the bank, demanding specie for them, and was refused. He further alleges, on information and belief, that the bank is insolvent, and therefore prays that it may be dissolved, that it may be enjoined from exercising any of its corporate functions, from collecting its debts, from paying out or transferring its money and effects, and that its assets may be appropriated to pay its liabilities "according to law."

As a preliminary to a final decree, he now moves, *ex parte*, on the sworn statements of his complaint, for an order of the court requiring the bank to show cause, at an early day, why a receiver should not be

appointed "to take charge (in the *interim*) of its property and effects," and the immediate question is, is such an order, on the case made, a matter of strict legal right, and if not, is it nevertheless, under all the circumstances, fit and proper, as a matter of mere legal discretion. The plaintiff, no doubt, is entitled to the same remedy, by the ordinary suit at law and judgment and execution, against the bank, as against any other debtor. He has the advantage, too, in such action, of greater despatch than an ordinary creditor.

He is freed from the common obstructions of a sham defence. In twenty *days* after the first step taken, the law declares peremptorily that "judgment *shall* be rendered for such demand, with interest and costs, unless the judge shall be satisfied by affidavit, setting forth the facts, that there is a good defence, on the merits, to the demand, and shall thereupon direct a stay of judgment until a trial can be had." And even in that case—a case seldom likely to occur—the issue joined, whether of fact or law, "*shall* have preference over all other causes." Appeals, too—another mode of procrastination—are also restricted, by requiring the certificate of a judge, "that there is probable error," and satisfactory security for the payment of the demand, in the event of final judgment, "with interest at the rate of ten per cent. and costs."

These strong provisions to insure a speedy recovery are applicable "to any proceeding for the recovery of any demand" against a bank "issuing any kind of paper credits to circulate as money." And it will thus be seen that, as against that class of banks, every depositor, as well as every billholder, may ordinarily obtain an execution in twenty days from the time of demand and refusal of specie, (which execution, by the terms of the Code, may be made returnable within the further period of sixty days,) and that the time of payment may accordingly, by legal resistance, be postponed in that matter for three months, or thereabouts, and no longer.

Whether these summary requirements of the act of 1849 were intended to apply to the higher courts alone, may admit of some doubt. It is clear, however, that they do not take from the creditor of a bank his ordinary remedy in the minor courts for sums of \$500 and under—a remedy which, without going into details, it is presumed, is at least as prompt as any in the Supreme Court.

What occasion is there, then, for any extraordinary measures, beyond those already referred to, in favor of the present plaintiff or against the present defendants? The bank, we are told, is insolvent, but how is that shown? The plaintiff's "information and belief" is surely no evidence; especially when in direct contradiction to the regular official reports of the bank, which being made under oath, and published by express direction of law, are, it is presumed, entitled to at least as much weight judicially, as the unknown and unsworn informant of the plaintiff.

We are left, then, to the mere legal inference of insolvency resulting from suspension of specie payments by a bank of issue.

Is such the necessary inference from suspension, no matter what the bank's assets may amount to, in cases where suspension is general, and nearly universal, throughout the State and every other section of the Union? It seems to me that it is not. The statute of 1849—which,

being subsequent in time, and especially directed to the case of banks of issue, and covering precisely the same ground, would seem to supersede on these points the older enactments—this statute provides that upon proof by the abortive return of an execution, or by other satisfactory evidence before it is returned, that an execution for “any debt or liability exceeding \$100” cannot be satisfied out of any property of the bank thus sued, the judge “shall at once make an order declaring the insolvency of such corporation or association;” to be followed, of course, by the appointment of a receiver to wind up its business. Under another section, however, a creditor, without waiting the first twenty days, or the subsequent sixty days, if his demand exceed \$100, may, at any time after ten days from the refusal of payment, apply for an order enjoining the bank and declaring it insolvent, and on such application the judge, “if in his opinion on the facts presented, it be expedient, in order to prevent fraud or injustice,” may grant an order for a temporary injunction. After which, on hearing of the parties on short notice, he shall determine whether the bank be “clearly solvent or otherwise.” And even if he determine it to be clearly solvent, he is required to continue the temporary injunction, if one has been granted, until full payment of the debts and costs. But if he determine that it is “not clearly solvent,” he must not only continue the injunction, but appoint a receiver.

Reading these provisions, can any one say that, by a true interpretation of the law of which they form a part, the mere suspension of specie payments of itself, and by itself, settles the question of insolvency? If so, why require, under one section, the issuing of an execution and proof of inability to satisfy it; and under another, first a delay of at least ten days, and then a hearing on further notice, and an examination of the “officers’ books, papers, accounts, assets and effects?” Banks of issue in this State are the creatures of law. The same law assumes that while accommodating the public, they will yield an income to the stockholders; and how is such income to be realized unless they are allowed to loan, not only their capital, but a portion at least of their deposits; and that, too, not returnable on demand, but on time? It assumes, therefore, in the very organization of such institutions, that in case of a panic or sudden rush, the banks, although amply able and clearly solvent, may not have *specie* enough on hand immediately to satisfy all claims. Thence the act of 1849, instead of authorizing a permanent injunction, upon a mere refusal to pay in specie, expressly requires further “proof satisfactory to a justice of the Supreme Court,” that the demand of the plaintiff “cannot be satisfied out of *any property* of the defendant,” or that, after a full hearing of the parties, it shall appear, and be so determined, that the institution is “not clearly solvent.”

In the present case, it is now admitted that the bank has *property* not only sufficient, but in every respect more than sufficient to satisfy all demands. Within the meaning of the statute, therefore, it is “clearly solvent,” and of course not a subject for the extraordinary decree prayed for in the complaint. For that reason, as well as for the reason that no “fraud or injustice” is alleged or pretended, it is, in my

"opinion, on the facts presented," not only not "expedient," but on the contrary highly inexpedient, to grant a "temporary injunction," or an order to show cause why such an injunction should not be issued.

The Revised Statutes on this point, I have said, would seem to have been superseded by the later provisions of the statute of 1849. This position requires some qualification. The late statute is confined to demands "exceeding one hundred dollars," and to "corporations and joint stock associations issuing bank notes;" whereas the previous statutes were applicable to "any creditor" of any amount, and to any loan, banking or insurance "corporation," whether issuing notes or not. It must be obvious, however, that where a statute says that a certain thing may be done after twenty days, or after sixty and twenty days, or after ten days and a full hearing of both parties, precisely the same thing cannot be done under a previous statute *ex parte*, and without waiting eighty, twenty, ten, or any number of days. There is an obvious repugnance operating to that extent as an applied repeal.

The present application, therefore, in that view, also, must be dismissed. The plaintiff's demand exceeds one hundred dollars—it is founded, not on a deposit, but on two circulating notes—and yet it is made instead of ten days after the refusal of payment, less than twenty-four hours. The law, it is true—and the statute of '49 is certainly not an exception to the principle—aids the vigilant and not the slothful—it is possible, nevertheless, even in such a case, to rise too early.

Banks of issue, it will thus be seen, where they are acting in good faith and are "clearly solvent," have little time to breathe, after suspension, although not very long. On all except small demands they must have twenty days, and, with the approbation of the sheriff, may have sixty more. And as against all their creditors, except note-holders, if certain views of the constitution are correct, the legislature, should they deem the public good to require it, may extend the indulgence still further. On this point, however, I express no opinion—further than to say, that any legislation to be valid must conform first, to the Federal Constitution prohibiting all the States from passing any law "impairing the obligation of contracts;" and secondly, to the State Constitution, prohibiting the legislature, whatever may be the true interpretation of the prohibition, from passing any law "sanctioning in any manner, directly or indirectly, the suspension of specie payments by any person, corporation or association, issuing bank notes of any description."

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#### CANADA.

*The Panic Creeping into the Provinces—Meeting of the Board of Trade of Quebec—Suspension of Specie Payments suggested.*

[From the *Quebec Gazette*, October 16.]

Yesterday afternoon a meeting of the Council of the Quebec Board of Trade took place in the Exchange. The meeting was a very large one, composed—in addition to members of the board—of merchants and traders of the city, who had been requested to attend.



The meeting was called for the purpose of taking into consideration the stringent condition of the money market at the present moment, and the consequent influence upon Canada of the suspension of specie payments by the banks of the principal cities of the United States.

Mr. G. E. Simard, M. P. P., Vice-President of the Board, who occupied the chair in the absence of the President, explained the object of the meeting. He said that although short notice of the meeting had been given, still it was one of very great importance. The mercantile community had been called together to consider the present state of financial affairs, and to give their opinion as to the course which ought to be adopted by the monetary institutions, not only for their own protection, but for the protection of all classes. The actual condition of the money market in England and the United States was well known to all mercantile men, and it remained with them to decide whether they would recommend a course similar to that adopted in 1837, when the following notice was issued by the banks :

The suspension of specie payments by the banking institutions of New York has induced the directors of the undermentioned banks in this city to take into consideration the effect which that measure will produce on the currency of the country.

After the most mature deliberation, they can come to no other conclusion than that it will operate as a drain of specie from the Canadas to the United States ; and as the only means in their power to prevent such a ruinous effect, and avert the disastrous consequences to the commercial and agricultural interests of the country which must inevitably ensue, and involve alike the merchant, the mechanic and the laborer, they find themselves compelled to adopt a similar course, in which they are borne out by the unanimous opinion of the mercantile body, expressed in resolution adopted at a public meeting held this day.

The directors do therefore now give notice, that payments in specie will be discontinued from this time.

The notes of the undermentioned banks will be received as usual in payment of debts due the said banks, and in deposit, and as the present course is imperatively forced upon the directors, not with a view to acquire gain for their respective institutions, but from an anxious desire to avert a public calamity, they entertain a confident hope that the notes of these banks will pass current as usual, until such a change shall take place as may render the resumption of payments in specie practicable.

By order of their respective boards.

A. SIMPSON,

*Cashier Quebec Branch of the Bank of Montreal.*

C. GETHINGS,

*Acting Cashier Quebec Bank.*

Quebec, May 16, 1837.

[Up to this date, November 20th, we do not learn that any of the banks in Canada have suspended.—Ed. B. M.]

## BOSTON BANK DIVIDENDS IN 1857.

THE following table presents the capital of each bank, together with the last three semi-annual dividends, and the amount paid October 5th; also the market value of each stock (dividend off) October, 1856, and April and October, 1857. Respecting the prices of bank shares, at *this time*, we have endeavored to rate them as accurately as possible, but the peculiar state of the market renders this a matter of great difficulty. Quotations decline rapidly from day to day, and there is naturally a very large margin between buying and selling prices, especially if the latter are forced ones:

BANKS.	Capital.	DIVIDENDS.			Amount. Value of stock, Div. of.			
		Oct. '56.	Ap. '57.	Oc. '57.	Oct. '57.	Oct. '56.	Ap. '57.	Oct. '57.
Atlantic, .....	\$500,000	3	3	3	\$15,000	97	93	95
Atlas, .....	500,000	4	4	3½	17,500	105	107	109
Blackstone, .....	750,000	4	4	4	30,000	104	104	95
Boston (par 50), .....	900,000	4	4	4	36,000	58	53	55
Boylston, .....	400,000	4½	4½	4½	18,000	111	111½	108
Broadway, .....	150,000	4	4	3½	5,250	109	101	95
City, .....	1,000,000	3½	3½	3½	25,000	104	104½	95
Columbian, .....	750,000	3½	3½	3½	28,250	104½	104½	95
Commerce, .....	2,000,000	3½	3½	3½	70,000	100	100½	88
Eagle, .....	700,000	4	4	4	28,000	108	108	104
Eliot, .....	600,000	3½	3½	3½	21,000	100	100	85
Exchange, .....	1,000,000	5	5	5	50,000	114	117	104
Faneuil Hall, .....	500,000	4	4	4	20,000	108	109	103
Freemen's, .....	400,000	5	5	5	20,000	115	117	108
Globe, .....	1,000,000	4	4	4	40,000	118	118	105
Granite, .....	900,000	3½	3½	3	27,000	97	100	90
Hamilton, .....	500,000	4	4	4	20,000	118	118	108
Howard, .....	500,000	3½	3½	3	15,000	97	95	86
Market (par 70), .....	560,000	5	5	5	28,000	83½	83	78
Massachusetts (p. 250), .....	800,000	38	38	38	25,000	255	255	240
Maverick, .....	400,000	3	3	3½	14,000	93½	90	80
Mechanics', .....	250,000	4	4	4	10,000	108	108	103
Merchants', .....	4,000,000	4	3½	3½	140,000	104½	108½	75
National, .....	750,000	3½	3½	3½	26,250	100	100	90
New England, .....	1,000,000	4	4	4	40,000	111	111	101
North, .....	750,000	3½	3½	3	22,500	100	97½	90
North America, .....	750,000	3½	3½	3½	28,250	108	104½	95
Shawmut, .....	750,000	4	4	4	30,000	103½	103	95
Shoe & Leather, .....	1,000,000	4½	4½	4½	45,000	111	114½	105
State (par 50), .....	1,800,000	4	4	3½	68,000	65	66	63
Suffolk, .....	1,000,000	5	5	5	50,000	125	128	120
Traders', .....	600,000	3½	3½	3½	21,000	103½	101½	85
Tremont, .....	1,250,000	4	4	4	50,000	112	111	108
Union, .....	1,000,000	4	4	4	40,000	111	110	102
Washington, .....	750,000	3½	4	3½	28,250	102	104	97
Webster, .....	1,500,000	3½	3½	3½	52,500	108	103	90
Total, Oct., 1857,...	\$31,960,000				\$1,204,250			
April, 1857, .....	31,960,000				1,222,100			
October, 1856, .....	31,960,000				1,245,350			

[For dividends of former years, see *Bankers' Magazine*, May and Nov., 1850-'56.]

## DIRECTORS OF THE BANK OF ENGLAND.

I. *Preliminary Remarks.* II. *Directors for 1856-'7.* III. *List of Governors and Deputy Governors from 1828 to 1857.*

THE bank commenced business in 1694, with fifty-four assistants, the salaries of whom amounted to £4,350. The total number employed in the year 1850 was upwards of nine hundred, and their salaries exceeded £210,000, or \$1,000,000. According to Francis' History of the Bank of England, the supreme management of the bank is vested in the whole court of directors, which meets weekly, when a statement is read of the position of the bank in its securities, bullion and liabilities. The directors have equal power, and should a majority disapprove of the arrangement, they might reconstruct it. Eight of them go out and eight come in annually, elected by the court of proprietors; and the system on which the affairs of the bank are conducted is of course liable to change, as new directors may exert their individual influence on it. A list of candidates is transmitted to the court of proprietors; and the eight so recommended uniformly come in. Quakers and Hebrews are not eligible, although many are so well versed in monetary matters. When an individual is proposed as a new director, inquiry is always instituted concerning his private character. The qualification is the possession of bank stock to the amount of £2,000, of the deputy governor, £3,000, and of the governor, £4,000. For many years the directors have adhered to the practice of possessing only the amount of qualification, and when the twenty-five per cent. bonus on stock was given to the proprietors, they merely retained their previous amount. They are responsible for the management of the affairs of the bank, and penalties attach to their conduct, individually or collectively, upon certain occasions; but by the charter they are not responsible for the management of the monetary department to government, and the whole security which the public have for that management depends on their discretion, subject to the new charter.

*The Bank of England.*—Looking to all the best and acknowledged tests of our monetary condition, there is certainly nothing to justify the alarm which appears to have existed. This, however, is a question altogether apart from a high rate of discount, which experience has abundantly proved is not incompatible with sound and even with profitable business. The bullion still in the bank stands £10,110,000, while in April last it was as low as £9,065,000; and the reserve of notes is £4,024,000, while in April it was £3,044,000. That some further reduction will take place is probable, if not certain, both by the payment of the dividends and in consequence of shipments of gold to the United States; but, on the other hand, already considerable arrivals of gold have taken place, and other shipments are known to be nearly due. Indeed, it will be seen upon examination, that large arrivals from Australia usually take place during the months of November and December. But our future prospects probably depend much more upon other countries than upon this.—*London Economist, Sept., 1857.*

*Directors for 1857-'8.*—The following are the names of the directors of the Bank of England, elected on 14th and 15th April, 1857, with the dates when they were first elected directors :

*Governor, SHEFFIELD NEAVE, [1830.] Deputy Governor, BONAMY DOBREE, [1835.]*

*Directors for the Year ending April, 1858.*

*THOMAS BARING, [1848.]	KIRKMAN DANIEL HODGSON, [1840.]
*HENRY WOLLASTON BLAKE, [1848.]	HENRY LANCELOT HOLLAND, [1844.]
*T. BUXTON.	†JOHN GELLIBRAND HUBBARD, [1838.]
EDWARD HENRY CHAPMAN, [1840.]	THOMAS NEWMAN HUNT, [1844.]
ROBERT WIGRAM CRAWFORD, [1850.]	ALFRED LATHAM, [1838.]
†WILLIAM COTTON, [1822.]	*GEORGE LYALL, [1849.]
BENJAMIN BUCK GREENE, [1850.]	*THOMAS MASTERMAN, [1848.]
CHARLES PASCOE GRENFELL, [1830.]	*ALEXANDER MATHESON, [1848.]
HENRY HUCKS GIBBS, [1853.]	†JAMES MORRIS, [1827.]
†THOMSON HANKEY, Jr., [1835.]	GEORGE WARDE NORMAN, [1848.]
JOHN OLIVER HANSON, [1829.]	*THOMAS CHARLES SMITH, [1838.]
†JOHN BENJAMIN HEATH, [1823.]	†THOMAS MATTHIAS WEGUELIN, [1838.]

The following gentlemen retired from the directory in 1857: Henry Hulse Berens, James Pattison Currie, Charles Frederick Huth, James Malcomson, John Horsley Palmer, Thomas Tooke, Jun., Arthur Edward Campbell.

*Governors and Deputy Governors of the Bank of England since 1828, with the dates when they were first elected as Directors.*

<i>Year Elected.</i>	<i>Governor.</i>	<i>Deputy Governor.</i>
1828,	SAMUEL DREW, 1806.	JOHN HORSLEY PALMER.
1829,	do.	do. do.
1830,	JOHN HORSLEY PALMER, 1811.	A. H. THOMPSON, 1811.
1831,	do. do.	do. do.
1832,	do. do.	RICHARD MEE RAIKES.
1833,	†RICHARD MEE RAIKES, 1812.	JAMES PATTISON.
1834,	JAMES PATTISON, 1813.	TIMOTHY ABRAHAM CURTIS.
1835,	do.	do. do.
1836,	do.	do. do.
1837,	TIMOTHY ABRAHAM CURTIS, 1820.	SIR JOHN RAE REID, M. P.
1838,	do. do.	do. do.
1839,	SIR JOHN RAE REID, 1820.	SIR JOHN HENRY PELLY.
1840,	do. do.	do. do.
1841,	SIR JOHN HENRY PELLY, 1821.	WILLIAM COTTON.
1842,	WILLIAM COTTON, 1822.	JOHN BENJAMIN HEATH.
1843,	do.	do. do.
1844,	do.	do. do.
1845,	JOHN BENJAMIN HEATH, 1823.	WILLIAM R. ROBINSON, 1825.
1846,	do. do.	do. do.
1847,	JAMES MORRIS, 1827.	HENRY JAMES PRESCOTT.
1848,	do.	do. do.
1849,	HENRY JAMES PRESCOTT, 1835.	THOMSON HANKEY, Jr.
1850,	do. do.	do. do.
1851,	THOMSON HANKEY, Jr., 1835,	JOHN GELLIBRAND HUBBARD.
1852,	do.	do. do.
1853,	JOHN GELLIBRAND HUBBARD, 1838.	THOMAS MATTHIAS WEGUELIN.
1854,	do. do.	do. do.
1855,	THOMAS MATTHIAS WEGUELIN, 1838.	SHEFFIELD NEAVE.
1856,	do. do.	do.
1857,	SHEFFIELD NEAVE, 1830.	BONAMY DOBREE.

\* New Members, 1857. Mr. JOHN HORSLEY PALMER, who was elected a director of the bank in 1811, retired from the directory in 1857.

† Formerly governors of the bank.

† Failed October 1, 1834.

## BANK ITEMS.

New York.—A meeting of the bank officers of this city, at which several bank officers from Albany and the interior of the State were present by invitation, was held at the Clearing-House, November 9th. The following resolutions were passed:

*Resolved*, That the country banks be requested, on and after November 16th, instant, to redeem daily, as heretofore, in the city of New York, such of their circulating notes as may be received by the Metropolitan Bank on and after that date; and that they be also requested to redeem, on the first day of January next, at par, twenty per cent. of the amount which may be held by the city banks on said 16th day of November, and twenty per cent. monthly thereafter, until the whole amount is redeemed, they paying interest at the rate of six per cent. per annum on the amount of their notes held by the city banks on and after the first day of December, 1857, with the understanding that any bank may anticipate the redemption of its notes so held.

*Resolved*, That weekly statements be made to the Clearing-House by each associated bank, at the close of business on Friday of each week, of the amount of State bank notes and of Metropolitan bank certificates held by them.

*Resolved*, That all notes taken by the Metropolitan Bank hereafter be assorted, and that the notes that are now on hand be also assorted under the direction of the committee at the earliest practical period.

*Resolved*, That any country bank shall be informed, at its own request, of the amount of its notes on hand at any time, and be allowed to redeem them at pleasure.

*Resolved*, That if the amount of notes held of any bank shall, in the opinion of the committee, become excessive or disproportionate, they shall call for a redemption of the excess within ten days; failing to receive which, such notes shall not be taken by the city banks.

*Resolved*, That the Metropolitan Bank shall be responsible for the amount of notes covered by their certificates, the correct counting of the money and its genuineness, but it shall not be liable for the solvency of the banks whose notes it may so hold.

*Resolved*, That the compensation of the Metropolitan Bank for its services in this arrangement shall be determined by the Clearing-House committee, at the final redemption of the notes, and their decision shall be considered final and binding upon all parties.

*Resolved*, That the expenses arising from this depository, and any loss which may finally accrue from bills of insolvent banks, shall be divided among the associated banks at the Clearing-House, in the same proportion to their respective capitals, as are the expenses of the Clearing-House.

*Chemical Bank.*—We are requested to say that the Chemical Bank has not suspended specie payments; but has been prepared at all times during the late crisis to pay its deposits and circulation [existing October 14] with gold.

*Winding up.*—The following banks are closing their business, it being understood that they are all in the hands of receivers:

	<i>Capital.</i>	<i>Receivers.</i>
1. North River Bank,.....	\$655,000	Aaron B. Hayes.
2. Mechanics' Banking Association,.....	632,000	Andrew Carrigan.
3. Bowery Bank,.....	356,650	John A. Stewart.
4. Grocers' Bank,.....	300,000	B. H. Van Auken.
5. East River Bank,.....	313,018	David Banks.
6. Island City Bank,.....	300,000	J. F. Butterworth.

Thus reducing the active capital to about \$64,420,200. [See p. 498.]

A dividend of fifty per cent. has already been paid upon the liabilities of the Mechanics' Banking Association.

The only bank dividends declared this month are by the American Exchange Bank, three per cent., and Pacific Bank, four per cent.

*Increase of Bank Capital.*—The increase of bank capital since January, 1856, by twenty-three institutions in this city, has been \$14,793,000, viz :

<i>Banks.</i>	<i>January, 1856.</i>	<i>November, 1857.</i>	<i>Proposed Capital.</i>
Bank of Commerce,.....	\$5,000,000	\$8,317,000	\$10,000,000
American Exchange Bank,.....	3,000,000	4,671,000	5,000,000
Metropolitan Bank,.....	2,000,000	3,907,000	4,000,000
Bank of America,.....	2,000,000	2,853,000	3,000,000
Bank of New York,.....	2,000,000	2,568,000	3,000,000
Bank of Republic,.....	1,500,000	2,000,000	2,000,000
Continental Bank,.....	1,500,000	2,000,000	2,000,000
Merchants' Bank,.....	1,490,000	1,923,000	2,000,000
Phenix Bank,.....	1,200,000	1,800,000	1,800,000
Union Bank,.....	1,300,000	1,500,000	1,500,000
Importers and Traders' Bank,.....	1,000,000	1,500,000	1,500,000
Shoe and Leather Bank,.....	600,000	1,430,000	1,500,000
National Bank,.....	750,000	1,420,000	1,500,000
Corn Exchange Bank,.....	914,000	1,000,000	1,000,000
Broadway Bank,.....	600,000	1,000,000	1,000,000
Market Bank,.....	650,000	1,000,000	1,000,000
Butchers and Drovers' Bank,.....	600,000	800,000	800,000
Tradesmen's Bank,.....	600,000	800,000	800,000
Nassau Bank,.....	500,000	750,000	750,000
St Nicholas Bank,.....	500,000	708,000	750,000
Marine Bank,.....	500,000	650,000	650,000
Irving Bank,.....	300,000	500,000	500,000
Mechanics and Traders' Bank,.....	200,000	400,000	400,000
<b>Total,.....</b>	<b>\$28,704,000</b>	<b>\$43,497,000</b>	<b>\$46,450,000</b>
Capital January, 1856,.....			28,704,000
Increase paid to November, 1857, by nine of the above banks,.....			14,793,000
Further instalments payable,.....			2,953,000
<b>Total proposed of twenty-three banks,.....</b>			<b>\$46,450,000</b>
<b>Total capital of twenty-three banks above, November, 1857,.....</b>			<b>43,497,000</b>
<b>Capital of twenty-seven remaining banks,.....</b>			<b>20,923,000</b>
<b>Present capital of fifty banks, November, 1857,.....</b>			<b>\$64,420,200</b>
<b>Proposed addition to nine banks,.....</b>			<b>2,953,000</b>
<b>Aggregate capital proposed of fifty banks,.....</b>			<b>\$67,373,200</b>

*Country Bills.*—The notes of the Western Bank of Lockport, Chemung County, Bank of Horseheads and Ontario County Bank of Phelps, all of this State, are not redeemed at the Metropolitan Bank.

The Niagara River (Tonawanda) Bank notes are again received at the Metropolitan Bank the same as other State money.

*Dividends.*—The banks of this city that have acted upon the dividend question, have (the American Exchange Bank and the Pacific Bank excepted) passed their semi-annual dividend for the present. The claims of stockholders (many of them widows and orphans) are, it is true, strong; but the results of the recent suspension are not yet fully established; and many of the banks doubt whether they have actually earned dividends for the past six months. The average surplus profits undivided in July last, (amounting to eight or nine per cent.) it is thought generally have been sunk by the recent losses. If so, and until the work of suspension and failure is fully known, the *bona fide* profits are matter of conjecture only, and not a proper subject for dividend.

*State Bonds.*—At an early day it will be necessary, on the part of some of the

country banks, to substitute New York State bonds for those of Arkansas, Illinois and Michigan, now on hand at Albany as collateral. We annex the names and amounts of such at the last date:

ARKANSAS STATE BONDS.		Delaware Bank, Delh.,.....		\$15,000
Albany Exchange Bank,.....	\$50,000	Farmers' Bank of Hudson,.....		20,000
Delaware Bank, Delh.,.....	40,000	Farmers & Mechanics' B'k of Rochester,.....		10,000
Farmers' Bank of Hudson,.....	28,000	Fort Plain Bank, Fort Plain,.....		11,000
Lowville Bank of Lowville,.....	80,000	Kinderhook Bank of Kinderhook,.....		5,000
Pine Plains Bank of Pine Plains,.....	48,000	Merchants & Farmers Bank of Ithaca,.....		21,000
Watertown Bank of Watertown,.....	20,000	Pine Plains Bank, Pine Plains,.....		20,000
		Powell Bank, Newburg,.....		15,000
		Syracuse Bank, Syracuse,.....		50,000
	\$211,000			

## MICHIGAN STATE BONDS.

Central New York Bank of Utica,....	\$5,000			\$175,000
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The State bonds held by the Bank Department in January, 1857, were \$21,176,997, and the whole securities as follows:

Illinois,.....	\$646,687
Michigan,.....	172,000
Arkansas,.....	211,000
New York,.....	20,147,310
<b>Total State bonds,.....</b>	<b>\$21,176,997</b>
Bonds and mortgages,.....	7,690,756
United States stocks,.....	1,085,080
	74,074

Total securities for circulation,..... \$30,026,907

**MAINE.**—An injunction has been placed upon the Sanford Bank, of Alfred, Maine, on application of the bank commissioners, and there is no doubt the bank will be put into the hands of receivers. The name was originally the Mousam River Bank, but changed to Sanford by the legislature. In the list of discarded banks both names are used, though there is but a single bank.

The bank commissioners examined the bank recently, and immediately placed an injunction upon it. The assets of the bank are thought sufficient to pay the billholders and the depositors. These amount to only about \$30,000, and the bank assets are nominally \$81,000. About \$40,000 of worthless paper has been discounted, and is now held by the bank.

**Suspension.**—It is understood that all the banks in Maine, New Hampshire and Vermont are under suspension. We do not hear of a single exception.

## BANKS OF PORTLAND, MAINE.

	Capital.	Loans.	Circulation.	Deposits.	Specie.
June, 1854, ..	\$1,773,160	\$3,406,194	\$1,422,386	\$706,322	\$259,856
Oct., 1854, ..	1,816,002	3,604,771	1,288,725	841,408	223,569
Dec., 1854, ..	1,875,000	3,556,994	1,258,771	669,845	178,660
June, 1855, ..	1,781,500	3,325,154	1,174,296	810,484	169,306
Jan., 1856, ..	1,831,800	3,435,971	1,258,217	697,198	174,790
Jan., 1857, ..	1,925,000	3,619,982	1,226,248	621,356	172,891
June, 1857, ..	1,977,469	3,639,374	1,114,549	787,808	125,057
Oct., 1857, ..	2,001,200	3,489,424	1,017,447	620,629	144,080
Nov., 1857, ..	2,051,200	3,847,160	814,685	500,480	137,210

**MASSACHUSETTS.**—The Boston Board of Trade had a special meeting early in November, to consider the causes of and remedies for the present condition of business and the currency. Wm. B. Reynolds, Esq., a member of the Committee on Resolutions, next offered the following propositions, which, he said, were drawn up by a gentleman of large mercantile experience, and were approved by many gentlemen long connected with banking and financial operations. The propositions submitted to the Board, as additional matter for discussion, were as follows:

1. That while banks of discount and deposit, if established on sound principles, may be multiplied to any extent with advantage to the public, it is advisable that the business of issuing notes payable on demand should be entirely separate and distinct from other general banking business; and that the power of making and issuing paper money should be withdrawn from banks whose principal business it is to loan money.

2. That the power of furnishing the State with currency should be exercised by the State for the benefit of the public at large, and that the profits on the circulation of bank notes should be applied (after deducting the expenses attendant upon the issue) towards a reduction of the public taxes.

3. That in lieu of the one hundred and seventy-two banks of issue, now existing in the State of Massachusetts, each acting for itself, and each furnishing its portion of the currency, there should be but one bank or department of issue, managed by directors or commissioners appointed by the State for account of the public, and that the business of these offices should be confined to the issuing of notes against public securities and gold bullion, without any banking or discounting privileges; these to be left where they now are, with the banks and with individuals.

4. That in establishing the relative proportions between the issues of bank notes and the securities and bullion held by the issue department for their redemption, the perfect convertibility of the bank note into specie at all times should be secured beyond a shadow of doubt, which, it is generally admitted, may be done by holding two-thirds of undoubted securities and one-third of bullion for the amount of notes in circulation. The bank note should be a legal tender anywhere except by the issue department.

5. That the banks of discount and deposit, instead of issuing their own notes, as at present, should be furnished with notes by the department of issue against a deposit of public securities, and bullion in the proportions already mentioned, or such others as may be fixed by law, and that to compensate the banks in part for the loss of the profits on their circulation, they should be relieved from the State tax of one per cent. on their capital.

6. That the usury laws, which are so generally disregarded as to be almost a dead letter, should be abolished entirely, and the banks, as well as individuals, be at liberty to raise and lower the rate of discount according to circumstances, as is done by the banks of England and of France, the legal rate of interest to remain as heretofore, at 6 per cent., when no other is stipulated.

7. That the accumulation of the public revenue in the hands of government, whereby large amounts of bullion are liable to be abstracted from the usual channels of trade, tends to produce a contraction of the currency, a pressure upon the money market and a high rate of interest, resulting in the most disastrous consequences to those who are thus deprived of the usual facilities for carrying on their operations.

CONNECTICUT.—The Granite Bank of Voluntown, Conn., has been enjoined by the Superior Court, and a receiver appointed, on application of the bank commissioners. The commissioners are pursuing their investigation. The notes of the Bank of Litchfield County, at New Milford, and the Litchfield Bank of Litchfield, both of Connecticut, are thrown out—those banks having discontinued the arrangements with the Suffolk Bank, and now redeeming directly in New York. The bills of the Pequonock Bank, Bridgeport, Conn., have been thrown out by the Metropolitan Bank, but are redeemed by the bank's agents in Wall street at one per cent. discount.

NEW JERSEY.—*List of Notes received on Deposit at par in New York.*—All New York State (solvent banks) and the following New Jersey: Bank of Jersey City, Jersey City, all; Belvidere Bank, Belvidere, 5's and upwards; Central Bank of New Jersey, Hightstown, 5's and upwards; City Bank, Perth Amboy, all; Clinton Bank of New Jersey, all; Farmers' Bank of Wantage, 5's and upwards; Farmers and Mechanics' Bank, Middletown Point, all; Farmers and Mechanics' Bank, New Brunswick, all; Farmers and Mechanics' Bank of Rahway, all; Freehold Banking Company, all; Hacketstown Bank, Hacketstown, 5's and upwards; Hoboken City Bank, all; Hunterdon County Bank, Flemington, 5's and upwards;



Mechanics' Bank, Newark, 5's and upwards; Mechanics and Manufacturers' Bank, Trenton, 5's and upwards; Mechanics and Traders' Bank, Jersey City, all; Newark City Bank, Newark, 5's and upwards; Newark Banking and Insurance Co., Newark, 5's and upwards; Orange Bank, Orange, 5's and upwards; Sussex Bank, Newtown, 5's and upwards; State Bank, New Brunswick, all; State Bank, Newark, 5's and upwards; State Bank, Elizabethtown, 5's and upwards; Somerset County Bank, Somerville, 5's and upwards; Trenton Banking Company, Trenton, 5's and upwards.

PENNSYLVANIA.—The *Harrisburg Union* says that the Philadelphia Bank has filed a complaint against the Pennsylvania Bank, under the provisions of the Relief bill, as an insolvent institution. The effect will no doubt be to put the bank out of existence, as its insolvency will probably be made apparent should the State authorities institute the required examination. This, however, may be avoided by a general assignment.

## BANK OF PENNSYLVANIA, NOVEMBER 5, 1856.

<i>Debits.</i>	Aug. 2, 1856.	Nov. 5, 1856.
Bills discounted,.....	\$2,871,947 15	\$2,569,059 19
Bills of exchange and loans,.....	1,152,136 63	985,505 03
Loans to Commonwealth,.....	137,807 96	142,328 21
Bonds, mortgages, &c.,.....	54,322 75	64,322 75
Real estate,.....	210,413 50	263,474 08
North Pennsylvania Rail-Road,.....	5,000 00	5,000 00
Expense account,.....	4,892 96	13,674 97
Exchange account,.....	22,242 52	58,916 91
Notes of sundry banks,.....	519,939 24	344,900 36
Gold, silver and mint certificates,.....	328,000 00	214,000 00
Specie funds,.....	1,017,397 70	778,357 46
Loans to city of Philadelphia,.....	10,700 00	11,700 00
	<hr/>	<hr/>
	\$6,335,800 41	\$5,401,238 96
<i>Credits.</i>		
Capital stock,.....	\$1,875,000 00	\$1,875,000 00
Notes in circulation,.....	815,599 50	838,029 50
Surplus fund,.....	198,720 57	196,194 34
Certificates of deposit,.....	3,571 15	8,782 60
Discounts,.....	11,617 52	52,556 00
Premiums and exchange account,.....	26,964 62	....
Unclaimed dividends,.....	22,144 03	11,818 03
Interest on stock of Commonwealth,.....	403,750 23	28,276 41
Due the Commonwealth,.....	178,940 01	112,477 87
Due banks and bankers,.....	937,061 82	609,451 84
Due depositors,.....	1,962,430 91	1,688,652 37
	<hr/>	<hr/>
	\$6,335,800 41	\$5,401,238 96
Jan., 1856, dividend on capital stock, 4 per cent.,.....		\$75,000
July, 1856, do. do. 5 do. ....		93,750

*Merchants and Manufacturers' Bank.*—We learn from the Pittsburgh papers that a full, satisfactory and honorable settlement of all disputes and payment of all accounts that lately existed between the Merchants and Mechanics' Bank and Messrs. O'Connor, Bro. & Co. has taken place. The *Post* says this settlement will place the bank in its old position, as one of the most favored and popular institutions, and will be highly satisfactory to the depositors, billholders and stockholders.

*Resumption.*—The stockholders of the Farmers' Bank of Bucks County, at Bristol, Pa., met at the banking-house this week, and by an almost unanimous vote rejected the Relief law passed by the legislature at the late extra session. The bank, therefore, will resume specie payments. This act of the stockholders is certainly commendable, and shows that the directors have managed the affairs

of the bank prudently and satisfactorily. The bank has a surplus fund of more than one-third of its capital.

The Commonwealth Bank, recently organized at Philadelphia, has commenced operations. Robert Morris, Esq., is its President.

The Bank of Pittsburgh, Monongahela Bank, Brownsville, Franklin Bank, Washington, Kittanning Bank, and Alleghany City Bank continue to pay specie.

*Bank Dividends.*—The banks of Philadelphia, with two exceptions, on the 2d and 3d of October, made their usual semi-annual dividends. The Bank of North America and the Bank of Pennsylvania have their dividend periods in January and July. The latter named institution, however, will probably never make another dividend, except a dividend of assets among creditors. The following are the dividends made, compared with those paid in May last, the amount of capital, and the amount of money now to be paid out by each bank:

<i>Banks.</i>	<i>Capital.</i>	<i>May.</i>	<i>November.</i>	<i>Dividend.</i>
Philadelphia,.....	\$1,150,000	5	3 per cent., or	\$34,500
Bank of Commerce,.....	250,000	5	3	7,500
Manufacturers and Mechanics' Bank, .	300,000	5	3	9,000
Mechanics' Bank,.....	300,000	6	3	24,000
Western Bank,.....	418,500	6	3	12,553
Northern Liberties Bank,.....	500,000	5	3	15,000
Farmers and Mechanics' Bank,.....	1,968,980	5	3	59,069
Penn Township Bank,.....	350,000	5	3	10,500
Commercial Bank,.....	1,000,000	4	3	30,000
Girard Bank,.....	1,250,000	3½	3	37,500
Southwark Bank,.....	250,000	5	3	7,500
Kensington Bank,.....	250,000	6	3	7,500
Tradesmen's Bank,.....	150,000	5	3	4,500
Consolidation Bank,.....	250,000	4	3	7,500
City Bank,.....	500,000	0	3	15,000
Germantown Bank,.....	200,000	6	3	6,000
<b>Total,.....</b>	<b>\$9,587,580</b>	<b>75½</b>	<b>48</b>	<b>\$287,627</b>

The banks, it will be seen from the above, divided, in May, 27½ per cent. more among their stockholders than they do under their November dividends; but, from the great appreciation of currency recently, it is probable the amount now paid out will have nearly or quite the purchasing power of the larger sum paid out in May. The law of the extra session of the legislature limited the dividends of the banks of this State, while under suspension, to six per cent. per annum. This provision was probably put in the law at the instance of the banks themselves, as it could easily have been avoided had they been disposed to divide larger amounts, simply by postponing the acceptance of the law until after dividend period, and as the law required them to resume before the May dividends, they could have gone on dividing all that they had earned. It is wise, however, that the limit was fixed, as it relieves bank officers from the complaints of stockholders, and does away with the rivalry among banks as to which shall make the largest dividend. It is presumed that all the banks of the Commonwealth, now in credit, that have usually made three per cent. dividends and upwards, will conform to the law limiting the dividends to that figure.

*Philadelphia.*—John Castner, Esq., was, on the 23d November, elected cashier of the Tradesmen's Bank, in place of John C. Wood, Esq., deceased.

*Lancaster.*—The trial of B. C. Bachman, late president of the Lancaster (Penn.) Bank, for embezzlement, terminated in a verdict of not guilty, defendant to pay the costs; and David Longenecker, who had been held upon a similar charge, was discharged.

*Suspension.*—The Philadelphia Board of Trade, on Monday, November 23, had under discussion a proposition, commending to the consideration of the legislature the project of a single department of issue, to which shall belong exclusively the privilege of issuing notes to the entire State, upon the deposit of pledged securities and specie in proportion; the department to be prohibited from issuing

notes under twenty dollars; stockholders to incur unlimited liability, and statements of the transactions and condition of the department to be published. The board adjourned without taking any definite action on the proposition.

Notice has been given "that application will be made to the next legislature of the Commonwealth of Pennsylvania for the enactment of a General Banking Law, similar to that of the State of New York, with such modifications as an intelligent experience of nearly twenty years in that State may suggest, as essential to the perfect working of the system. It is believed that after securing fully the certain and prompt payment of such notes as are designed to circulate as money: 1st. By making them always payable in gold on demand. 2d. By deposit of ample collateral security, limited to the loans of this State and the United States, being such as are deemed by all the courts proper investments for trust funds in their custody. 3d. By individual liability of stockholders, that the business of banking may be safely left free to the instincts of capital as any other business, and that under such a system, banks will be established only at points where there is legitimate demand for them. It is hoped the application will receive the favorable consideration of an intelligent legislature, and that the enactment of such a law, dispensing with the granting of special privileges to banking institutions, will be the commencement as well of a new era in our legislation, as of the development of the great agricultural, mineral, manufacturing and commercial interests of the State." This application has been signed by Hacker, Lea & Co., David S. Brown & Co., Tredick, Stokes & Co., Thomas & Martin, Stuart & Brother, James, Kent, Santee & Co., Wm. S. Smith & Co., Raiguel & Co., Ludwig, Kneedler & Co., S. Morris Waln & Co., Hood & Co., Lewis & Co., McFarland, Evans & Co., Cope Brothers, Wood, Bacon & Co., Merrick & Sons, Colwell & Co., Fales, Lothrop & Co., Lewis, Audenreid & Co., all of Philadelphia.

GEORGIA.—Governor Brown, in his message to the legislature of Georgia, makes the following remarks upon the recent suspensions in that State:

"In the midst of a high state of commercial prosperity, with abundant crops and a bright prospect for the future, the country is suddenly shocked by an almost general bank suspension, causing distrust and depression in all our commercial affairs. It is to be feared that much of the blame is properly attributable to our banking institutions, for having, in a wild spirit of speculation, extended their paper circulation beyond the limits authorized by our legislature and by the sound principles of banking, which requires them promptly to redeem their circulation in specie when presented. If this be so with any of our banks, while they may be the cause of much public calamity, they are certainly not the proper objects of public sympathy.

"You, gentlemen, are the representatives of the people, and it is for you to consider what constitutional remedy you have in your power to apply. The fault lies not with you; it lies not with the honest masses of the people. The disease to the body politic may be said to be almost a desperate one, and, with a view to the future, it may be better to submit for a time to a desperate remedy, in the hope that it may be a permanent one. The law, as it now stands, has provided the penalty for a bank suspension. The duties of the executive are plain and simple. I shall not shrink from the discharge of those duties. I consider the law imperative. And on being informed, upon such legal evidence as the statute contemplates, that any chartered bank in Georgia suspends specie payment, I shall order proceedings for the forfeiture of its charter.

"In case of proceedings against the bank, the billholders would be none the less the secure, as the assets of the bank would be placed in the hands of a receiver, and converted into money, and applied in payment of the debts of the bank. This would be a lesson of warning which would do much to protect the country in future against similar reverses, caused by wild speculation and over-issues by our banking institutions."

SOUTH CAROLINA.—*The Suspended Banks.*—All the suspended banks of our city have promptly met the demand of the Comptroller-General of the State for the penalty, imposed by law, in case of suspension. The penalty prescribed by the anti-suspension act is at the rate of 5 per cent. per annum on the amount of cir-

ulation at the time of suspension, payable monthly, until resumption of specie payments. We give below a statement, showing the amount of circulation of each suspended bank at the date of suspension, and of the amount of penalty paid by each for the first month, from which it will be seen that the Bank of the State comes in by far for much the larger proportion. The idea of the Bank of the State paying a penalty is a mockery, nay, simply farcical. The bank is owned by the State exclusively, and it pays its share of the penalty incurred, by giving the Comptroller-General a check for the amount, which he immediately deposits in the bank, or has passed to the credit of the State on the books of the bank. This is the financial feat commonly described as paying a debt by taking money out of one pocket and putting it in the other, or, still more familiarly known as robbing Peter to pay Paul. The Bank of the State thus not only pays no penalty at all, but actually makes money by the operation—receiving on deposit the penalties paid by its fellows in guilt, the other suspended banks, and coolly discounting on them. We trust that our State, while resorting to such preventive or remedial legislation as the crisis may demand, will not hesitate, as a matter of honor and good faith, to refund to the other suspended banks penalties incurred by an offence, of which, through her bank, she is even more deeply guilty than they are. [Charleston Courier.

*Amount in circulation by the suspended Banks respectively at time of suspension, and of the penalties severally incurred by them.*

South Carolina Bank, .....	\$98,759 50	paid	\$330 64
Bank of the State of South Carolina, ...	1,189,999 12		4,958 53
People's Bank, .....	359,980 00		1,499 92
Rail-Road Bank, .....	196,000 00		820 00
Planters and Mechanics' Bank, .....	148,101 89		617 00
Farmers' and Exchange Bank, .....	646,085 00		2,692 02
	<hr/>		
	\$2,633,925 61		\$10,978 20

The following is a tabular statement of the condition of the banks of South Carolina, at the close of October, 1857:

<i>Banks.</i>	<i>Discounts.</i>	<i>Deposits.</i>	<i>Specie.</i>	<i>Circulation.</i>
State Bank of South Carolina, ...	\$1,717,152	\$459,711	\$16,592	\$1,327,152
Branch Bank at Columbia, .....	975,759	198,572	2,154	....
Branch Bank at Camden, .....	284,068	6,926	732	....
Southwestern Rail-Road Bank, ..	537,632	286,353	21,543	196,045
Planters and Mechanics' Bank, ...	729,875	169,053	12,814	123,794
Union Bank, .....	625,512	114,337	68,274	159,395
State Bank of South Carolina, ...	442,075	110,105	54,451	223,825
Bank of South Carolina, .....	798,884	201,652	17,456	101,020
Bank of Charleston, .....	1,868,529	405,424	215,543	594,193
Farmers' and Exchange Bank, ...	647,980	100,442	27,329	570,580
Bank of Hamburg, .....	218,410	57,822	29,247	583,574
Commercial Bank of Columbia, ..	672,809	140,778	78,660	299,940
Bank of Newberry, .....	143,156	51,199	25,864	516,917
Planters' Bank of Fairfield, .....	71,943	37,094	4,579	247,285
Exchange Bank of Columbia, ....	316,420	180,067	21,650	422,517
Merchants' Bank of Cheraw, ....	148,047	5,660	20,403	226,092
Bank of Chester, .....	150,866	41,191	23,966	330,990
Bank of Camden, .....	223,077	46,825	11,028	176,605
People's Bank, .....	281,048	62,889	28,618	307,940
Bank of Georgetown, .....	172,365	52,264	23,799	206,415
	<hr/>			
Total, .....	\$11,020,415	\$2,678,169	\$704,701	\$6,614,279

The State Comptroller of South Carolina furnishes the following bank statement. The Comptroller states that the assets of all are abundantly sufficient to meet their liabilities:

*Suspended Banks.*—Bank of the State of South Carolina, Branch Bank of the

State at Columbia, Branch Bank of the State at Camden, Southwestern Railroad Bank, Planters and Mechanics' Bank, Bank of South Carolina, Farmers' and Exchange Bank of Charleston, Bank of Hamburg, Bank of Newberry, Exchange Bank of Columbia and People's Bank of Charleston.

**Banks Paying Specie.**—Union Bank of Charleston, State Bank of South Carolina, Bank of Charleston, Commercial Bank of Columbia, Planters' Bank of Fairfield, Merchants' Bank of Cheraw, Bank of Chester, Bank of Camden and Bank of Georgetown.

Iowa.—The banking house of Charles Parsons & Co., of Keokuk, Iowa, has failed and made an assignment. Mr. Parsons was the oldest bank in that city.

LOUISIANA.—The few banks that suspended specie payment in October, viz., Bank of New Orleans, Union Bank, Mechanics and Traders' Bank and Citizens' Bank, have all resumed specie payments. We subjoin a statement for the second week in November:

BANKS.	Loans.	Specie.	Circulation.	Deposits.	Exchange.	Due Banks.
Citizens',.....	\$3,393,778	\$1,554,862	\$1,304,240	\$1,897,219	\$896,445	\$99,743
Canal,.....	2,754,584	899,753	603,960	716,791	355,265	37,593
Louisiana,.....	2,984,393	1,819,003	560,444	2,630,443	430,324	212,544
Louisiana State,.....	3,525,043	1,407,063	1,091,360	2,579,370	354,376	83,191
Mechanics and Traders',.....	676,559	224,540	183,145	257,706	24,014	24,773
New Orleans,.....	1,405,809	165,232	332,040	273,173	63,069	30,770
Southern,.....	460,633	204,313	130,490	206,134	467,334	....
Union,.....	1,071,603	153,719	311,305	276,091	123,917	51,945
J. Robb,.....	475,753	123,213	311,840	308,391	....	....
Total,.....	\$16,743,115	\$6,541,743	\$4,723,324	\$9,144,322	\$3,209,344	\$532,396

**Resumption.**—The resumption in full of the Citizens' Bank has been accompanied by an increase in her coin of more than a million of dollars, and followed by an increase of deposits to nearly seven hundred thousand dollars, with a curtailment of her loans of about \$370,000.

In the aggregate, there was an increase of coin in all the banks, amounting to over \$1,750,000, a decrease in the circulation of \$112,000, and a curtailment of loans of \$370,000. This, with an increase in deposits of more than a million, tell well for the solidity of the merchants and the banks of this city.

In the process of healthy reaction, they are to this extent stronger than they were when the northern suspensions alarmed the sensitive billholder, and caused that senseless run which produced so much mischief. The steadiness with which these banks sustained themselves against the shock, and the strength with which they have righted themselves so speedily, are proofs of the intrinsic excellence of the principles upon which they are organized; and the endurance and success with which the commercial community stood up under the intense pressure which these curtailments called for, are titles to confidence of inestimable value to their future prosperity and that of the city.—*N. O. Picayune, Nov. 10.*

**New Orleans.**—*Louisiana State Bank, New Orleans, Oct. 28, 1857.*—At a meeting of the board, held October 27, the following resolutions were unanimously adopted:

**Resolved,** That this board had learned with deep regret the death of RICHARD RELF, Esq., who has been the cashier of the bank since the year 1818, when it was chartered, up to the time of his demise.

**Resolved,** That the board highly appreciate the stern integrity, untiring industry and exemplary urbanity of the deceased, manifested in the discharge of his arduous official duties during the long period of his connection with this institution.

**Resolved,** That, as a mark of respect for the memory of the deceased, both as an honest man, a good citizen, as well as a faithful officer, the members of this board will wear the usual badge of mourning during thirty days.

**Resolved,** That a copy of these resolutions be transmitted by the president of this institution to the family of the deceased.

*New Orleans.*—We understand that the account of the Southern Bank of New Orleans, in this city, formerly with Messrs. Corning & Co., has been transferred to the Chemical Bank, and that Messrs. Cammann & Co. have been appointed the agents of the bank for the negotiation of its sterling bills on the London Joint Stock Bank.

*MISSISSIPPI.*—Governor McRae, in his annual message of November, 1857, announces that the Northern Bank of Mississippi and the Commercial Bank of Manchester, had suspended specie payment. We extract from this message his views upon the subject of banking:

“A gloomy crisis has recently come, and is now prevailing in the monetary affairs of the country, growing out of the evils of a paper currency, inherent in the banking system which issues it as a representative of coin, cheapening the actual value of money, and enhancing, in proportion, the price of every article of necessity, convenience or luxury, and really representing more the confidence of the community than it does any actual value. The consequence is, that when, for a time, confidence runs high in this spurious representation of coin, large issues are made by the banks, the inferior paper currency predominates, gold and silver ceases to circulate, money becomes cheap, prices high—speculation is rife—every thing is represented by a fictitious value—every individual extends his credit to the furthest extreme, and every branch of business is expanded to the utmost limit. Having reached this point, there must necessarily be a reverse—business fails to be profitable, individual credit fails with it, engagements cannot be met, confidence is destroyed, the paper currency fills the land, and is found to be the circulation, but not the money of the country; it is a mere fictitious representative of value—the banks which have issued it cannot redeem it in coin. Gold and silver, which is actual money, then become dear; every thing else, except articles of absolute necessity, becomes cheap; credit is gone; property of every kind is sacrificed; the laborer is thrown out of employment, or cannot obtain his hire; the producer suffers loss in the price of his staple, whatever it may be; the consumer has nothing to buy with; distress comes upon all, and every interest of the country suffers. This condition of things necessarily grows out of the inherent evil of the banking system itself; and every reflecting mind which has witnessed even the revulsions which have occurred in our own day, from the crisis in 1837 to that which is now upon the country in 1857, cannot, it seems to me, fail to perceive and appreciate it.

“Mississippi having almost wholly rid herself of the banking system for more than fifteen years past, is not at this time so serious a sufferer at home, in the present crisis, from the evils of a paper currency; but its pernicious influences are felt by her in its effects upon the price of her great staple, which will not now even command more than two-thirds of its actual intrinsic market value, owing to the general failure of the banking system, and the consequent destruction of confidence throughout the whole country. As an evidence of what might have been the condition of things in Mississippi under the banking system, had it prevailed here as in other States, I have but to instance the fact, that the only two solitary small banks which yet exist in the State—the Northern Bank of Mississippi and the Commercial Bank of Manchester—under, as was supposed by the country, the most prudent management, and with all the experience before them of the explosion of the banks in Mississippi from 1837 to 1840, have both suspended payment of their notes. These banks, fortunately for the State, have but a small capital, and have not a large amount of their paper in circulation. It is believed they will be able ultimately to meet their liabilities, and that the most serious losses have already been sustained by the holders of their notes at the first shock produced by their depreciated credit.”

*MISSOURI.*—*St. Louis Bank.*—The bill authorizing the Bank of St. Louis to go into operation with a paid in capital of \$75,000, passed the house yesterday by a vote of 72 yeas to 14 nays, with an amendment extending the same privilege to the Northwestern Bank at St. Joseph. It may be presumed that this amendment will be concurred in by the Senate, where the bill originated.—*Republicans, 11A.*

*Mechanics' Bank.*—The subscribers to the stock of this bank came forward yesterday and paid up a good part of the instalment of ten per cent. on their

subscriptions, which fell due then. Subscribers will recollect, that by an order of the Board of Directors, adopted the 15th September, the calls ordered and payable this year are ten per cent. on the 10th of November, and ten per cent. on the 10th of December.

OHIO.—None of the banks of Ohio have recently suspended specie payment. The branches of the State Bank of Ohio have managed to maintain specie payments in the face of a continual drain of coin, after heavy losses sustained through the deplorable failure of the Ohio Life and Trust Company.

TENNESSEE.—The Bank Comptroller of Tennessee has made a call upon the free banks for an additional deposit of ten per cent. in bonds, as security to the note-holders. If this call is complied with, as we presume it will be, there will then be deposited with the Comptroller twenty per cent. of bonds in excess over the amount of notes issued.

*Public Funds*.—The following tabular statement will show the amount of stocks owned by the State in banks, internal improvement companies, &c., its original cost and its estimated value at the present time:

<i>Stock.</i>	STOCK OWNED BY THE STATE.	
	<i>Original Cost.</i>	<i>Estimated Present Value.</i>
Bank of Tennessee,.....	\$1,000,000	\$1,000,000
Union Bank,.....	650,000	650,000
East Tennessee and Georgia Rail-Road,.....	1,650,000	1,300,000
Franklin and Columbia Turupike,.....	75,950	56,025
Lebanon and Nashville ".....	80,000	48,266
Nolensville ".....	47,000	11,750
Nashville and Charlotte ".....	30,000	20,000
Lebanon and Sparta ".....	85,000	21,170
Columbia Central ".....	139,000	12,170
Nashville and Kentucky ".....	50,000	12,500
Clarksville and Russellville ".....	37,500	9,000
Columbia, Pulaski and Elk'n ".....	126,600	12,288
Nashville and Murfreesboro ".....	66,666	30,530
Gallatin and Cumberland ".....	6,000	5,283
Gallatin ".....	130,000	26,000
Oumb. and Stone River ".....	119,000	20,000
Total,.....	\$3,292,716	\$2,244,827

The foregoing companies pay six per cent. on the estimated value.

*Nashville Currency*.—Notes of the banks of Tennessee received on deposit at Nashville: Bank of Tennessee, Planters' Bank, Union Bank, Bank of America, Bank of Chattanooga, Bank of Commerce, Bank of Memphis, Bank of Paris, Bank of the Union, Buck's Bank, Exchange Bank, Bank of Middle Tennessee, Citizens' Bank, City Bank, Farmers' Bank, Merchants' Bank, Northern Bank, Southern Bank, Traders' Bank; Kentucky banks, New Orleans banks.

Notes of the following banks are purchased by the Nashville brokers at from sixty to eighty cents on the dollar: Bank of Claiborne, Bank of Tazewell, Bank of Knoxville, Bank of Trenton, Bank of Shelbyville, Bank of Lawrenceburg, Bank of Ocoee, Bank of Nashville.

CANADA.—The financial pressure seems not to be so severely felt in this city, and week after week passes away without any heavy commercial failures. In Toronto a number of heavy speculators in real estate have been compelled to suspend and make assignments; but this seems to have no appreciable effect upon commercial men here, nor have we heard of any serious commercial failure in Toronto since that of Messrs. Ross, Mitchell & Co. was announced. Business in Montreal is dull, but by no means dead, and many hope for a fair if not a large winter business.—*Montreal Gazette, Nov. 9.*

*Specie Payments*.—The following letter from a Canada bank cashier will explain why it was that the banks of the province did not suspend, and we com-

mend his observations to the consideration of other banks, viz.: Out of more than one hundred banks in Canada, there are only thirteen controlling boards of directors, so that instead of one hundred different voices and opinions on the subject, there were only thirteen for the whole. Thus unity of action was more readily assented to and carried out; and it would have been well, perhaps, for New York if, instead of fifty banks, with many conflicting views, the whole policy could have been dictated by one-eighth of the entire number.

"In reply to your remark about suspension:—the principal banks held a meeting at Montreal, a few days after the suspension in New York, when the question was discussed in all its bearings. I cannot go over all the arguments, but eventually it was resolved that we should all go on paying specie, (since there was no sign of want of confidence among the people of Canada,) and that we should not suspend without a cause; in fact, that we were not justified in suspending without a cause, and merely as a measure of defence against demands from the United States. Had there been a serious run upon any one bank, however, it was thought, in such a contingency, we should all suspend simultaneously, and under pledge not to part with gold, so that resumption should be the earlier. No run, or any thing that approached a run, has taken place. The only demands of consequence have been from United States holders of notes—(men with "carpet bags," as we say.) These have been all promptly met and are exhausted. Sovereigns were ordered out from England, and these importations, about £150,000 sterling or upwards, have helped to strengthen us all. The public confidence has been much strengthened by the course adopted, and all the banks, I may say, have discounted to the full extent of their receipts, less amount of redemption of circulation. I think the result of all this must be, to add to the standing of Canadian banks abroad, to help Canadian securities in the London market, and to re-assure European holders of Canada bank stocks, and, in short, to benefit the country generally. It is but right to add, that we scarcely expected no run would take place. It was indeed extraordinary, when every newspaper was filled with the panic in the United States. The advantages of banks of large capital, and having large credits in Europe, with uniform and concerted action among the largest of us, have been strikingly illustrated in the past crisis. It would have been impossible to get unity of action had our branches been small separate banks. The power of the large banks is great, but in this case it has been of great general benefit."

*Exchange.*—The domestic exchanges are gradually improving, and give indications of an early approach of resumption of specie payments by the banks of the interior, whenever the city banks lead the way.

We annex the ruling rates at this date:

<i>Discount.</i>		<i>Discount.</i>	
Eastern Bank Notes,.....	.. a ½	Maryland and Virginia,.....	7 a 9
Rhode Island,.....	5½ a 6	North and South Carolina and Georgia, 6	a 9
East Jersey,.....	½ a 1	Ohio, Indiana, Kentucky and Missouri, 4	a 5
West Jersey,.....	4 a 5	Canada,.....	1½ a 2
Philadelphia,.....	2½ a 2¾	Illinois and Wisconsin,.....	8 a 9
Pa. not par in Philadelphia,.....	5 a 6	New Orleans and Mobile,.....	4 a 6
Baltimore,.....	4 a 4½		

**ARREST OF A BANK OFFICER.**—We understand that James O'Brien, late President of the Island City Bank, has been arrested on a civil suit, and in default of bail for \$10,000, committed to jail. It is ascertained that not over \$100,000 (one-third) of the capital stock was ever paid in, *bona fide*, the remainder being paid by the notes of O'Brien and his friends. Suits have also been commenced against the stockholders by the receiver, Mr. Butterworth. Both stockholders and depositors are likely to lose everything. Some of the largest notes discounted by the president had fictitious signatures, and bear the names of persons not in existence. In order to raise money to carry on the concern, O'Brien submitted to enormous shaves; and suits have been commenced against certain parties connected therewith, for usury.—*New York Post*.



## Notes on the Money Market.

NEW YORK, NOVEMBER 27, 1857.

*Exchange on London, at Sixty days' sight, 108 a 109.*

SINCE the publication of our last number there has been a rapid improvement in financial affairs in this and other cities. The failures so numerously reported from day to day in October, have nearly ceased; parties in difficulties finding on the part of creditors a more ready compliance with propositions for a compromise or extension. The banks of this city have become strengthened by the accumulations of coin which have reached us from Europe and from California, and although there is no actual increase of loans among them, there is less demand upon them for accommodation. The rates for sterling exchange which were reported at the close of October, ranging from 100 to 106, have since materially changed, and we now quote Bankers' bills on London, sixty days, 107 a 109; Commercial bills, 108 a 106.

*Foreign Exchange.*—The rates are very variable and arbitrary. There are few transactions in sterling over 168. The doubt prevailing as to the reliability of bills in Europe, induces many to postpone remittances until affairs are more settled.

	60 Days' Sight.	Short Sight.
London,.....	107½ a 109½	110½ a 111½
Paris,.....	5 25 a 5 16½	5 17½ a 5 08½
Basle and Zurich,.....	5 22½ a 5 20	..... a .....
Antwerp,.....	5 25 a 5 20	..... a .....
Amsterdam,.....	40½ a 41	..... a .....
Hamburg,.....	36 a 36½	..... a .....
Bremen,.....	78 a 79	..... a .....
Frankfort-on-the-Main,.....	41 a 41½	..... a .....
Berlin,.....	70 a 78½	..... a .....
Leipzig,.....	70 a 78½	..... a .....
Cologne,.....	70 a 78½	..... a .....

First class short sight drafts in demand; sterling at the close rather heavy; other foreign exchange firm.

The extraordinary decline in the importations at this port for the past two months, has already checked the demand for exchange on Europe. Some indication of this decline may be seen in the annexed:

*A Comparative Table showing the Importations of Foreign Dry Goods at the Port of New York for the month of October in each of the years 1855, '56 and '57.*

Manufactures.	ENTERED FOR CONSUMPTION.		
	1855.	1856.	1857.
Wool,.....	\$2,276,845	\$910,699	\$278,992
Cotton,.....	942,285	594,675	180,419
Silk,.....	1,986,176	1,005,771	171,686
Flax,.....	815,814	409,854	87,404
Miscellaneous,.....	495,248	356,998	108,649
Total entered for consumption,.....	\$6,515,968	\$3,806,501	\$772,023
Withdrawn from warehouse,.....	492,378	891,487	142,598
Total on market,.....	\$6,918,346	\$3,697,988	\$914,621
Entered for warehousing,.....	557,410	768,901	2,777,808

This table contains so many points of interest, that it is simply necessary to call attention to its extraordinary character. Not only has there been a great falling off in the imports, but such goods as have arrived, nearly all remain in bond, less than a million dollars in value having

been put upon the market, against four times the amount a year ago, and nearly eight times the amount two years ago. The total imports amount to only one-half their value in October, 1855. This reaction from the enormous importations of the past fiscal year, is only a part of the great change that has been recently going on in the commercial world. Our manufacturing interests throughout the country have had a severe blow, and months and years must elapse before a return can take place of the activity until lately visible in our cotton and woollen mills, and among the extensive factories of our large cities and the interior towns.

Propositions are already on foot for essential modifications in the tariff policy of 1857. It is thought that the reduction in the tariff of March last is too great, and that the extensive importations during the months of July and August, 1857, contributed largely to the revulsion of September and October. The true interests of this country indicate the necessity of a protection to domestic industry; and as long as the latter is liberally encouraged by legislation, so long will there be prosperity in the agricultural, mechanical and other important interests of the Union.

In order to ensure more permanency, more stability, in the commercial and monetary affairs of the country, there will next be required more secure bank note circulation—one that shall be less subject to fluctuation in its aggregates, and that shall be better entitled to the confidence of the community. This end may be gained, we think, by insisting upon the retention, on the part of those issuing bank notes, of a larger per centage of coin, both on account of circulation and deposits. The banking law of Louisiana is, upon this point, one of the best in the Union. The banks of that State are compelled to hold in their vaults specie to the amount of one-third of their liabilities; and they will, as long as this clause is observed, be little liable to any sudden or prolonged demand for specie, either by depositors or billholders. Thus, on the 7th inst., the aggregate specie held by the nine banks of New Orleans was \$5,665,000, while their deposits were \$3,489,000, and their circulation \$5,151,000—together, \$13,590,000. We look upon this feature of banking as not only highly important, but essentially *necessary* to the true interests and permanency of the banks of the Union. If adopted in the State of New York, it would render necessary the retention at least of \$40,000,000 in specie, to meet current deposits, \$100,000,000, and circulation, \$25,000,000.

The next measure of relief will be to reduce the system of credits to the country from eight and ten to three and six months—or an average of four months. Meetings of the hardware and dry goods dealers in Boston and New York have been held with a view to produce this change in the credits to Southern and Western dealers. The object can be attained, we think, by requiring notes at three, four, five and six months, instead of making all the notes of the purchaser to mature at one period.

The financial revulsion in the United States has produced a lamentable effect in England and on the continent. Several failures have occurred in London, Liverpool, Sheffield, Glasgow, &c., accompanied with an increased demand for money. The Bank of England advanced the rate of discount, on the 12th October, to 7 per cent; and at a special meeting, on the 20th of October, to 8 per cent, and at the regular meeting on Thursday, Nov. 5, to 9 per cent. These several changes were made with a view to check speculation, and to check also the export of specie to the United States. Up to this time we have received from Europe, since the 14th of October, upwards of \$3,000,000 in gold. The news of the suspension of the New York banks reached London on Monday, the 26th ultimo, and the money article of the *London Times*, dated that evening, says:

“The entire suspension of specie payments by the New York and Boston banks, reported this morning by the American mail, is the most satisfactory announcement that could have been looked for. Had the step been taken a fortnight earlier an immense amount of ruin might have been averted. The banks, after having, by their mismanagement, brought about the state of affairs which rendered the panic possible, sought to save themselves by the sacrifice of the whole mercantile community; but the public, at last, have taken the matter in their own hands, and forced them to a stoppage, which will place them in the same condition with their victims, and thus terminate the struggle.”

The *Times* looked at the news from New York in its true bearing, and attributes the blame to the proper parties, who are accountable for the suspension.

The arrivals from California are steady, and indicate no decline in the production of gold. On the 4th inst. the steamer “*Star of the West*” arrived with \$1,464,000, and on the 16th the “*St. Louis*” with \$1,200,000.

The only unpleasant feature of the California news was the protest, on the 16th inst., of the bills of Messrs. Sather & Church, of San Francisco, and Messrs. Flake, Sather & Church, of Sacramento upon the American Exchange Bank, to the extent of about two hundred thousand dollars. These firms will lose, we learn, nearly \$50,000 by the Central America—that amount of gold having been shipped beyond the insurance. Their remittances of bills on Willets & Co., of this city, are un-

fortunately unpaid, for the present, and the holders of their checks last presented must submit to a loss, for the present at least.

The government six per cents, due in 1867, 1868, have dropped down to 111, with only occasional sales. It is not probable that they will reach a higher price in the market, unless the Treasury Department should offer better terms, when again the Sub-Treasury shall become plethoric. In State loans, generally, there is a better demand at improved figures. Since the close of last month we note an advance in Ohio sixes from 92 to 102; Kentucky sixes, 5½; Missouri, 9; Louisiana, 6; Indiana fives, 5; Pennsylvania fives, 5¼. The necessity of maintaining State credit is so urgent, that measures will be adopted, we think, by the several legislatures to secure ample revenues to meet current liabilities. Missouri has taken steps to meet her January and July interest, whether the rail-road companies pay or not. California seven per cents are steady at 65 & 66, now that the State is known to be free from any repudiating stain. The bonds of Ohio are advancing rapidly, with fresh demand for investment by home parties. Illinois Internal Improvement six per cents have advanced to 80 & 83. Maryland State bonds are rarely to be found in the market, as the State sinking fund absorbs all that holders are willing to part with. We annex the prices of State loans at the close of the past eight weeks:

	Oct. 2d.	9th.	16th.	23d.	30th.	Nov. 6th.	13th.	20th.
U. S. 6 per cents, 1867-8,.....	117½	117½	117½	114	110	..	112	111
Ohio 6 per cents, 1886,.....	90	89	90	91	92½	94	96	102
Kentucky 6 per cents,.....	97½	85	90	98	98	92½	98	98½
Indiana 5 per cents,.....	75	70	70	65	73	73	75½	78
Pennsylvania 5 per cents,.....	79	80½	93	81	80	81	81½	85½
Virginia 6 per cents,.....	78	77	88	71	79	84	68	83½
Georgia 6 per cents,.....	93	..	98	89	89	81	85	84
California 7s, 1870,.....	50	57	58	60	55	60	63½	65
North Carolina 6 per cents,.....	88	..	85	70	70	82½	88	87
Missouri 6 per cents,.....	64½	64½	67	65	69	72½	74½	78
Louisiana 6 per cents,.....	78	78	60	68	73	..	73	78
Tennessee 6s,.....	74	74	65	70½	68	78	82	82

*Rail-Road Shares.*—The increasing prices in the market show capitalists again coming forward with their orders. The Western roads, known to be doing a good business and soon capable of making dividends, are in steady demand. It is thought that the banks having surplus means are again inclined to loan upon this class of securities. Such a policy is much to be regretted and feared. The active means of the banks should be applied to the wants of the merchants, not to the encouragement of speculation. The million of dollars loaned in the summer to the Ohio Life and Trust Company by a few banking institutions would have done vast good to their customers who were unsuccessful applicants for \$1,000 to \$5,000 each. During the month, New York Central shares have advanced 14; Harlem, 2½; Reading, 16; Hudson River, 7; Michigan Central, 19; Michigan Southern, 9; Panama, 19; Illinois Central, 12; Milwaukee and Mississippi, 13; Galena and Chicago, 16; Chicago and Rock Island, 15. The only rail-road shares quoted above par are those of the New Jersey Rail-Road, 112, and New Haven and Hartford, 110 & 112, each paying regular semi-annual dividends of 5 per cent. Little Miami Rail-Road, also paying 10 per cent. per year, is quoted at 80. Cleveland, Columbus and Cincinnati Rail-Road, 59½ & 60. We annex the closing rates for leading rail-road shares for the past eight weeks:

	Oct. 2d.	9th.	16th.	23d.	30th.	Nov. 6th.	13th.	20th.
N. Y. Central R. R. shares,....	58	58½	65½	59½	65½	70½	75½	79
N. Y. & Erie R. R. shares,....	10½	9½	11½	9½	11½	14	16	17
Harlem R. R. shares,.....	7	7	7½	6½	6½	6½	7½	9
Reading R. R. shares,.....	81	28	26½	24	31½	34½	39½	47½
Hudson River R. R. shares,....	14	13½	14½	14	14½	15½	16	21½
Michigan Central R. R. shares, 88½	83	42	34	39	50	59	58	
Michigan Southern R.R. shares, 14	10½	11½	8	12	12½	19½	21½	
Panama R. R. shares,.....	60	68	71	65	70½	78	85½	89½
Baltimore & Ohio R. R. shares, 55	54	37½	44½	39½	43½	46½	46½	
Illinois Central R. R. shares,....	75½	75½	79	76½	83	85	94	95½
Clev. and Toledo R. R. shares, 26	22½	23½	26	28	28½	29	40	
Chicago and Rock Island R. R. 53	58	71½	59½	67	71	74½	81	
Milwaukee and Wis. R. R.,....	11½	12½	19½	14	18½	20½	22	23
Galena & Chicago R.R. shares, 54½	55	63	68	66½	69½	74	82	

The redemption of New England and New York State currency by the Metropolitan Bank continues with regularity and without much press of bills. In fact, the bank note currency has been, within the past three months, cut down to such a small amount that it is not sufficient to meet the wants of commerce and exchange. Early in the year the aggregate was not more than enough for the business of the State, and the redemption of one-third subjects the community to serious inconvenience. An expansion of the bank circulation at an early day will be needed; but this expansion must be based upon a larger basis in coin. The financial troubles hitherto are remotely owing to the small amount of coin held in reserve, thereby destroying the confidence so essential to keeping the currency uniform in its bulk.

*Rail-Road Bonds.*—The bonds of the Erie Rail-Road Company command better prices than last week. We note an improvement in the seven per cents of 1859, 8 per cent.; Sinking Fund Bonds, 9; convertibles of 1871, 4; Hudson River, first mortgage, 6; Panama, 2; New York Central sixes, 4; seven per cents are quoted at 100  $\alpha$  103; Reading Rail-Road six per cents, first mortgage, 79; second mortgage, 62; Michigan Southern, first mortgage, 75. As a general thing rail-road bonds are flat in the market. Loans are with difficulty obtained upon them, even at a large margin. The bonds of the Cleveland and Pittsburgh Rail-Road Company are without quotation at present. We learn, however, that the company are paying their coupons at their office in Cleveland, to which place they should be remitted for collection. We annex the closing prices of miscellaneous securities for the last eight weeks:

	Oct. 2d.	9th.	16th.	23d.	30th.	Nov. 6th.	13th.	20th.
Erie R. R. sevens, 1859,.....	70	75	59	75	65	70	55	58
Erie R. R. bonds, 1875,.....	50	35	20	28	35	29½	36	45
Erie Convertibles, 1871,.....	25	21	17	20	22½	30	29	23
Hudson River R. R. 1st mort,...	80	85	71	77	82	89	89	95
Panama R. R. bonds,.....	85	80	90	85	80	75	78	80
Illinois Central sevens,.....	67	71½	60	68	68½	73	85½	84½
New York Central sixes,.....	69	70½	64½	..	78	77	82	86
Canton Company shares,.....	14½	18½	14½	18	18	15½	16	19½
Pennsylvania Coal Company,...	56	60½	66	59	58	60	61	62½
Cumberland Coal Company,....	5	5½	7	5½	6½	..	9½	11½
Del. and Hudson Canal Co.,...	96	94	96	89	94	92½	100	101

The only important negotiation during the month was that of the New York State six per cent. loan of \$1,500,000, on the 10th, at an average premium of 6.20 per cent.

By an official notice the City Comptroller invites proposals for one hundred thousand dollars of Central Park Improvement Stock, the bids for which will be opened on the 14th of December, at 3 o'clock, P. M. The stock is divided into shares of one hundred dollars each, bearing interest at the rate of six per cent. per annum, payable semi-annually, and the principal redeemable on the 1st of August, 1887.

The news from Europe to the 13th inst., is highly important. On the 9th the Western Bank of Scotland suspended payment, and on the 11th the City of Glasgow Bank. The despondent condition of monetary matters on the departure of the steamship Atlantic on the afternoon of the 11th inst., resulted, on the following day, in a fearful panic throughout the whole country. All the banks utterly refused to discount to their patrons, which naturally added to the wild excitement, until the afternoon of Thursday, when a Treasury letter appeared in London, and was instantly transmitted by telegraph to all the chief cities and towns, suspending the Bank Charter Act, and authorizing the issue of notes to any amount on approved securities. The effect at every point was instantaneous, and the panic ceased as if by magic. At Liverpool, Manchester, Glasgow and other important cities, the news was received with the most extravagant acclamations of joy.



THE  
**BANKERS' MAGAZINE,**  
 AND  
**Statistical Register.**

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VOL. VII. NEW SERIES.      JANUARY, 1858.      No. 7

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THE NATIONAL FINANCES.

I. REVENUE.—II. TREASURY NOTES.—III. THE PUBLIC DEBT.—IV. THE  
 TARIFF.—V. BALANCE OF FOREIGN TRADE.—VI. COINS AND COIN-  
 AGE.—VII. BANKRUPT LAW.

THE First Report of Secretary COBB is now before the country; and, having been looked for with unusual interest, will now receive more careful attention than is generally given to such documents. Indeed, every merchant throughout the Union should make it a part of his duty to analyze the Annual Treasury Reports, with a view to eliciting, as well as giving, information upon the topics discussed. The public revenue is justly the first subject discussed; for, as it was wisely observed by one of England's most eminent statesmen of the last century:

“The Revenue of the State is THE STATE; in effect, all depend upon it, whether for support or for reformation.”

Mr. COBB reports the Revenue proper of the Government for the past fiscal year, ending 30th June, 1857, as . . . . . \$68,631,514  
 Which, added to balance July 1, 1856 . . . . . 19,901,325

Makes a total fund for the year of . . . . . \$88,532,839  
 The sources of this Revenue for the fiscal year may be stated as follows:

	<i>Customs.</i>	<i>Lands.</i>	<i>Miscellaneous.</i>	<i>Total.</i>
1st Quarter.....	20,677,741	892,380	855,311	21,925,432
2d Quarter.....	14,243,415	808,253	124,000	15,175,668
3d Quarter. . . . .	19,055,328	*1,065,640	274,055	20,395,023
4th Quarter. . . . .	9,899,421	1,063,213	172,757	11,135,391
Total.....	\$63,875,905	8,829,486	926,123	68,631,514

\* Estimated by the Treasury.

These receipts, after deducting the expenses of the year, left an available balance in the Treasury of \$17,710,114 towards the expenditures of the fiscal year beginning July 1, 1857.

In order to show the Revenue of the last year in comparison with that of the previous seven years, and with the estimated receipts for the next two years, we present the annexed summary :

<i>Year ending June 30.</i>	<i>Duties.</i>	<i>Lands and Miscellaneous.</i>	<i>Total.</i>
1850.....	89,668,686	3,707,112	43,375,798
1851.....	49,017,568	3,295,412	52,312,979
1852.....	47,339,326	2,389,060	49,728,386
1853.....	58,931,865	2,405,709	61,337,574
1854.....	64,224,190	9,325,514	73,549,705
1855.....	53,025,794	11,978,186	65,003,930
1856.....	64,022,863	9,895,278	73,918,141
1857.....	63,875,905	4,755,609	68,631,514
1858.....	*51,573,730	*6,106,090	*57,679,820
1859.....	*69,500,000	*6,000,000	*75,500,000

The slight decline in the amount of duties received last year as compared with the Secretary's estimates in December, 1856—\$64,000,000—may be clearly traceable to the modification of the tariff in 1857, whereby large numbers of importers postponed the receipt of their goods to the first quarter of the new fiscal year. Mr. COBB estimates the receipts of the current fiscal year, ending June 30, 1858, as follows :

1st Quarter from official returns of the several departments.....	\$20,929,820
2d, 3d, and 4th Quarters (estimated).....	36,750,000
Add cash on hand July 1, 1857.....	17,710,114
<hr/>	
Aggregate means for the current year.....	\$75,389,934
Estimated expenses for the year.....	74,963,059
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Available balance estimated.....	\$426,875

*Treasury Notes.*—Contrary to general expectation, the Secretary estimates the receipts for the current fiscal year as fully equal to the prospective wants of the Government ; but as the revenue may temporarily fall short of the demands upon the Treasury, he suggests that Congress authorize the issue of Treasury notes "not to exceed twenty millions of dollars," payable within a limited time, and bearing a specific rate of interest.

The present occasion is one in which we think Mr. Cobb could safely recommend Treasury notes *not bearing interest*, but receivable for Government dues and convertible into coin at any moment, at this city : thus creating a NATIONAL CURRENCY, which, in due time, would supersede the use of coin and bullion as at present for Government purposes. We do not mean that the latter should be superseded : on the contrary ; and that the present available specie fund of the Treasury would be a sufficient basis of redemption for the twenty millions of Treasury notes suggested. Of the proposed issue the Secretary says :

"Such provision should be made at the earliest practicable period, as a failure of sufficient means in the Treasury may occur at an early day.

\* Estimated by the Treasury.

The exigency being regarded as temporary, the mode of providing for it should be of a temporary character. It is, therefore, recommended that authority be given to this department by law to issue Treasury notes for an amount not to exceed twenty millions of dollars, payable within a limited time, and carrying a specified rate of interest, whenever the immediate demands of the public service may call for a greater amount of money than shall happen to be in the Treasury, subject to the Treasurer's drafts in payment of warrants.

"The fact that such temporary exigency may arise from circumstances beyond the foresight or control of this department, makes some adequate provision to meet it, indispensable to the public security."

*The Public Debt.*—The funded debt of the United States was at its maximum, \$127,334,000, in the year 1816, immediately following the heavy expenditures of the war of 1812–1815. In twenty years [1835–6] this large debt was liquidated, although the customs and duties for that whole period were only four hundred and forty millions, or about twenty-two millions annually. In 1848 the debt was increased to \$65,804,000, by the war expenses of that period. Now the debt is reduced to about twenty-five millions. Of this reduction the Secretary remarks:

"The public debt on the 1st July, 1857, was \$29,060,386. Since that time there has been paid the sum of \$3,895,232—leaving the public debt at this time \$25,165,154. Since the 3d March last, there has been paid of the public debt \$4,878,377. The department continued the purchase of stock as long as the law and a proper regard for the public interest would justify. The object was to redeem, as far as possible, our outstanding debt, which had a number of years to run, whilst the payment of the large sums from the Treasury required for this purpose was affording relief to the commercial and other interests of the country, which were then struggling to ward off the revulsion which finally came upon them. At that time it was not seriously apprehended that the revulsion would so greatly affect the trade and business of the country; but looking even to the most unfavorable result that could happen, it was thought that the Treasury, if compelled to resort to a loan to meet any temporary deficiency that might occur, would suffer no injury from having the character of the loan changed from debts falling due at a distant period to Treasury notes, at a less rate of interest, and which could be redeemed at the pleasure of the department.

We annex for the information of our readers a summary of the debt, imports, and exports for the past eight years, ending June 30:

<i>Years.</i>	<i>Debt.</i>	<i>Imports.</i>	<i>Exports.</i>	<i>Tonnage.</i>
1850.....	64,228,238	178,138,318	136,946,912	3,535,454
1851.....	62,560,395	216,224,932	218,888,011	3,772,439
1852.....	67,560,395	212,945,442	209,641,625	4,138,441
1853.....	56,336,167	267,978,647	230,976,157	4,407,010
1854.....	44,975,456	304,562,381	275,796,320	4,802,908
1855.....	39,969,731	261,468,520	275,156,846	5,212,001
1856.....	30,737,129	314,639,942	326,964,308	4,871,652
1857.....	25,165,154	360,890,141	362,949,144	4,940,843

It was a satisfactory feature of the commercial system of the country for some years, that the expenses of collection of the duties were less than



\$1,225,000, which had been the annual appropriation since 1850. These expenses now exceed three millions of dollars, mainly owing to the enormous contingent expenses on the Pacific coast; and the Secretary thinks the gross expenses on this point may equal four millions for the current year.

*The Tariff.*—The Secretary objects to any modification of the Tariff with a view to “*protection of American industry.*” His aim, like that of many of his predecessors, seems to be to adapt the Tariff merely to the wants of the Government; overlooking the important interests involved in the encouragement of domestic industry and in the condition of the home market. Congress of late years has aimed at creating the largest foreign market for our cotton, when in fact the home market is one of far greater importance to the country at large. It is the conversion of American iron, American cotton, American wool, into manufactured goods, that is the important measure now desired.

Mr. Cobb’s Tariff views are embodied in his paragraphs as follows:—

“As a measure of relief to the country, it is proposed to increase the Tariff. A return to a high protective system is regarded by some as the surest mode of extricating the country from its embarrassments, and affording immediate as well as permanent relief to the public distress. The people are already suffering from distress, and the proposition seeks to diminish their suffering by adding to their burdens. The earnestness and ability which have been brought to the support of this proposition, demand that its merits should be examined with some care; and without attempting an elaborate exposition of a question which has heretofore commanded so much of the public attention, it is deemed proper to refer to some of the considerations which render the adoption of such a policy unwise and improper.

“The theory of the protectionists is this:—That under a low Tariff the importations of foreign manufactures are encouraged, and, being brought into the country at lower prices than they can be produced, the competition with the domestic manufacturer is ruinous to his business. The remedy is, to raise the duties upon the foreign article to such a point that either it will be excluded, and thus give to the domestic manufacturer the entire home market, or else it will be so increased in price by the additional duty, as to enable the domestic manufacturer to receive a remunerating price for his productions. That the effect would be temporarily for the benefit of the manufacturer is conceded, but that the ultimate effect would be alike injurious to him as well as all other interests, is equally clear. In looking upon the operation as a measure of relief, we must consider its effect not only upon the domestic manufacturer, but also upon the consumer.

“If the increased duty neither diminishes the importations nor increases the price, it is manifest that no advantage has been derived by the domestic manufacturer. If the effect should be to exclude the foreign article, then the domestic manufacturer monopolizes the home market, and commands his own price. The relief he needs is a higher price for his goods; and, as a matter of course—unrestrained as he will then be by the laws of competition, he will so raise his prices as to remedy the evil of low prices of which he had complained. The effect upon the consumer is clear. He must pay the increased price thus put upon the article of consumption. Nor does it

stop there. Under the existing state of things, when he has purchased the article he has not only furnished himself with the goods he needed at the reduced price, but at the same time has paid into the treasury the tax required of him for the support of the government. The measure of relief proposed by the protectionists increases the price he is required to pay for his goods, and where the foreign article is excluded, leaves his tax unpaid. This deficiency in the revenue must be supplied, and he is called upon to pay it from his other resources. The proposed measure of relief thus imposes upon him these additional burdens, in the increased price of his goods and the additional price he is required to pay. If, however, the increased duty should not exclude the importation of the article, but simply advance the price to a remunerating point to the domestic manufacturer, the effect upon the consumer would be to require him to pay the additional price, not only upon the foreign article, but also upon the domestic manufacture. The amount of taxation put upon him for the benefit respectively of the treasury and the domestic manufacturer, will depend upon the relative proportion of the foreign and domestic article he may consume. In no event can the increased duty operate to the advantage and relief of the manufacturer except by a corresponding injury to the consumer. The amount of benefit conferred and injury sustained by the proposed relief measure would depend upon the relative number of manufacturers and consumers of the article upon which the increased duties were laid; and as the number of consumers exceed the number of manufacturers, so would the injury sustained exceed the benefit conferred. A policy so partial and unjust in its operations cannot command the approval of the country."

In contrast with these views, let us introduce those of an able writer of our own country, who advocates a policy in consonance with that of Mr. Clay's *American System*.

"Let any one think of the innumerable articles which figure in our internal trade, and which go to pay for, as well as to make up, our consumption of home commodities, and he will see the difference between purchasing abroad and at home. The Indian corn, hay, oats, butter, and potatoes of our agriculture, are worth at home more than double the value of our whole foreign imports. If our farmers can exchange these and such articles, for the manufactured products they need, their consumption will be limited only by their industry. If they derive their manufactured commodities from foreign countries, they can consume only to the extent to which their products can be exported in payment. Pennsylvania can consume goods manufactured in New England freely, even at much higher prices than the foreign article, because she pays for them in coal, iron, Indian corn, oats, and flour. The prices on both sides being adjusted at the dollar a day average, the exchange is equitable, and proceeds to the full limit of the wants of the parties. An interior county in Pennsylvania, whilst a purely agricultural county, has but little that can find its way to foreign countries to pay for manufactured goods. But when furnaces are built, and hundreds or thousands of men are employed in mining and making iron, the agricultural commodities which before were produced in small quantities, or not sent abroad on account of their bulk or perishable nature, are now sold and consumed on the spot. These agricultural articles being converted into iron, can be carried to any of our cities, or to New England, and the value

brought back in any desired article of consumption. The people of that county, before confined to the products of household industry, now appear in the very best products of American manufacture. The price of this exchange is not important; it is only necessary that it should be fixed upon the same elements, and that it should be satisfactory to both parties. Goods are cheaper in England, but the hay, oats, butter, or turnips of an interior district cannot be sent there to pay for them; neither can they send iron: iron is cheaper in Scotland, but the people of New England cannot purchase iron in Glasgow or Liverpool with the products of their looms or factories.

"The worst element which can be introduced into our system of domestic industry is the element of foreign prices. It deranges and diminishes domestic production to such extent, that in many cases it would be very bad policy, nay, great injustice, to the industrial classes, to accept and distribute the goods to every consumer free of charge. The entire foreign trade of the United States, or of any other country, is of small consequence, compared with the regular movement of the labor of the country; 100,000 persons thrown out of employment for a year, is a loss to the wealth of the country equal to the value of the whole foreign trade. Yet, so little has this aspect of the subject been regarded, so little has the importance of our domestic industry been understood, that it will be safe to say, that there are more than 500,000 laborers idle, or but partially employed, every year in the United States, because they cannot work in competition with the cheaper labor which is let in from other countries. Our domestic production, now estimated by some at 2,500 millions of dollars, might, whether the above be the true amount or not, be increased one-half under a firmly sustained domestic system, and our population, instead of consuming one hundred dollars' worth for each head, might consume a hundred and fifty dollars each. It would be the result of a domestic exchange of commodities, the prices of which would range according to the domestic price of labor; and the benefits, instead of being confined mainly to the rich, would extend to every grade of laborers. The effect of foreign importations upon this great system is to check, to derange, and diminish the domestic production to many times the amount imported. We receive from abroad, 250 millions worth of foreign goods, and the people, probably make and consume 500 millions worth less than they would if they imported none at all. We believe, that a domestic system of industry, thoroughly built up and defended, would, in the end, sustain a larger foreign trade than can ever be reached by the path of national competition. Foreign trade should be the overflowing of domestic industry, and not a machine to cramp its powers and paralyze its efficiency.

"We are not unfriendly to foreign trade or international commerce. We advocate not the prohibition of foreign commodities, nor high duties upon foreign goods. We merely avoid beginning at the wrong end of our subject. Knowing that the people of every nation must provide mainly for their own wants, that they must live mainly upon the products of their own industry; that the labor which supplies a civilized people with food, raiment, shelter, and furniture, suitable for civilized men, must be subdivided to be efficient and productive; that a whole population can only be abundantly supplied by a mutual exchange of labor

or its products, by which each man has an opportunity of exchanging his own labor for the articles we need ; that production can only be large and consumption great, where the consumers are near to their food, that is, where agriculturists, manufacturers, mechanics, and laborers, are not too widely separated, and where the other classes are near enough to the agriculturists to consume every product of the soil, which skilful farming produces ; we believe the first question in regard to any nation, is not, whether its foreign trade is free, whether duties upon foreign goods are high or low, but whether its people are well supplied with the necessaries and comforts of life ; whether domestic industry is so arranged that no considerable number of persons willing to labor are without employment ; whether all are able, whilst earning a comfortable subsistence for themselves, to contribute by their labor to that abundance which is enjoyed by all ; these are more important considerations than any belonging to foreign trade, or duties, or tariffs." *Preliminary Essay and Notes to List's Political Economy.* By STEPHEN COLWELL, of Philadelphia.

*Balance of Foreign Trade.*—In his computation of the results arising from the current imports and exports of the Union, the Secretary obviously overlooks the important fact that \$360 millions of exports will not pay for 360 millions of imports, and secure us from an unfavorable balance of trade with the rest of the world. It should be borne in mind, that the people of this country owe some 400 millions of funded debts to Europe, and that this large debt necessarily involves the payment of about 28 or 30 millions in the shape of annual interest and dividends. This is an under current which should not be overlooked ; but is one that interferes materially with all treasury estimates of our ordinarily accumulating importations from abroad. It is not merely the exhaustion arising from this annual contribution of some thirty millions of dollars in the payment of interest on debt. The principal should gradually be provided for, and this alone would create an absorption of TWENTY MILLIONS annually during a period of twenty years.

*Coins and Coinage.*—The annual Report of the Director of the Mint will hereafter coincide in date with that of the Treasury Report. The inquiry instituted as to a decimal coinage may lead to beneficial results. The Secretary recommends, at the suggestion of the Director of the Mint, a seignorage of one-half of one per cent. on bars coined for private depositors. This is perfectly just ; there is no more reason why the Treasury should coin gold gratis for individuals, than that it should convert lead ore into bars, or iron ore into rails, or wheat into flour. Of these important measures, Mr. Cobb says :

" Previous to the act of 20th February, 1857, the director of the mint was required by law to make his annual report to the President. By the 7th section of that act he is directed to make his report to the Secretary of the Treasury, to the 30th June of each year, that it may appear in the annual report on the finances. The director has made his annual report to the President for the calendar year to the 1st January last, and has now reported to the department the operations of the mint and its branches during the remaining half of the last fiscal year, to the 30th June last. The report is herewith transmitted, marked 10.

" In accordance with the authority vested in the Secretary of the Treas-

ury, by the joint resolution approved February 26, 1857, to provide for ascertaining the relative value of the coinage of the United States and Great Britain, and fixing the relative value of the unitary coins of the two countries, I appointed Professor J. H. Alexander, of Baltimore, Commissioner to confer with the proper functionaries in Great Britain, in relation to some plan or plans of so mutually arranging, on the decimal basis, the coinage of the two countries, as that the respective units shall hereafter be easily and exactly commensurable. Prof. Alexander is now in London, and I expect the result of his mission will be embodied in a statement and report from him at any early day, which will be laid before Congress as soon as received.

“The joint resolution to prevent the counterfeiting the coins of the United States, approved February 23, 1857, empowered the Secretary of the Treasury to cause inquiry to be made, by two competent commissioners, into processes and means claimed to have been discovered by J. T. Barclay, Esq., for preventing the abrasion, counterfeiting, and deterioration of the coins of the United States. Under said authority, I appointed Professor Henry Vethake and R. E. Rodgers of Pennsylvania, and directed every facility to be afforded them at the mint in Philadelphia, to pursue their investigations. I anticipate, at an early day, to communicate the results of the said inquiry to Congress, with my opinion as to the probable value of the alleged discoveries.”

Mr. Cobb recommends the adoption of a bankrupt law to include two classes of Corporations and Companies—particularly applicable to Railroad Companies and Banking Institutions;—with a view to restrain their operations within “proper limits,” and to secure the country from “future wild speculations and ruinous revulsions.” He congratulates the country that while in 1837, the Banks held \$24,994,000 of government deposits, they held no such deposits in 1857; and that the fiscal operations of the Treasury in legal coin have thus sustained no interruption. Of the practical workings of the Sub-Treasury during the recent revulsion, Mr. Cobb says:

“If the beneficial effects of the Independent Treasury system in restraining the banks from extending their credits have not been overestimated, and it is confidently believed that they have not, it is respectfully submitted to public consideration whether the adoption of the same principle by the respective State Governments, would not complete the work of reform and prevention of bank suspensions, so happily inaugurated and successfully practised by the General Government? The various State Governments now collect annually about \$50,000,000. This amount is collected mainly in bank notes, and, when not immediately disbursed, is either kept in the form of bank notes in the vaults of the State Treasuries, or deposited directly with the banks.

The suggestions of the Secretary are judicious with the exception of his Tariff views, and would, if acted upon, be salutary to the country. Let the events of the past serve as lessons for the future; and we hope Congress will adopt such a policy as will effectually check the excessive importations from abroad—provide a national currency—protect domestic industry—and secure us from future financial revulsions. The prompt publication of the Treasury Report is one of the best changes adopted of late years; and thus disseminates among the people an early knowledge of the condition of the national finances.

## ON THE LAW OF PARTNERSHIP.

## I. THE OBJECTS OF PARTNERSHIP.—II. SPECIAL PARTNERSHIP.—III. ANALYSIS OF THE LAW OF GENERAL PARTNERSHIP.

I. *The Objects of Partnership.*—A partnership is an agreement between two or more to share in the profit and loss of the use and application of their capital, labor, and skill, in some lawful business, whether one supplies capital, and another skill and labor, or each both labor and capital. The benefits of a union of the means and advantages of different persons for the conduct of a branch of business, in many instances, are too obvious and common to need illustration. A partnership is not constituted merely by an interest of different parties in the same thing, but it depends on a participation of profits and joint liability to loss. And yet there are some exceptions to this rule, for it has been held that seamen shipping on shares in a shipping voyage are not copartners with the owners. And so, where a certain share or commission is allowed to a clerk or agent, depending on the success of the business or amount of profits, in addition to his other compensation, it has been held, in many cases, not to make him a copartner. It is difficult to point out the criterion by which cases of this description are distinguished from those of copartnership; and some of them look more like an exception of cases which strictly come within the definition of copartnership. A question has been made whether joint owners of a ship are copartners, and the general doctrine is that they are not so; and yet it is generally held that each one is liable for the whole amount of repairs and expenditures in the navigation of the ship; but still the ownership is not joint, for, in the case of the decease of one, the property in the whole ship does not survive to the others, as would be the case if it were partnership property, but the property is held in common, each part-owner having a distinct title to his share; and one part-owner cannot, merely as such, convey a title to the whole ship, or to any share except his own. As to the share of each partner in the profits, or his liability for losses, if there is no agreement on this subject, all the partners stand upon an equal footing.

As to the objects of copartnership, they are not confined to commerce, though most frequently in that branch of industry, but may embrace manufacturing, the carrying on of any mechanic art, agriculture, the practice of law or medicine, and, in short, every lawful branch of business. Copartnership is more usually formed by a written agreement; and by some codes and in regard to certain copartnerships, formal stipulations are required by law in order to constitute a copartnership. This is not a general rule, however, for in many branches of business parties may agree orally for a participation in profit and loss. These associations are divided into different classes, distinguished by their objects, and the extent of the liability of each partner. The Roman law allowed of general copartnerships, extending the community of property, and joint profit and loss, not only to the business pursued, but also to all acquisitions by either party, whether by legacy, inheritance, gift, or as the fruits of industry. By that

law, and so by the laws of France, Spain, Louisiana, and other codes derived from the Roman law, a man and his wife may be copartners; and, in making the marriage contract, the kind and extent of copartnership is agreed upon, the form of the stipulation for this purpose being particularly pointed out by the French code. It was between the parties to the marriage contract that the general copartnerships above mentioned were most frequently formed. In this respect, however, the Roman law, and those codes derived principally from it, leave the parties at liberty to agree upon a universal copartnership or a limited one, or a separate property.

II.—*Special or Limited Partnership.*—Copartnerships are usually confined to the prosecution of a particular branch of business, and it very often happens that each co-partner is concerned in other branches. The term *general copartnership* is also applied to one formed for trade generally, or business generally, without limitations; but where the joint interest extends only to a particular concern, as, for instance, the freighting of a ship, it is called a *special copartnership*. And so a partnership is called *special* when the parties enter into stipulations modifying and restraining the right and powers of the members, instead of leaving them to the operation of the laws generally applicable to such associations; and this is the usual meaning of such copartnerships. Another description is that of *limited* copartnerships, in which one or more partners put in a certain amount of capital which is liable for the contracts of the firm; but beyond this the party or parties are not liable. This sort of partnership is particularly provided for in the French code, and is not unfrequent in France. It is a very useful provision of the law that allows of such associations, for it enables persons of fortune, and retired from business, to put a part of their capital at risk in trade, without risking their whole property; and it accordingly operates very favorably upon the enterprise of the community; for a young man who has only his talents and industry to put into a concern, can thus more easily obtain the capital necessary to give his activity and enterprise scope, and every community ought to open all practicable channels for the intellectual and physical exertions of its members. This species of copartnership has accordingly been partially introduced into the United States, being provided for in the code of Louisiana, which is modelled on the French code, and having been introduced also into the laws of New York by a statute, the provisions of which were closely copied from the French code—the first instance (as Chancellor Kent remarks in his Commentaries) in which any other foreign law than the English had been adopted in the particular structure and provisions of an American statute, in those States of whose codes the English law is the basis. This species of partnerships has also been authorized by statute in Massachusetts, Rhode Island, Connecticut, Vermont, New Jersey, Pennsylvania, Maryland, South Carolina, Georgia, Alabama, Florida, Mississippi, Indiana, Missouri, and Michigan. The Legislature of Missouri has recently passed an act authorizing the formation of limited partnerships, and provides that a limited partnership may be formed for the transaction of mercantile, agricultural, mechanical, mining and manufacturing business, and for the transportation of coal, wood, and lumber, upon the terms and subject to the conditions and liabilities prescribed; but none such shall be formed for the purposes of Banking, Brokerage, or Insurance.

The condition of a limited partnership is, that the name of the person whose liability is thus limited must be used in the firm, and particular provisions are made as to paying in the amount of capital stipulated; and another suitable provision in such case is the provision for some registry, by which it may be appear to those who wish to make the inquiry what amount such partner pays in. Some partnerships are *secret*; that is, some one agrees, upon terms, to share profits with ostensible partners without any notice to the public of his being a member of the firm. Each partner has a joint interest in the whole personal property, and, unless the articles stipulate otherwise, may transfer it.

Each partner may also bind the whole firm by his contract made in the course of the business of the firm, unless it be otherwise agreed between them; and even when it is otherwise agreed, still, if a party with whom a partner contracts has a legal right, from the manner in which the joint affairs are managed, to presume that a partner is authorized to contract for and to bind his copartners in regard to the subject of any contract, the firm will be bound by such contract. But if the party contracted with has notice that, by the articles of copartnership, a partner has not authority to make a contract, the company will not be bound by it. So if a partner contracts, in the partnership name, in a manner which the party contracted with knows is not within the business of the firm—as if he makes a negotiable note in the name of the firm for his own separate debt—the contract will not bind the firm to the party thus contracted with; but still, if this contract, being transferable in its nature, and holding out on the face of it the responsibility of the whole firm, is negotiated to those who have no notice that the paper was made for the private accommodation of the partner who signed the partnership name, the company will be bound in respect to such assignee; that is, the firm having given notice to the world that they are copartners in a certain branch of business, every one has a right to presume that all acts done by each of them in regard to it are authorized by the terms of their contract, or the circumstances of the case, unless he has notice to the contrary. But certain acts are not authorized by the general powers of copartners, and those no one partner can be presumed to have power to do; as, for instance, one partner is not merely, as such, authorized to make a deed in the name of the other, or to act as his attorney; and he cannot, accordingly, convey land belonging to the members of the company; for, though it may have been acquired and paid for with the property of the firm, yet when acquired, it belongs to the members in common, if the title be in them all, and each member can himself convey only his share; and in order to the conveyance of that of another, he must be specially empowered. But a partner may release a debt due to the firm if it be done fairly, and without collusion between him and the debtor. It has been held, however, that one partner cannot by deed submit a question to arbitration. A partnership may be dissolved by its own limitation, the death, bankruptcy, or insanity of a member, or by the breaking out of a war between the countries to which the members belong.

A question is also made, whether a member may dissolve the copartnership voluntarily before the time for which it was formed expires, and the opinion seems to be that he may do so by giving sufficient notice to this



effect; and this seems to be necessarily incident to new associations; for, though he would, in such case, be answerable to his copartners for the breach of his agreement, yet it would be exceedingly inconvenient if a partner were irrevocably bound to give his copartners the right of his credit, and of disposing of his property, after all his confidence in them had ceased. In case of mismanagement by any partner having charge of the partnership effects, so that the other partners are liable to be materially injured, they may make application to a Court of Chancery to appoint a receiver to take charge of the concerns of the company, and wind up its affairs, in case the partnership has already been dissolved, or in case there appears sufficient reason to dissolve it. But where there is no ground for such application to a Court of Chancery, and the company is dissolved by the death of one partner, the joint property will survive to the other partner, who may dispose of it, and collect and pay the debts of the concern, and will be liable to account to the personal representatives of the deceased partner for his proportion of the surplus property. In case of the decease of a partner, his personal representatives do not become copartners with the surviving partners, but the affairs of the concern must be settled with reference to the time of the death of the deceased partner.

*Limited Partnership in New York.*—1. According to the Revised Statutes of the State of New York, limited partnerships for transaction of any mercantile, mechanical, or manufacturing business within the State, may be formed of two or more persons; but the provisions of the act will not authorize any such partnership for the purpose of banking or making insurance. 2. Such partnerships may consist of one or more persons, who shall be called general partners, and who shall be jointly and severally responsible, as general partners now are by law; and one or more persons who shall contribute, in actual cash payments, a specific sum as capital to the common stock, who shall be called special partners, and who shall not be liable for the debts of the partnership beyond the fund so contributed by him or them to the capital. 3. The general partners only shall be authorized to transact business and sign for the partnership, and to bind the same. 4. The persons desirous of forming such partnership shall make, and severally sign, a certificate, which shall contain: I. The name or firm under which such partnership is to be conducted. II. The general nature of the business to be transacted. III. The names of all the general and special partners interested therein, distinguishing which are general and which are special partners, and their respective places of residence. IV. The amount of capital which each special partner shall have contributed to the common stock. V. The period at which the partnership is to commence, and the period at which it shall terminate. 5. The certificate shall be acknowledged by the several persons signing the same, before the Chancellor, a Justice of the Supreme Court, a Circuit Judge, or a Judge of the County Courts; and such acknowledgment shall be made and certified in the same manner as the acknowledgment of conveyance of land. 6. The certificate so acknowledged and certified, shall be filed in the office of the clerk of the county in which the principal place of business of the partnership shall be situated, and shall also be recorded by him at large in a book to be kept for the purpose, open to public inspection. If the partnership shall have places of business situated in different counties, a transcript

of the certificate, and of the acknowledgment thereof, duly certified by the clerk in whose office it shall be filed, under his official seal, shall be filed and recorded in like manner in the office of the clerk of every such county.

7. At the time of filing the original certificate, with the evidence of the acknowledgment thereof, as before described, an affidavit of one or more of the general partners shall also be filed in the same office, stating that the sums specified in the certificate to have been contributed by each of the special partners to the common stock, have been actually and in good faith paid in cash.

8. No such partnership shall be deemed to have been formed until a certificate shall have been made, acknowledged, filed, and recorded, nor until an affidavit shall have been filed, as above directed; and if any false statement be made in such certificate or affidavit, all the persons interested in such partnership shall be liable for all the engagements thereof as general partners.

9. The partners shall publish the terms of the partnership, when registered, for at least six weeks immediately after such registry, in two newspapers, to be designated by the clerk of the county in which such registry shall be made, and to be published in the senate district in which their business shall be carried on; and if such publication be not made, the partnership shall be deemed general.

10. Affidavits of the publication of such notice, by the printers of the newspapers in which the same shall be published, may be filed with the clerk directing the same, and shall be evidence of the facts therein contained.

11. Every renewal or continuance of such partnership beyond the time originally fixed for its duration shall be certified, acknowledged, and recorded, and an affidavit of a general partner be made and filed, and notice be given in the manner herein required for its original formation; and every such partnership which shall be otherwise renewed or continued shall be deemed a general partnership.

12. Every alteration which shall be made in the names of the partners, in the nature of the business, or in the capital or shares thereof, or in any other matter specified in the original certificate, shall be deemed a dissolution of the partnership; and every such partnership which shall in any manner be carried on after any such alteration shall have been made, shall be deemed a general partnership, unless renewed as a special partnership, according to the provisions of last section.

13. The business of the partnership shall be conducted under a firm, in which the names of the general partners only shall be inserted, without the addition of the word "Company," or any other general term; and if the name of any special partner shall be used in such firm, with his privity, he shall be deemed a general partner.

14. Suits in relation to the business of the partnership may be brought and conducted by and against the general partners, in the same manner as if there were no special partners.

15. No part of the sum which any special partner shall have contributed to the capital stock shall be withdrawn by him, or paid and transferred to him, in the shape of dividends, profits, or otherwise, at any time during the continuance of the partnership; but any partner may annually receive lawful interest on the sum so contributed by him, if the payment of such interest shall not reduce the original amount of such capital; and if, after the payment of such interest, any profits shall remain to be divided, he may also receive his portion of such profits.

16. If it shall appear that, by the payment of interest or profits to any special partner, the original capital has been reduced, the partner re-

ceiving the same shall be bound to restore the amount necessary to make good his share of capital with interest. 17. A special partner may, from time to time, examine into the state and progress of the partnership concerns, and may advise as to their management; but he shall not transact any business on account of the partnership, nor be employed for that purpose as agent, attorney, or otherwise. If he shall interfere contrary to these provisions, he shall be deemed a general partner. 18. The general partners shall be liable to account to each other, and to the special partners, for their management of the concern, both in law and equity, as other partners now are by law. 19. Every partner who shall be guilty of any fraud in the affairs of the partnership shall be liable civilly to the party injured to the extent of the damage, and shall also be liable to an indictment for misdemeanor, punishable by fine or imprisonment, or both, in the discretion of the court by which he shall be tried. 20. Every sale, assignment, or transfer of any of the property or effects of such partnership, made by such partnership when insolvent, or in contemplation of insolvency, or after, or in contemplation of the insolvency of any partner, with the intent of giving a preference to any creditor of such partnership or insolvent partner, over other creditors of such partnership, and every judgment conferred, lien created, or security given by such partnership under the like circumstances, and with the like intent, shall be void, as against the creditors of such partnership. 21. Every such sale, assignment, or transfer of any of the property or effects of a general or special partner, made by such general or special partner when insolvent, or in contemplation of insolvency, or after, or in contemplation of the insolvency of the partnership, with the intent of giving to any creditor of his own, or of the partnership, a preference over creditors of the partnership, and every judgment conferred, lien created, or security given by any such partner under the like circumstances, and with the like intent, shall be void, as against the creditors of the partnership. 22. Every special partner who shall violate any provision of the two last preceding sections, and who shall concur in and assent to any such violation by the partnership, or by any individual partner, shall be liable as a general partner. 23. In case of the insolvency or bankruptcy of the partnership, no special partner shall, under any circumstances, be allowed to claim as a creditor until the claims of all the other creditors of the partnership shall be satisfied. 24. No dissolution of such partnership by the acts of the parties shall take place previous to the time specified in the certificate of its formation, or in the certificate of its renewal, until a notice of such dissolution shall have been filed and recorded in the clerk's office in which the original certificate was recorded, and published once in each week for four weeks in a newspaper printed in each of the counties where the partnership may have places of business, and in the State papers.—LEONE LEVI'S *Commercial Law of the World*.

*Analysis of the General Law of Partnerships.*—Partnership in Great Britain is a contract entirely free, and subject to no formalities; it belongs to the parties themselves to regulate the conditions; the law is merely circumscribed in protecting the rights of third parties, and to see them respected. Partnership in common law is divided into three classes—universal, general, and limited or special. They are also divided into private partnerships and public companies. Public companies are divided into

unincorporated companies or associations, and incorporated companies, and corporations chartered by government. By the law of Scotland, partnerships are divided into ordinary partnerships, joint-stock companies, and public companies. In the first the firm is a distinct person at law, and the partners, although jointly and severally liable for all the debts and contracts of the firm, are so as guarantors of the firm. This is general partnership. Special partnership is one contracted for a particular branch of business.

There are principles connected with the law which are identical in every country; namely, that all members of an ostensible partnership, or in collective name, are responsible *in solidum*; but differences appear in points regarding the continuation or cessation of partnership after the decease of one of the partners. Thus in Prussia or Frankfort, the heirs continue the partnership until the end of the year, and if they do not give notice of their retirement, or if they are not excluded by the other partners, they do not cease to form part of it.

In France partnership ends of full right at the instant of the death of a partner, unless by contrary agreement this last regulation has been generally adopted. It is the same for that by which the profits distributed among partners are not to be returned to the partnership fund, whatever may happen afterward, unless there be fraud, and the provision is added, that a partner who brings in only his labor cannot, in any case, return the dividends which he has received.

Almost every legislation except that of Great Britain recognizes the existence of three kinds of commercial partnerships. 1st. Ostensible partnerships (in collective name); 2d. Partnerships *en commandite*; 3d. Anonymous partnerships.

The Portuguese code specifies each kind of partnership, indicating their rules at some length. In effect, besides the partnership anonymous, dormant, or secret, and in collective name, that of capital and labor is made prominent; in this case the partner with capital alone is responsible beyond his investment, in consequence of which the law characterizes this association as irregular. Then come partnerships in participation, with limited or unlimited capital, called *Parceria*, either for an indivisible object, or for a determinate end; but in all cases it is necessary that it should refer to a commercial operation, and that there be at least one merchant either dormant or ostensible. There are in this code some regulations worthy of being noted; namely, that a contract which would free the provider of funds from all obligations, when he has a share in the profits, is null, but then he becomes an interested party, and not a partner. A contract is declared usurious which should allow to a lender of money the profits besides the interests, without subjecting him to the losses, which is very proper and just; because the principle of equality ought to govern, above all, matters of partnership; consequently this last clause ought to be annulled if it existed. In general, a minor, even not a trader, may not be a partner; but he has power to make use of the privilege of restitution in case of loss. If, at his coming of age, he has not declared that he wishes to retire, he becomes responsible for all further acts of the partnership.

It is most essential in partnership in collective name that the partners should all be responsible *in solidum*. In this the Dutch code is equal in all points to the French code; but the former code contains a derogation

from this rule surprising at first, because it says that a collective partner who has become *commanditaire* is not responsible *in solidum*. The reason of this extraordinary regulation is founded upon the usage which permits the continuation of ancient commercial houses, known under the names of their founders, although these have still their capital invested in them; true it is that third parties ought to have been acquainted with it by the liquidation of the preceding house, or by the publication of the dissolution.

In the Spanish code there is a regulation different from any other legislation in matter of constitution of anonymous partnerships, by subjecting the articles, not to the examination of the government, but of the tribunals of commerce. The Spanish code and that of Portugal prescribe a measure the same as that of the Code Napoleon, which consists in making interests to run in full right, on the investments of the partners, from the day in which they ought to be made. With regard to the nomination of managers of partnership, in France the law has no provision for it. In Würtemberg and in Spain, when the manager is nominated by the articles, it is allowed, should his action be injurious to the interests of the company, to add another member. In Russia it is prohibited to confer by the articles the management of the partnership on certain parties for all its duration and without a renewal.

All legislation is silent upon the interests of the capital invested by the shareholders. It is, in fact, clear that an investment of funds in a partnership is not an employment, but a sum bestowed for mere operations, and which can only allow to raise sums on the realized profits, either every year, or at the time when balance-sheets are drawn up according to law, or at any other time, periodical or not. But in Hungary the "*commanditaires*," improperly called partners, because they are then only considered as lenders of money, may stipulate for interests beyond the legal rate which the other partners ought to pay, even if they should suffer losses. It is the same in Prussia.

With regard to the emission of shares and their transference, the Hungarian code contains very important regulations. It says that all persons may buy shares, but it proscribes shares to the bearer—a regulation which was reproduced in the Russian code and in the Würtemberg code. It says also that no investment of capital can be made nor interests claimed before the constitution of the partnership, and that only when all shares are disposed of the shareholders may establish the articles. Lastly, there is the remarkable regulation, that when the majority of shareholders have voted for a change or modification in the articles, of a nature to alter the object of the partnership, the minority have power to retire.

The Russian code prescribes several very curious measures. The sale of shares, or promises of shares, on credit, is prohibited. A portion of the profits must be taken to constitute a reserve fund; the unreclaimed dividend, after ten years, is united to the social fund, or may be divided among the other shareholders. Lastly, if the directors are divided in their deliberations, the dissenting minority may exact that mention be made of their opinion in the verbal process. The same code indicates the mode of terminating disputes: between shareholders or directors they may, with their consent, be decided by the general meeting, or by arbitrators; when third

parties are concerned, it stands always with the tribunal of arbitrament to decide as a forced jurisdiction. In France the same clause is equally precise. But various modern legislations inserted regulations against this mode; thus the code of Würtemberg permits parties to derogate from it; the Hungarian code says that disputes among partners shall be brought before the tribunal of commerce; and if it regards bills of exchange, or in case of insolvency, they shall be adjudicated upon by the ordinary tribunals. The Lombardo-Venetian code does not reproduce the section of the French code, called *On Disputes among Partners*. The recent codes of Nassau and Sardinia do not contain any regulation on this matter. In England, when a reference is depending, made, or determined, it may be a bar; but the agreement of the parties does not oust either courts of law or equity, as the former will not allow their jurisdiction to be ousted by any private arrangement, and equity will not decree a specific performance thereof.

The law of merchants differs from the common law in the power of binding a partner by deed.

Lord Kenyon said, in *Harrison v. Jackson*, 7 S. R. 210: "The law on merchants is part of the law of the land, and in mercantile transactions it never was doubted but that one partner might bind the rest. But the power of binding each other by deed is now for the first time insisted on. A general partnership agreement, though under seal, does not authorize the partners to execute deeds for each other, unless a particular power be given for that purpose. Yet in common law a partner has power to bind his copartner by deed."

Although, in the words of Hobart, C. J., "The custom of merchants is part of the common law of the United Kingdom, of which the judges ought to take notice; and if any doubt arise to them about their custom, they may send for the merchants to know their custom, as they may send for the citizens to know their law;" yet, on the other hand, Lord Holt says, "We take notice of the laws of merchants that are general, not of those that are particular usages."—For further reflections on this subject the reader is referred to *Westminster Review*, xx. 58; *American Quarterly Review*, xix. 48; HUNT'S *Merchants' Magazine*, xxiv. 66, xxxiii. 457, xxxv. 720; LEONE LEVI'S *Commercial Law of the World*, 4to. London, 1854; KENT'S *Commentaries*, vol. iii.—*Encyclopædia Americana*.

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DECIMAL CURRENCY IN CANADA.—The Legislature of Canada having passed an act requiring all the accounts of the government to be kept in dollars and cents, from the first of January next, and it being considered desirable that the same system of accounting should be generally adopted throughout the province, the officers of the Bank of Montreal, Bank of British North America, Commercial Bank of Canada, Bank of Upper Canada, City Bank, Quebec Bank, Gore Bank, Banque du Peuple, Molson's Bank, Bank of Toronto, and Niagara District Bank, have, therefore, resolved to make a similar change, to take effect at the above-mentioned period; and they have united in publishing a notice requesting that parties transacting business with them, will have the amount of all bills or notes intended for discount or collection, and falling due on and after the first of January next, expressed in dollars and cents; and that all checks and other forms in use for banking purposes be adapted to the decimal system.—*Detroit Free Press*.

## THE BANKING SYSTEM AND THE SUB-TREASURY.

## VIEWS OF PRESIDENT BUCHANAN.

EXTRACTS FROM THE ANNUAL MESSAGE OF THE PRESIDENT TO CONGRESS,  
DECEMBER 7, 1857.

*The Revulsion of 1857.*—We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is at the present moment in a deplorable condition. In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth, we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the government, which is chiefly derived from duties on imports from abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very large in amount.

Under these circumstances a loan may be required before the close of your present session; but this, although deeply to be regretted, would prove to be only a slight misfortune when compared with the suffering and distress prevailing among the people. With this the government cannot fail deeply to sympathize, though it may be without the power to extend relief.

It is our duty to inquire what has produced such unfortunate results, and whether their recurrence can be prevented? In all former revulsions the blame might have been fairly attributed to a variety of co-operating causes, but not so upon the present occasion. It is apparent that our existing misfortunes have proceeded solely from our extravagant and vicious system of paper currency and bank credits, exciting the people to wild speculations and gambling in stocks. These revulsions must continue to recur at successive intervals so long as the amount of the paper currency and bank loans and discounts of the country shall be left to the discretion of fourteen hundred irresponsible banking institutions, which from the very law of their nature will consult the interest of their stockholders rather than the public welfare.

*The Powers of Congress as to Currency.*—The framers of the constitution, when they gave to Congress the power “to coin money and to regulate the value thereof,” and prohibited the States from coining money, emitting bills of credit, or making any thing but gold and silver coin a tender in payment of debts, supposed they had protected the people against the evils of an excessive and irredeemable paper currency. They are not responsible for the existing anomaly that a government, endowed with the sovereign attribute of coining money and regulating the value thereof, should have no power to prevent others from driving this coin out of the country, and filling up the channels of circulation with paper which does not represent gold and silver.

It is one of the highest and most responsible duties of government to insure the people a sound circulating medium, the amount of which ought to be adapted with the utmost possible wisdom and skill to the wants of

internal trade and foreign exchanges. If this be either greatly above or greatly below the proper standard, the marketable value of every man's property is increased or diminished in the same proportion, and injustice to individuals as well as incalculable evils to the community are the consequence.

Unfortunately, under the construction of the federal constitution, which has now prevailed too long to be changed, this important and delicate duty has been dis severed from the coining power, and virtually transferred to more than fourteen hundred State banks, acting independently of each other, and regulating their paper issues almost exclusively by a regard to the present interest of their stockholders. Exercising the sovereign power of providing a paper currency, instead of coin, for the country, the first duty which these banks owe to the public is to keep in their vaults a sufficient amount of gold and silver to insure the convertibility of their notes into coin at all times and under all circumstances.

*Banks—Specie Basis.*—No bank ought ever to be chartered without such restrictions on its business as to secure this result. All other restrictions are comparatively vain. This is the only true touchstone, the only efficient regulator of a paper currency—the only one which can guard the public against over issues and bank suspensions. As a collateral and eventual security it is doubtless wise, and in all cases ought to be required, that banks shall hold an amount of United States or State securities equal to their notes in circulation and pledged for their redemption. This, however, furnishes no adequate security against over issues. On the contrary, it may be perverted to inflate the currency. Indeed, it is possible by this means to convert all the debts of the United States and State governments into bank notes, without reference to the specie required to redeem them.

However valuable these securities may be in themselves, they cannot be converted into gold and silver at the moment of pressure, as our experience teaches, in sufficient time to prevent bank suspensions and the depreciation of bank notes. In England, which is to a considerable extent a paper-money country, though vastly behind our own in this respect, it was deemed advisable, anterior to the act of Parliament of 1844, which wisely separated the issue of notes from the banking department, for the Bank of England always to keep on hand gold and silver equal to one-third of its combined circulation and deposits.

If this proportion was no more than sufficient to secure the convertibility of its notes, with the whole of Great Britain, and to some extent the continent of Europe, as a field for its circulation, rendering it almost impossible that a sudden and immediate run to a dangerous amount should be made upon it, the same proportion would certainly be insufficient under our banking system. Each of our fourteen hundred banks has but a limited circumference for its circulation, and in the course of a very few days the depositors and note-holders might demand from such a bank a sufficient amount in specie to compel it to suspend, even although it had coin in its vaults equal to one-third of its immediate liabilities.

And yet I am not aware, with the exception of the banks of Louisiana, that any State bank\* throughout the Union has been required by its charter

\* Missouri should also be excepted.—ED. B. M.



to keep this or any other proportion of gold or silver, compared with the amount of its combined circulation and deposits. What has been the consequence? In a recent report made by the Treasury Department on the condition of the banks throughout the different States, according to returns dated nearest to January, 1857, the aggregate amount of actual specie in their vaults is \$58,349,838, of their circulation, \$214,778,822, and of their deposits \$230,351,352. Thus it appears that these banks in the aggregate have considerably less than one dollar in seven of gold and silver compared with their circulation and deposits.

It was palpable, therefore, that the very first pressure must drive them to suspension, and deprive the people of a convertible currency, with all its disastrous consequences. It is truly wonderful that they should have so long continued to preserve their credit, when a demand for the payment of one-seventh of their immediate liabilities would have driven them into insolvency. And this is the condition of the banks, notwithstanding that four hundred millions of gold from California have flowed in upon us within the last eight years, and the tide still continues to flow. Indeed, such has been the extravagance of bank credits, that the banks now hold a considerably less amount of specie, either in proportion to their capital or to their circulation and deposits combined, than they did before the discovery of gold in California.

Whilst in the year 1848 their specie in proportion to their capital was more than equal to one dollar for four and a-half, in 1857 it does not amount to one dollar for every six dollars and thirty-three cents of their capital. In the year 1848, the specie was equal within a very small fraction to one dollar in five of their circulation and deposits; in 1857 it is not equal to one dollar in seven and a-half of their circulation and deposits.

From this statement it is easy to account for our financial history for the last forty years. It has been a history of extravagant expansions in the business of the country, followed by ruinous contractions. At successive intervals the best and most enterprising men have been tempted to their ruin by excessive bank loans of mere paper credit, exciting them to extravagant importations of foreign goods, wild speculations, and ruinous and demoralizing stock gambling. When the crisis arrives, as arrive it must, the banks can extend no relief to the people. In a vain struggle to redeem their liabilities in specie they are compelled to contract their loans and their issues; and at last, in the hour of distress, when their assistance is most needed, they and their debtors together sink into insolvency.

*Paper Money.*—It is this paper system of extravagant expansion, raising the nominal price of every article far beyond its real value when compared with the cost of similar articles in countries whose circulation is wisely regulated, which has prevented us from competing in our own markets with foreign manufactures, has produced extravagant importations, and has counteracted the effect of the large incidental protection afforded to our domestic manufactures by the present revenue tariff. But for this the branches of our manufactures composed of raw materials, the production of our own country, such as cotton, iron, and woollen fabrics—would not only have acquired almost exclusive possession of the home market, but would have created for themselves a foreign market throughout the world.

Deplorable, however, as may be our present financial condition, we

may yet indulge in bright hopes for the future. No other nation has ever existed which could have endured such violent expansions and contractions of paper credits without lasting injury; yet the buoyancy of youth, the energies of our population, and the spirit which never quails before difficulties, will enable us soon to recover from our present financial embarrassment, and may even occasion us speedily to forget the lesson which they have taught. In the mean time it is the duty of the government, by all proper means within its power, to aid in alleviating the sufferings of the people occasioned by the suspension of the banks, and to provide against a recurrence of the same calamity. Unfortunately, in either aspect of the case, it can do but little. Thanks to the independent treasury, the government has not suspended payment, as it was compelled to do by the failure of the banks in 1837. It will continue to discharge its liabilities to the people in gold and silver. Its disbursements in coin will pass into circulation, and materially assist in restoring a sound currency. From its high credit, should we be compelled to make a temporary loan, it can be effected on advantageous terms. This, however, shall, if possible, be avoided; but, if not, then the amount shall be limited to the lowest practicable sum.

I have therefore determined that whilst no useful government works in progress shall be suspended, new works, not already commenced, will be postponed, if this can be done without injury to the country. Those necessary for its defence shall proceed as though there had been no crisis in our monetary affairs. But the federal government cannot do much to provide against a recurrence of existing evils. Even if insurmountable constitutional objections did not exist against the creation of a National Bank, this would furnish no adequate preventive security. The history of the last Bank of the United States abundantly proves the truth of this assertion. Such a bank could not, if it would, regulate the issues and credits of fourteen hundred State banks in such a manner as to prevent the ruinous expansions and contractions in our currency which afflicted the country throughout the existence of the late bank, or secure us against future suspensions.

*Currency of England.*—In 1825 an effort was made by the Bank of England to curtail the issues of the country banks under the most favorable circumstances. The paper currency had been expanded to a ruinous extent, and the bank put forth all its power to contract it in order to reduce prices and restore the equilibrium of the foreign exchanges. It accordingly commenced a system of curtailment of its loans and issues, in the vain hope that the joint stock and private banks of the kingdom would be compelled to follow its example. It found, however, that as it contracted they expanded, and at the end of the process, to employ the language of a very high official authority, "whatever reduction of the paper circulation was effected by the Bank of England (in 1825) was more than made up by the issues of the country banks." But a Bank of the United States would not, if it could, restrain the issues and loans of the State banks, because its duty as a regulator of the currency must often be in direct conflict with the immediate interest of its stockholders. If we expect one agent to restrain or control another, their interests must, at least in some degree, be antagonistic. But the directors of a Bank of the United States

would feel the same interest and the same inclination with the directors of the State banks to expand the currency, to accommodate their favorites and friends with loans, and to declare large dividends. Such has been our experience in regard to the last bank.

*State Legislation.*—After all, we must mainly rely upon the patriotism and wisdom of the States for the prevention and redress of the evil. If they will afford us a real specie basis for our paper circulation by increasing the denomination of bank notes, first to twenty, and afterwards to fifty dollars; if they will require that the banks shall at all times keep on hand at least one dollar of gold and silver for every three dollars of their circulation and deposits; and if they will provide by a self-executing enactment, which nothing can arrest, that the moment they suspend they shall go into liquidation, I believe that such provisions, with a weekly publication by each bank of a statement of its condition, would go far to secure us against future suspensions of specie payments. Congress, in my opinion, possess the power to pass a uniform bankrupt law applicable to all banking institutions throughout the United States, and I strongly recommend its exercise. This would make it the irreversible organic law of each bank's existence, that a suspension of specie payments shall produce its civil death. The instinct of self preservation would then compel it to perform its duties in such a manner as to escape the penalty and preserve its life. The existence of banks and the circulation of bank paper are so identified with the habits of our people, that they cannot at this day be suddenly abolished without much immediate injury to the country. If we could confine them to their appropriate sphere, and prevent them from administering to the spirit of wild and reckless speculation by extravagant loans and issues, they might be continued with advantage to the public. But this I say, after long and much reflection: if experience shall prove it to be impossible to enjoy the facilities which well regulated banks might afford, without at the same time suffering the calamities which the excesses of the banks have hitherto inflicted upon the country, it would then be far the lesser evil to deprive them altogether of the power to issue a paper currency, and confine them to the functions of banks of deposit and discount.

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REPUDIATION IN PENNSYLVANIA.—The interest coupons due May 15, 1857, on the bonds issued by Washington County, Pennsylvania, in payment of her subscription for \$200,000 of the stock of the Hempfield Railroad Company, have not yet been paid; and, as we are informed, the County Commissioners omitted to levy such a tax rate for 1857 as would yield sufficient revenue to the county treasury to defray the ordinary county expenses and meet the coupons on the county's railroad subscription, maturing during the year. The Act of Assembly under which the Commissioners of Washington County were authorized to make the subscription "and borrow money to pay therefor," empowered said commissions "to make provision for the payment of the principal and interest of the money so borrowed." This fact makes the neglect to impose a sufficient tax rate for 1857 the more reprehensible, because the omission, to those outside of the county, who hold some of these bonds, looks like a deliberate design to *repudiate* the payment of interest on a debt, the proceeds whereof inure wholly to Washington County, whose citizens enjoy the use of the Hempfield Railroad from the borough of Washington westward to Wheeling. But apart from this consideration, we are quite sure that the people of Washington County, when informed of the position occupied by their county through the action of the Commissioners, will take the requisite steps to rescue the county from the disgrace of repudiation.—*Mining Register.*

## THE BANK OF ENGLAND.

## SUSPENSION OF THE CHARTER ACT OF 1844.

A Cabinet Council was held November 12th, at the official residence of the First Lord of the Treasury in Downing-street. The Ministers present were—Viscount Palmerston, the Lord Chancellor, Earl Granville, the Marquis of Lansdowne, the Earl of Harrowby, Sir George Grey, the Earl of Clarendon, the Chancellor of the Exchequer, Sir Charles Wood, the Right Hon. R. Vernon Smith, Lord Stanley, of Alderley, the Duke of Argyll, and the Right Hon. M. T. Baines.

The following letters were addressed to the Governors of the Bank of England:—

DOWNING STREET, Nov. 12, 1857.

GENTLEMEN—Her Majesty's government have observed with great concern the serious consequences which have ensued from the recent failure of certain joint stock banks in England and Scotland, as well as of certain large mercantile firms, chiefly connected with the American trade.

The discredit and distrust which have resulted from these events, and the withdrawal of a large amount of the paper circulation authorized by the existing bank acts, appear to Her Majesty's government to render it necessary for them to inform the Bank of England that if they should be unable, in the present emergency, to meet the demands for discounts and advances upon approved securities without exceeding the limits of their circulation prescribed by the act of 1844, the government will be prepared to propose to Parliament upon its meeting a bill of indemnity for any excess so issued.

In order to prevent this temporary relaxation of the law being extended beyond the actual necessities of the occasion, Her Majesty's government are of opinion that the bank terms of discount should not be reduced below their present rate.

Her Majesty's government reserve for future consideration the appropriation of any profit which may arise upon issues in excess of the statutory amount.

Her Majesty's government are fully impressed with the importance of maintaining the letter of the law, even in a time of considerable mercantile difficulty, but they believe that, for the removal of apprehensions which have checked the course of monetary transactions, such a measure as is now contemplated has become necessary, and they rely upon the discretion and prudence of the directors for confining its operation within the strict limits of the exigencies of the case. We have, &c.,

PALMERSTON.  
G. C. LEWIS.

To the Governor and Deputy Governor of the Bank of England.

The peculiar feature of the Bank of England, as to its circulation, is that it may issue upon government debt £11,000,000 sterling, and upon government securities, such as exchequer bills, &c., three millions more—

making an aggregate of fourteen millions; and beyond this, only for gold coin or bullion deposited in exchange for notes. Thus the Statement of the Bank for the third week in October was as follows:

	<i>October.</i>	<i>Nov. 25.</i>
Government debt.....	£11,015,100	£11,015,100
Government securities.....	3,459,900	5,459,900
Gold coin and bullion in the Issues department.....	8,777,105	6,784,145
Total amount issued. . . . .	£23,252,105	£23,259,145
Deduct notes on hand in Bank department.....	3,485,840	1,918,860
Total in hand of the public.....	£19,766,265	£21,340,285

The gold and silver coin held by the Bank Department was less than half a million, [£479,527] to meet the following obligations:

	<i>October 20.</i>	<i>November 25.</i>
Public Deposits.....	£4,861,700	£5,788,998
Private Deposits.....	11,263,900	14,951,516
Seven day bills.....	819,400	815,838
	£16,945,000	£21,556,352

Although the Bank held a reserve of notes of £3,486,840 unemployed, yet these were totally insufficient, with the small amount of coin (£592,000) to meet the outward current of gold to the Continent and to the East. It is true that bank notes were legal tender elsewhere, but not *by the Bank* in payment of its debts.

The other features to which we claim attention in the charter of the Bank, are

I. She cannot issue any note for a less amount than five pounds.  
 II. All the notes are payable in gold on demand. The payment of those issued in London can be demanded only at the London office. But the payment of those issued at the branches may be demanded either at the London office, or the branches where they were respectively issued.  
 III. Bank of England notes are a legal tender in all cases, except when tendered by the bank herself. IV. She can issue to the extent of £14,000,000 against the amount of securities set apart for that purpose. She can issue to any farther amount against lodgments of gold and silver, as regulated by the above Act. This amount of £14,000,000 may be issued either at the office in London, or at the branches. Were she to reduce the number of her branches, she would not be required to issue less than this £14,000,000; and were she to increase her branches she could issue no more. V. If other banks discontinue their circulation, she may upon application receive permission to extend her issue to two-thirds the sum thus withdrawn; but all the profits of this increase must go to the Government.

Thus while the provisions of the act have been carefully adhered to, the Bank is totally disqualified from using any portion of the £8,777,105 (held in coin and bullion) in payment of its deposits. Suspension was therefore unavoidable in view of the exhaustion of gold for foreign objects. The chief end in view by Sir Robert Peel by the act of 1844, was to place a limit to the paper issues of the country—that the amount then

outstanding should be held to be sufficient and should not be increased, and that, as fast as the country banks failed or wound up, the Bank of England might fill the vacuum thus created, or to two-thirds the amount at least. Sir Robert Peel, in his eloquent address, gave the following graphic description of the various ramifications of the Bank question before the House :

“There is no contract, public or private, no engagement, national or individual, which is unaffected by it. The enterprises of commerce, the profits of trade, the arrangements to be made in all the domestic affairs of society, the wages of labor, the transactions of the highest amount and of the lowest, the payment of the national debt, the provisions of the national expenditure on the one hand, and the command which coin of the smallest denomination has over the necessaries of life on the other, are all affected by the decision to which we may come on this great question.”

So anxious was Sir Robert Peel for the success of the measure, that he sought to give the utmost effect to his speech by the following peroration:

“A quarter of a century has passed away [viz: 1819-1844] since I first brought forward that great measure which forever abolished the system according to which issues of bank-notes were then conducted. To me it will therefore be a source of great personal gratification, if I now succeed in inducing the House to agree to a measure calculated to give additional stability to that which Parliament adopted in the year 1819, and to prevent those fluctuations so dangerous to commercial enterprise.

“When I see the danger arising from the Bank of England having resource to foreign establishments, when I look at the fluctuations which have taken place in our currency, defeating all the calculations on which commercial enterprise could rest, \* \* my gratification will be of the highest and purest kind, if I prevail on the House to adopt a measure that will give steadiness to the character of our resources, which will inspire confidence in the circulating medium, which will diminish all inducements to fraudulent speculations and gambling, and insure its just reward to commercial enterprise, conducted with honesty, and secured by patience.”

During the debate on the act of 1844, Mr. Charles Wood, (now Sir Charles Wood,) said in reference to the provisions of the bill :

“I have said that the Bank shall be restricted from issuing notes upon securities to any greater extent than fourteen millions. This restriction applies, however, to *ordinary circumstances*, and to the state of the affairs of the Bank. *The case may occur in which it would be reasonable, and, indeed, might be necessary*, that there should be an increase of the issues of the Bank upon securities, supposing the country circulation to amount to eight millions, and of this amount two millions to be withdrawn, either in consequence of the failure of banks, or in consequence of agreements with the Bank of England to issue Bank of England paper; in that case, in order to supply the void, it may be necessary that the bank should make an increased issue. A part of this issue may fairly be made upon securities. Our proposal is, that the profit to be derived from such an issue shall be placed to the account of the government, and that no increased issue upon securities shall take place without a communication from the Bank to government, and without the express sanction of three members of government, the First Lord of the Treasury, the Chancellor of the Exchequer, and

the President of the Board of Trade. We do not contemplate, and do not intend to provide for an increased issue upon securities in any other case than that to which I have referred, namely, the supply of a void caused by the withdrawal of some considerable portion of the existing country circulation."

The leading new features of the Bank Act of 1844, were, in brief, as follows :

1. That from and after the 31st of August, 1844, the issue of notes payable on demand shall be kept distinct from the banking business, and that it shall be conducted in a separate department, to be called "The Issue Department of the Bank of England."

2. That on the 31st of August, 1844, the Bank shall transfer to the issue department securities to the value of fourteen millions, the debt due by the public to be deemed part; that the banking department shall transfer to the issue department, all the gold coin and gold and silver bullion not required; that the issue department shall deliver to the banking department such an amount of notes, as, with those in circulation, shall equal the securities, coin, and bullion, transferred to the issue department. That the Bank may not increase but may diminish the amount, and again increase it to any sum not exceeding fourteen millions.

3. That the Bank may not retain in their issue department at one time more silver than one-fourth of the gold coin and bullion held at the time. [This provision subsequently became inoperative by the absorption of silver during the years 1850-'56 for China trade.]

4. That the notes of the Bank shall always be payable in gold on demand, at the rate of £3 17s. 9d. per oz.

5. That if any country banker shall cease to issue his own paper, the Bank of England may issue additional notes to the amount of two-thirds of the authorized issue of the said banker.

6. That a weekly report of the accounts of the issue and banking departments be published in the "*London Gazette*."

7. That the notes of the Bank shall be freed from the payment of stamp duties.

8. That £180,000 per annum shall be deducted from the charge made for the management of the national debt.

9. That if (under provision 5) the circulation of the Bank shall be increased, the net profit of such circulation shall also be deducted from the above charge, [and thereby enure to the benefit of the Treasury.]

10. That no other banks of issue be allowed than those in existence on the 6th of May, 1844.

11. That after passing of this act, no banker may issue, in England and Wales, any bill of exchange or promissory note on demand, excepting such bankers as were in existence on the 6th of May, 1844, who shall only continue to issue them under the conditions hereinafter mentioned. That the right to issue notes shall not be compromised by the admission or retirement of any partners. That no company now consisting of six or less than six partners, shall, if they exceed that number, be allowed to issue notes.

13. That on and after the 31st of December, 1844, the Bank shall pay to certain bankers, agreeing to issue their notes, ONE PER CENT. on the amount circulated. The two great elements of this act were, that the

Bank might issue £11,000,000 on the security of the debt due from the public, with £3,000,000 on Exchequer Bills and other securities, and that every note issued beyond that sum must have its representative in *an equal amount of bullion*. The measure as at first proposed met with a few modifications; but the great principles of the bill, which not only restricted the issues of the Bank of England, but those of the country banks, also remained unaltered. The objections of the representatives of this class were strong; but no objections that they could make were equal to the facts which were developed in one of the speeches of the right honorable baronet. A simple announcement of the failures of bankers destroyed all their assumptions; and every argument grew weak in comparison with the statement that from 1830 to 1843, there had been eighty-three bankruptcies, of which twenty-nine were banks of issue; that of these, forty-six had paid no dividend, twelve had paid less than 5s. in the pound, twelve had been under 10s., three less than 15s., two under 20s.; the results not being known of seven up to 1853; that some, though insolvent when they died, had left large amounts to their relatives; that others had embarked in wild speculations, to the ruin of themselves and their clients, and that the only assets of another were race-horses.

The following is a statement of the changes of the rate of interest in the Bank of England the present year, with the bullion in the Bank nearest each period:

1857, April 2.....	6½ per cent.	£9,303,000
1857, June 18.....	6	11,172,000
1857, July 16.....	5½	11,840,000
1857, Oct. 8.....	6	10,109,000
1857, " 12.....	7	10,109,000
1857, " 19.....	8	9,524,000
1857, Nov. 5.....	9	8,497,000
1857, " 9.....	10	7,170,000

In 1847, when the domestic pressure in England was far more severe than now, and much more injurious to private interests, it was deemed advisable by the Prime Minister and Chancellor of the Exchequer, as "an extraordinary temporary measure," to advise the Directors of the Bank of England "to enlarge the amount of their discounts and advances upon approved security," and "in order to retain this operation within reasonable limits," to charge a high rate of discount; and the Bank was promised at the same time, that, if by the adoption of the above advice, any penalty should be incurred for an infringement of the law, "Her Majesty's Government would be prepared to propose to Parliament, on its meeting, a Bill of Indemnity." The following is a copy of the letter in which Lord John Russell and Sir Charles Wood communicated their advice to the Directors of the Bank of England:

Downing Street, 25th October, 1847.

"GENTLEMEN: Her Majesty's Government have seen, with the deepest regret, the pressure which has existed, for some weeks, upon the commercial interests of the country, and that this pressure has been aggravated by a want of that confidence which is necessary for carrying on the ordinary dealings of trade.

"They have been in hopes that the check given to transactions of a speculative character, the transfer of capital from other countries, the influx



of bullion, and the feeling which a knowledge of these circumstances might have been expected to produce, would have removed the prevailing distrust.

"They were encouraged in this expectation by a speedy cessation of a similar state of feeling in the month of April last.

"These hopes have, however, been disappointed, and her Majesty's Government have come to the conclusion, that the time has arrived when they ought to attempt, by some extraordinary and temporary measure, to restore confidence to the mercantile and manufacturing community.

"For this purpose, they recommend to the directors of the Bank of England, in the present emergency, to enlarge the amount of their discounts and advances upon approved security; but that, in order to retain this operation within reasonable limits, a higher rate of interest should be charged.

"In present circumstances, they would suggest that the rate of interest should not be less than 8 per cent.

"If this course should lead to any infringement of the existing law, Her Majesty's Government will be prepared to propose to Parliament, on its meeting, a Bill of Indemnity. They will rely upon the discretion of the directors to reduce, as soon as possible, the amount of their notes, if any extraordinary issue should take place, within the limits prescribed by law.

"Her Majesty's Government are of opinion that any extra profit derived from this measure should be carried to the account of the public, but the precise mode of doing so must be left to future arrangement.

"Her Majesty's Government are not insensible of the evil of any departure from the law which has placed the currency of this country upon a sound basis; but they feel confident that, in the present circumstances, the measure which they have proposed may be safely adopted, and at the same time the main provisions of that law, and the vital principle of preserving the convertibility of the bank note, may be firmly maintained.

We have the honor to be, gentlemen, your obedient humble servants.

J. RUSSELL,

CHARLES WOOD.

The Governor and Deputy Governor of the Bank of England."

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**SHARP WORK FOR THE FUNDS.**—Early in November a package of money containing \$1,500, was received by Adams & Co.'s Express for a business firm in town; but another party, a creditor, we believe, learning that such a package was expected by express, had procured an injunction from one of the courts, commanding the Express Company not to deliver the money to the parties to whom it was directed. Of course the injunction was obeyed, and the package safely deposited in the safe of the company for secure keeping, until the rights of parties could be legally determined. Yesterday, however, the matter assumed a different aspect. The parties to whom the money was addressed, swore out a writ of replevin, and the sheriff went to the express office with orders and the necessary facilities to enforce obedience, at whatever cost. It was found unnecessary, however, to resort to extreme measures, as the key of the safe was handed over to him, when he helped himself to the package he was in search of, and quietly departed.—*Cincinnati Gazette.*

## CALIFORNIA STATE DEBT.

AN ACT TO PROVIDE FOR PAYING CERTAIN EQUITABLE CLAIMS AGAINST THE STATE OF CALIFORNIA, AND TO CONTRACT A FUNDED DEBT FOR THAT PURPOSE.

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

SECTION 1. For the purpose of liquidating, funding, and paying the claims against the State of California, hereinafter specified, the Treasurer of State shall cause to be prepared suitable bonds of the State of California, not to exceed the sum of three millions nine hundred thousand dollars, bearing interest at the rate of seven per cent. per annum from the date of their issue, payable at the State Treasurer's office, on the first day of July, one thousand eight hundred and seventy-seven; the interest accruing on said bonds shall be due and payable at the office of the Treasurer of State on the first day of January and July of each year: *Provided*, that the first payment of interest shall not be made before the first day of January, one thousand eight hundred and fifty-nine. Said bonds shall be signed by the Governor, and countersigned by the Comptroller, and endorsed by the Treasurer of State, and shall have the seal of the State affixed thereto.

SEC. 2. Coupons for the interest shall be attached to each bond, so that they may be removed without injury or mutilation to the bond. Said coupons, consecutively numbered, shall be signed by the Treasurer of State.

SEC. 3. It shall be the duty of the Treasurer and Comptroller of State each to keep a separate record of all such bonds as may be issued, showing the number, date, and amount of each bond, and to whom the same was issued, and upon what claim, and its amount; and none of the claims herein specified shall be liquidated or paid but in the manner herein provided.

SEC. 4. The sum of one thousand dollars is hereby appropriated out of any money in the Treasury not otherwise appropriated, to pay the expense that may be incurred by the Treasurer in having said bonds prepared, but the Comptroller shall not draw his warrant on the Treasury for this amount until there is money therein to pay the same.

SEC. 5. All persons having any of the claims against the State of California, entitled to be funded as hereinafter specified, shall, upon the presentation of the same to the Treasurer of State, receive in exchange therefor a bond or bonds of the State of California, provided for in the first section of this Act, but no bond shall be issued for a less sum than five hundred dollars, nor for fractional parts of a hundred dollars, but the Treasurer may issue certificates of such fractional parts not bonded, which said certificates shall be transferable and entitled to be funded as before provided. The Treasurer shall endorse on the back of each claim so received and liquidated, the date on which he received the same, and from whom, and the number of the bond issued in exchange therefor, and such claim shall be filed in the office of the Secretary of State.

SEC. 6. For the payment within twenty years of the principal and interest of the bonds issued under this Act, there shall be levied annually, until the bonds are paid, and promptly collected in the same manner as is or may be provided by law for ordinary State taxes, a tax of thirty cents on each one hundred dollars of the assessed value of real and personal property in the State, and the fund derived from this tax shall be set apart and applied exclusively to the payment of the interest on the bonds herein provided, and the final redemption of the principle of said bonds, and the faith of the State of California is hereby pledged for the payment as herein provided of the bonds issued by virtue of this Act, and the interest thereon, and all moneys that may be received by the State of California from the United States Government on account of the Civil Fund, so called, are hereby irrevocably pledged to the payment of the principal and interest on the bonds issued under this Act. A wilful refusal or neglect by Supervisors or any other officer to levy or collect the taxes imposed by this Act, shall be a misdemeanor, and the person or persons convicted thereof shall be removed from office and punished by a fine not exceeding one thousand dollars, or by imprisonment in the County Jail not exceeding six months, or by both such fine and imprisonment.

SEC. 7. Whenever on the first day of January or July in any year, there remains after the payment of the interest, as hereinbefore provided, a surplus of ten thousand dollars or more, it shall be the duty of the Treasurer to advertise, for the space of one week, in one daily newspaper published in English, in the city of New York, and for one month in one daily newspaper published in English at the State capital, for sealed proposals, to be opened one month after the expiration of such publications by the Treasurer, in presence of the Governor or Comptroller, at the State capital, for the surrender of bonds issued under this Act, which advertisement shall state the amount of money he has on hand for the purpose of redemption, and they shall accept the lowest proposals, at rates not exceeding par value, as may redeem the greatest amount of bonds until the amount of cash on hand for redemption is exhausted; *Provided, however*, in case a sufficient amount of such bonds shall not be offered, as aforesaid, to exhaust the sinking fund to a less amount than ten thousand dollars, then it is hereby made the duty of the Treasurer to advertise in two newspapers, one in New York and one at the capital of this State, for three months, which advertisements shall state the amount in the sinking fund, and the number of bonds, numbering them in the order of their issuance, which such fund is set apart to pay and discharge, and if such bonds, so numbered in such advertisements, shall not be presented for payment and cancellation within three months from the expiration of such publication, then such fund shall remain in the Treasury to discharge such bonds whenever presented, but they shall draw no interest after such publication as last aforesaid.

SEC. 8. The Treasurer of State shall keep full and particular account and record of all his proceedings under this Act, and of the bonds redeemed and surrendered, and he shall transmit to the Governor an abstract of all his proceedings under this Act, with his annual report, to be by the Governor laid before the Legislature; and all books and papers pertaining to the matters provided for in this Act, shall at all times be open to the

inspection of any party interested, or the Governor, the Attorney-General, or a committee of either branch of the Legislature, or a joint committee of both.

SEC. 9. It shall be the duty of the Treasurer to pay the interest on said bonds when the same falls due, out of said interest fund, if sufficient, and if said fund be not sufficient, then to pay the deficiency out of the General Fund; *Provided*, that the Comptroller of State shall first draw his warrant on the Treasurer, payable to the order of said Treasurer for the amount of interest money about to become due, which said interest warrant shall be drawn at least one month previous to the maturing of the interest.

SEC. 10. It shall be the duty of the Governor and Comptroller to attend, at least once in each month, at the Treasurer's office, while said bonds are being issued, to examine all claims received by the Treasurer as aforesaid, and cause the same to be registered and cancelled in such manner as to prevent them from being reissued or put in circulation.

SEC. 11. The following are specified as the claims which are entitled to be received and funded under this Act: First, Civil bonds of the State issued under the funding Acts passed in the years 1851, 1852, 1853, 1855, and 1856, which are now outstanding, with interest due on the same when presented, as appears by the coupons. Second, Comptroller's warrants drawn under sanction of law, for civil expenses prior to January first, A. D. 1857, and now outstanding and unpaid, but the provisions of this Act shall not authorize the funding of any of those warrants, the registration and endorsement of which were cancelled or required to be cancelled by the provisions of "An Act to cancel the registration and indorsement of certain warrants, and prohibiting the payment of the same," approved January 30th, A. D. 1856, or warrants which have been specifically adjudged illegal by any Court, and all said warrants specified in the last mentioned Act, are hereby expressly excluded from all the benefits and provisions of this Act. Third, Just or legal claims against the State accrued prior to January 1st, 1857, and which may be allowed and audited by act of the Legislature. And if the Treasurer of State shall wilfully issue bonds upon claims not herein specified as receivable, it shall be deemed a misdemeanor, and he shall be punished as provided in section 6 of this Act, and such bond shall be void.

SEC. 12. The claims specified in this Act may be received for funding, and bonds therefor may be issued prior to the first day of January, 1859, but not afterwards; and all claims not presented for funding prior to that time, are excluded from the provisions of this Act, and such blank bonds prepared under the provisions of this Act, as shall then remain on hand, shall be destroyed in the presence of the Governor, Comptroller, and Treasurer.

SEC. 13. This Act shall take effect on the first day of November, A. D. 1857, as to all its provisions, excepting those relating to, and necessary for, its submission to the people, and for returning, canvassing, and proclaiming the votes—which shall take effect immediately.

SEC. 14. This Act shall be submitted to the people of the State for their ratification, at the next general election, to be holden on the first Wednesday of September, A. D. 1857, and the qualified electors of this State,

shall, at said election, on their ballots for State officers, vote for or against this Act; those voting for the same, shall write or have printed on their ballots, the words "Pay the Debt;" and those voting against the same, shall write or have printed on their ballots the words "Repudiate the Debt."

SEC. 15. The votes cast for and against this Act, shall be counted, returned and canvassed, and declared, in the same manner and subject to the same rules as votes cast for the Treasurer of State, and if it appear that a majority of all the votes so cast for or against this law as aforesaid, are in favor of this Act, then the same shall have effect as hereinbefore provided, and shall be irrevocable until the principal and interest of the liabilities herein created shall be paid and discharged, and the Governor shall make proclamation thereof; but if a majority of the votes so cast are against this Act, then the same shall become void.

SEC. 16. It shall be the duty of the Secretary of State to have this Act published in one newspaper in each Judicial District of this State, if one be published therein, for three months next preceding the general election to be held upon the first Wednesday of September next; for which publication, no greater allowance shall be made than the rates allowed by law to the State Printer.

Approved April 28th, 1857.

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THE OHIO LAW OF DAMAGES ON PROTESTED BILLS.—*Before the Superior Court of Ohio—Hubbel, Alexander and Driver v. The Ohio Life Insurance and Trust Company.*—The question was whether the plaintiffs were entitled to statutory damages on a protested bill of exchange, drawn by the Ohio Life Insurance and Trust Company on their agency in New York. The bill was drawn by the assistant cashier of the Trust Company, in Cincinnati, on E. Ludlow, their cashier at New York, for \$1,200, payable to the order of the plaintiffs. The bill was returned under protest. It was contended for the plaintiffs that Ludlow, being an individual resident in another State, the plaintiffs were entitled to statutory damages of six per cent. On the part of defendant, that the address to "E. Ludlow, Cashier," was nothing more than an address to the Trust Company itself, and that the case came within the decision given by Judge Hitchcock, in *Brinnard v. The Canton Bank*, in the 8th vol. of the Ohio Reports.

Judge Spencer said, in giving an opinion of the case, that he supposed it would be admitted the bill was drawn on an office branch of the bank situated in New York, of which Ludlow had the superintendence; and with this fact assumed to be true, the plaintiffs are entitled to recover damages on the bill. Admitting that the bill was drawn by one officer of the bank on another, it was for all practical purposes a bill drawn on a foreign office, and falling within the spirit, at least, of the statute, if not within its letter. The question was disposed of last winter, by the Supreme Court, in the case of *West & Co. v. The Valley Bank*, in which it was held that it was not necessary the individual members of a firm should be domiciled at the place where the bill was drawn, it being enough if they had a business domicile; and it repudiates the doctrine laid down by Judge Hitchcock, that these damages are in the nature of a penalty, but affirms they are in the nature of a recompense for the damages sustained by the individual in not getting his money at the place he had the right to expect it would be paid. On the principle held in this case, the Court was of opinion the plaintiff was entitled to statutory damages.

## THE MERCANTILE AGENCY SYSTEM.

## I. ITS FIRST ORGANIZATION.—II. ITS IMMEDIATE OBJECTS.—III. ITS COLLATERAL BENEFITS.

THE Mercantile Agency is a name applied to various houses in the leading cities of the United States, and in Montreal and London. The principal object of the agency is to supply to annual subscribers information respecting the character, capacity, and pecuniary condition of persons asking credit. The valuable services it has rendered to the domestic trade of the country, as a check upon our credit system, are acknowledged by the mercantile community. Its history, together with an explanation of its mode of operation, may not be without interest to the general reader and foreign merchant.

The Agency was first established in 1841 in the city of New York, by Mr. Lewis Tappan, and was conducted by him, upon a comparatively limited scale, until 1846, when Mr. Benjamin Douglass became his coadjutor, and assumed the chief management. From this time the business increased rapidly, and assumed a permanent and recognized position among the mercantile institutions of the country. In 1849, Mr. Lewis Tappan disposed of his entire interest in the business to Mr. Douglass and Mr. Arthur Tappan, who formed a partnership to continue five years, at the end of which time, and by virtue of agreements prospectively entered into, Mr. Douglass became sole proprietor; and the present style was adopted with the admission of Mr. R. Graham Dunn.

Our limits will not permit us to trace, step by step, the growth of the Agency, or to dwell upon the personal aspects of its history. Founded upon the interests of merchants, and conducted from the beginning by men of ability, capacity for work, high character, and thorough knowledge of the wants of mercantile business, its progress has been uninterrupted. From New York it has extended its branch and associate offices to seventeen other cities, viz.: Philadelphia, Boston, Montreal, Baltimore, Richmond, Petersburg, Charleston, New Orleans, Pittsburg, Cleveland, Cincinnati, Chicago, Milwaukee, Dubuque, St. Louis, Detroit, and London, England. All these branches are under the direction of the proprietors at New York, and are governed by uniform rules. A daily interchange of information facilitates the answering of the inquiries of the respective subscribers for all parts of the country.

It is obvious that the gigantic labor of reporting the business men of Canada and the United States could not be performed by any one office, nor could the expense be borne by the merchants of any one city. B. Douglass & Co. perform it by means of their system of branch offices, each supported by the subscriptions of the merchants, bankers, and manufacturers of the city in which it is located. The district allotted to each office is the country of which its city is the centre of trade. For instance, the Boston office reports that portion of the New England States of which it has the chief trade; the Dubuque, the greater part of Iowa; the Milwaukee, Wisconsin; the Charleston, South Carolina and Georgia; while

the Ohio Valley is divided between the offices at Pittsburg, Cincinnati, and Louisville.

This subdivision of labor is the means of securing a minuteness and accuracy of reports, which, to any one unacquainted with the machinery of the Agency, is truly astonishing. The operations of a branch office do not embrace a large extent of country. They are usually limited to the 150 or 200 counties, the majority of whose traders buy their goods chiefly at the city where it is established. In each of these counties the principal of the office secures one, two, three, or more correspondents, the number varying with the population, and the division of the local trade among towns. These correspondents are selected for their integrity, long residence in the county, general acquaintance, business experience and judgment. Their duties are to advise the Agency promptly, by letter or telegraph, of every change affecting the standing or responsibility of traders; to notify it of suits, protests, mortgages, losses by fire, endorsements, or otherwise; to answer all special inquiries addressed to them by any of the associate offices; and to revise before each trade season, or oftener if required, the previous reports of every trader in the county, noting any change for the better or worse. No report is considered full unless it embraces, in regard to each trader, his business, the length of time he has pursued it, his success or the contrary, his age, character, habits, capacity, means, prospects, property out of business, real estate, judgments, mortgages or other liens upon his property. The greatest care is taken in selecting the agents, who furnish the bulk of the information to the Agency. Their integrity of character, freedom from prejudice, and from any entangling connections with mercantile men, which might bias them in their reports, their social position, influence, and opportunities for knowing thoroughly the men they are reporting, are all taken carefully into consideration, and the very great success and expansion of the business is, we have little doubt, to be attributed, in a great measure, to the judgment and careful discrimination which has been exercised in this particular. Nevertheless, after all this care in the selection of the agents, prudence would seem to require some check upon them. This is done by travelling agents who are sent through the country, and who report the traders upon their own resources, and generally without any knowledge of what the local agent has previously reported. Their reports are compared carefully with those of the local agent, and any discrepancy thoroughly investigated. Again, much information of a most valuable character is derived from special correspondents, as bank cashiers, insurance agents, notaries public, sheriffs, and others, whose official position gives them peculiar opportunities of knowing not only the resources and character of business men, but also the degree of promptness with which they meet their business obligations. Another source of information is that afforded by merchants themselves, who frequently make "statements" of their own affairs from their books. These are given under their own signature, with the avowed purpose of having them used by the Agency as a basis for credit. The leading facts contained in such "statements" are, of course, always made matter of special investigation. As, for instance, a merchant in his "statement" says he owns a farm or a number of town lots, in a certain county, worth a certain sum. The records of the county are examined to see if any such property stands in his name;

the estimate he puts upon it is compared with that given by persons acquainted with the value of property in that locality ; and, lastly, a careful examination is made to ascertain if any encumbrance exists against it, not mentioned in the voluntary statement of the merchant. All the other facts in his statement are scrutinized in like manner, and it is thus subjected to a very searching analysis. Reports obtained with the care thus exhibited, and from such a variety of sources, must certainly approach as near perfection as is practicable under any circumstances.

The records of each office are arranged according to counties. Each partnership and individual name is indexed for convenience of reference on inquiry being made by subscribers. The reports coming in daily are copied without delay in the book for the county to which they refer, and transmitted by mail or express to the next or central office. All unfavorable information is promptly copied on slips, and sent simultaneously to all the offices whose subscribers' interests are probably involved therein. Serious embarrassments, assignments, and failures are telegraphed. The mass of information thus contributed by the branches to the central office, passes into the hands of the chief clerk, is distributed by him to the heads of departments, by them in their turn parcelled out among the clerks, and by these last recorded and indexed in the proper books. The records of the New York office of the Mercantile Agency contain the aggregate knowledge of traders possessed by the seventeen most flourishing mercantile communities in North America.

We cannot better illustrate the benefits conferred upon merchants and bankers by the Agency, than by giving a few examples within our personal knowledge.

B, a banker, had frequently bought the drafts of a Buffalo house. Having one for \$1,500 offered him, he sent to the Agency to inquire, and learned that the house had become embarrassed by the failure of another. He did not buy, and three days later the house failed.

S. B. & Co. became subscribers to one of the offices, and, on the same day, furnished a list of their customers. They were at once informed that one of these, an Indiana trader, had bartered his stock of goods for cattle, and had left his home for some part of the West, concealing his destination. His indebtedness to S. B. & Co. was nearly \$900. The claim was placed in the hands of the Agency—the telegraph put in requisition—the absconding debtor overtaken in Illinois by an attorney, his cattle seized on attachment, and the debt secured.

P. N., an old-fashioned merchant, who always knew enough about his customers to satisfy himself, was asked what he thought about a certain Kentucky trader.

"An excellent customer," was his answer ; "he owes me five hundred dollars, and if he were to send an order for a thousand more, I would send it."

This "excellent customer" had been embarrassed for more than a year ; all the subscribers to B. Douglass & Co. had secured their claims, or avoided selling him : and it was then five weeks since he had failed.

G., an extensive iron dealer, had been in the habit for years of selling largely to a firm in the same city. He had just received an order from them, which he intended to fill, when, calling at the Agency on other business, it



occurred to him to inquire. The firm had allowed its notes to go to protest for six weeks, and was badly insolvent, owing to reckless sales to railroads.

H. S., of Philadelphia, held a claim of large amount against B., a miller, who had absconded from one of the interior counties of Pennsylvania. For several years he had endeavored, without success, to ascertain the residence of his debtor. At a friend's suggestion he inquired at the Agency; the clerk turned to the name on the general index, and found a reference to a county in Illinois; in that county the miller was fully reported as the owner of a steam saw-mill, and a large amount of real estate. It is needless to say the debt was collected.

A respectable country merchant lately attributed the solvency of the merchants in his county to the fact, that the reports of the Agency had nipped in the bud the mercantile operations of sundry adventurers, who would have ruined them by sacrificing goods below cost. He himself had long traded in a Western city, thinking himself unknown elsewhere, but hearing an explanation of the system of the Mercantile Agency, he visited New York, and found himself credited without a question. Since then he has bought in the cheapest markets, never taking a letter of introduction.

A hardware firm, making large sales to the West, testifies that, by avoiding doubtful customers, as reported by the Agency, it has effected an annual reduction of more than fifty per cent. on its losses on bills receivable.

False and fraudulent representations by a purchaser are mercilessly exposed by the Agency; plausible swindlers are detected; the weak and incompetent trader described, and the extravagant checked. We perfectly well recollect the case of an adventurer, who sought credit on the ground of having valuable possessions in real estate. But he was baffled. The Agency reported, that not only his lands, but his household furniture even, was mortgaged for its full value.

A comparison of the system of the Mercantile Agency with that of the "Commercial Traveller," which it superseded, is much to the advantage of the former, as regards the item of cost as well as information. From a large drygoods house we learn that, in old times, its expenses for travellers counted by thousands, and that it was, to a vexatious extent, in the power of clerks, who were anxious to make sales, and whose good opinion was too often won by civilities than by responsibility. Now it holds an efficient check upon its salesmen, who travel, not to choose customers, but to make collections, and obtain orders from those chosen by the firm.

We need not multiply illustrations. The usefulness of the Agency is unquestionable. Without it, the credit system, in a country like ours, with vast distances between seller and buyer, would make mercantile pursuits the most uncertain of all. Its principal advantages are as follows:

It points out to the city merchant solvent, prudent, and thriving customers; cautions him against the doubtful; and apprises him promptly of changes which make it proper to press the collection of his claims.

It traces absconding debtors and fraudulent traders from State to State, exposing their pretences, and rendering it difficult for them to find dupes or victims.

It makes the solvent and punctual trader known in every city, giving him credit, and dispensing altogether with letters of introduction or guarantees.

It protects him from the ruinous competition of the inexperienced, the incompetent, and the fraudulent.

It prevents delay in the delivery of goods ordered, giving full reports of the purchaser, and making further inquiry unnecessary.

It corrects many evils incident to the credit system, and tends to keep commercial business in the hands of men of integrity, means, and experience.

It tends to promote a high standard of mercantile honor, to check speculation and extravagance, to enhance the value of punctuality and good character, and to make it the interest of every trader to be temperate, industrious, economical, and desirous of an unspotted reputation.

It has been urged as an objection to the Agency that it is *secret* in its operations, and that, to the casual observer, it partakes of the nature of a system of espionage, seemingly at variance with that candor and love of open dealing so characteristic of our commercial usages. This objection, with the explanations herein given, will appear utterly futile. It is necessarily of a confidential, and, to a certain extent, of a secret nature, because such communications must always be so. What merchant, banker, or president of an insurance company, who asked for and received such information, as that kept by the Agency, from a business correspondent, would think of using it in any other way than as confidential, and to be kept strictly secret? What would his correspondent say, if his communications were used as though they were not so regarded? Who would give such information, however pure the inquirer's motive might be, unless he were assured that he could implicitly rely upon this?

Future changes in the credit system of the United States may introduce new features into the Agency, and modify its machinery; but the experience and thorough business ability of the present proprietors, are sufficient guarantee that all modifications will be in accordance with the wants of the mercantile community.

The principal Mercantile Agency, established in the U. S., is that of Messrs. B. Douglass & Co., in the city of New York. They have branches and associate offices at all the following points: New York, Boston, Philadelphia, Baltimore, Cincinnati, Louisville, St. Louis, New Orleans, Charleston, Pittsburg, Richmond, Chicago, Cleveland, O.; Detroit, Michigan; Dubuque, Iowa; Milwaukee, Wis.; Montreal, C. E.; London.

LOUISIANA.—The State debt of Louisiana on the 1st of January last amounted to \$10,703,142 05, of which the bond debt was \$9,548,551, and the debt payable on demand, for trust funds, \$1,154,591. Of the bonded debt, \$6,322,551 is secured by the property of the Consolidated Association and Citizens' Bank, leaving the remaining liability in bonds \$3,226,000. The *New Orleans Picayune* says:

"With a nominal debt of upwards of ten millions, the real debt of Louisiana is less than four, and the interest which she pays annually is on that amount, part of which, however, goes into the sinking fund. The actual issue of bonds is not more than three millions, and the amount which is on the market about \$2,100,000. This three millions of bonds rests upon an assessed value of three hundred and twenty millions of dollars, subject to taxation, with an annual produce from these taxes, at the rate established last year, of \$1,372,285.

## BANKING IN BELGIUM.

From the London Bankers' Magazine, June, 1857.

UNTIL the year 1822, Belgium could scarcely be said to have had any banking system, purely as such; not even a national bank or monetary paper currency. In that year, seeing the deplorable state of national industry in a country so favored by nature with all the elements and raw materials of prosperity; in a country too, which for two centuries almost had been the leading workshop of Europe; that thoughtful and sagacious monarch, the late William III., then king of the Netherlands, founded the great banking and industrial establishment known, and famous both for its success and reverses, as the *Société Générale* of Brussels, with a capital of 50,000,000 florins, in shares of 500 florins each, or say, at 1s. 8d. the florin, about £41 13s. 4d. each. The king himself became the largest shareholder. The capital, however, was not all called up at the commencement, nor were the shares all issued; for it appears that in 1837 the bank had so extended its operations, yet at the same time had so grown in credit and opinion upon fruitful dividends annually shared, that it was enabled to issue and place 28,733 shares of 500 florins each, held in reserve at the price of 700 florins, representing of course so much addition of the premiums carried to capital account. The recital of some of the leading incidents in the history of this great bank will not be without its lessons at the present moment, in view more especially of the gigantic operations of the *Crédit Mobilier* banking, industrial and speculative establishment of Paris, modelled upon the same principles in a considerable degree, headed by two of the most accomplished financiers in Europe or the world. With all the genius of the Pereires, it will be seen that so far as the fundamental and more legitimate principles upon which the *Crédit Mobilier* is professedly founded, they are entitled to take rank only among the *imitatores servum pecus*; following and attempting to carry out on a larger scale, with additions of questionable policy, the great ideas of King William of Holland, who, however, did not condescend by the statutes of its foundation, to degrade his bank to the level of daily stock exchange jobbery. It may be observed, that the *Société Générale* dealt with a money capital (since reduced in amount) of about five millions sterling, premiums on reserved shares inclusive; whilst the *Crédit Mobilier* trades on a money capital of one half that sum, with a range of operations more serious, dis-cursive and perilous.

By its statutes, the *Société Générale* of Brussels was constituted a bank of issue, but its primary object was the encouragement and development of national industry, by the supply of capital and credit accommodation on less onerous conditions to legitimate enterprise, and by promoting the growth of joint-stock associations for industrial undertakings. Although endowed with the royal guarantee of 5 per cent. interest on its shares, and the cession on most advantageous terms of large territorial with other properties to the value of 20,000,000 florins, which held out the perspective of brilliant profits on their resale and realization, the bank in its commencement was not regarded with much favor. Of the 32,000 shares first pro-

posed for issue, subscribers were only found for 6,500 ; but the king, resolute in the accomplishment of his favorite project, took at once the remaining 25,500 shares for his own account, and so the institution was launched. So novel, or so little understood was the principle of association at that date, in a "country abounding in capitals," as observed by M. Briavoinne in his excellent work, *De l'Industrie en Belgique*. The association under such auspices pursued an uninterrupted prosperous career until the year 1830, when the Belgian revolution broke out, which concluded in the separation of Belgium from Holland, and the expulsion of the monarch who had so successfully labored for the advancement of her material interests. For a moment the great bank of his creation seemed destined to share in his ruin ; for it became a question with the new governing powers, whether the existence of so mighty a money corporation could be safely tolerated ; the controlling influence over which, necessarily vested in the one man, the late and still hostile sovereign, who was at once its founder and most largely interested shareholder. The board of directors, however, adroitly managed to avert the impending storm, and conciliate threatening enmities. Party-feelings and prejudices they wisely repudiated ; and in evidence of good faith, placed the nomination of a new governor, having a supreme voice in the direction of affairs, at the disposal of the authorities then installed at the helm of state. They did more still. The public and the municipal treasuries were empty, and operatives without work were thronging the streets of Brussels and Ghent, by thousands, to the imminent danger of the public peace. The directors came to the rescue of both government and people. To the former they were liberal of loans ; of the latter, work was given to numbers in the construction of roads through certain of the society's landed properties ; whilst to the destitute poor of the city alms were distributed with no niggard hand. Measures were taken, moreover, to nullify or neutralize any interference or control which might be attempted thenceforward or suspected on the part of King William, as the largest shareholder, in the management of the bank ; and eventually, it is understood, negotiations were entered into and arrangements made for the transfer of his interests into other and neutral hands on equitable considerations. The *Société Générale* was nevertheless not free from other embarrassments. The revolution of 1830, following close on the great July revolution of France in the same year, had unhinged confidence and caused a ruinous depreciation of all values. Great as was its capital, it was greatly compromised in mining enterprises, that is, in heavy loans to mine proprietors, and in the promotion of joint-stock companies for working mines, in which it embarked largely as shareholder. To press its debtors, or realize its shares in such concerns, was an impossibility, without ruin to them and equal damage to itself, at a time when French 3 per cents. had descended from about 80 to 47, and when all the capitalists of France and Belgium, from the Rothschilds downwards, were in panic for the issue. By prudence and forbearance it escaped from these difficulties, but at the cost and then apparent risk of relieving debtors from their obligations by amicable transactions, ending with the transfer of vast mining properties in Hainault and elsewhere into the possession of the bank, which thus became *entrepreneur* on its own account, instead of mortgagee. Fortunately the revival of confi-

dence and credit afterwards enabled it to surmount these difficulties, and even with the realization of considerable profits.

These patent facts renewed again the old jealousies. Its profits were denounced as a crime, and it was accused of "contemplating the ruin of the country because it was accumulating riches, and King William was then still its greatest stockholder," so relates, impartially, M. Briavoinne, himself a Belgian and a man of probity. So, in opposition, the project of the *Banque de Belgique* was started in 1835 by a Frenchman, as stated, whose name was more conspicuous than creditable in the scheming years of 1824, '5 '6, and '7, in London. Its capital of twenty millions of francs was eagerly subscribed, above all in Paris. The two banking and speculative corporations, both endowed with the same privileges and pursuing the same line of action, then began to run a race of rivalry with each other, the result of which it did not want second sight to foresee. Like the *Crédit Mobilier* of the present day, they organized subsidiary joint-stock companies, of all sorts and for all purposes, in which they took the initiative of becoming large or the largest shareholders themselves. One result was not long to wait for. At the close of 1838 the *Banque de Belgique* was brought to a suspension of payments. The bank *Société Générale* was accused by M. de Bronckere, president of the former institution, of unbecoming conduct on the occasion: "On the 4th of December (1838) it presented for payment in specie one million of francs £40,000) in its (the *Banque de Belgique*) notes to bearer; on the 10th for 1,200,000 francs more (£48,000); and on the 15th for 300,000 francs." Upon which the bank suspended. The reader will smile, that a sum in total of £100,000 should cause the suspension of a bank with a capital, all paid up three years before, of £800,000; but in fact, as its embarrassments had become a matter of notoriety, all the depositors and customers with current accounts had previously been withdrawing their funds and balances, so that the *Société Générale* stood justified in its course, on the principle of self-preservation. At the time of this catastrophe the *Bank de Belgique* had originated, or co-operated in, as a large shareholder, no less than twenty-one joint-stock and *en commandite* companies, with capitals ranging from the very modest sum of 150,000 francs (£6,000) up to twelve millions, or say £480,000; in totality for 54,150,000 francs, or £2,166,000 in round sterling numbers. The *Société Générale* during the same period, in conjunction with the *Société de Commerce* and the *Société Nationale*, both of its own creation, had of its own origination or under its patronage, thirty other joint-stock and *en commandite* companies, in which a large shareholder with an aggregate of capitals for 102,640,000 francs, or in sterling £4,105,600, in capitals for each respectively ranging from 750,000 francs (£30,000) to twelve millions or £480,000; and all this irrespective of its weighty compromises and engagements in other enterprises from 1822 to 1835. These various undertakings of the two banks comprehended all sorts of speculative industry, from coal and iron mines down to gas, glass, and carpet companies.

As we have said, the *Banque de Belgique* was brought to a stand still and a liquidation at the close of 1838, and after a three years' existence only. In 1841, however, it was resuscitated and rehabilitated by an increase of its capital by ten millions of francs (£400,000), from the creation of new

shares preferentially entitled to five per cent. interest before the old shares could claim any dividend at all. Its affairs, since that period, appear to have been conducted with more reserve and discretion. Its privilege of paper issue does not appear to have been available, or in favor with the public, to any extent of consideration; not to have exceeded, in fact, three, four, or five millions of francs, or from £120,000 to £200,000.

The *Société Générale* meanwhile followed on its course in apparent prosperity, until touched by the French and other European revolutions of 1848. Then once more it had to succumb to the storm, when all values fell to a discount. Previously it had so prospered as to have been enabled to buy up 29,000 of its own shares (of the total issue completed only to 60,000) at the market rates and premiums of the day. The remainder 40,000 original shares would probably have been extinguished on the arrangement referred to William, King of Holland. In that fatal year of 1848 the dividends fell from 102 francs 91 centimes (nearly £4 2s. 6d.) per share of 500 florins, to 52 francs 91 centimes (nearly £2 2s. 6d.) per share. At a general meeting of shareholders on the 18th of November, 1850, it was agreed to annul the 29,000 shares so purchased, and to shape its course of action in accordance with circumstances. But the speculative spirit had eaten too far into the vitals of the corporation to allow of a speedy and entire recovery. It would seem still to be laboring under the heavy incumbrances of days of exaltation and seemingly glowing prosperity, for we find the dividends out of profit given recently only at 127 francs (£5 1s. 8d.) per new double share, which before for the single share were £4 2s. 6d. Its note circulation privilege was never of much benefit or consequence, having rarely ascended to eight or ten millions of francs, or £300,000 or £400,000. It may here be noticed that the two banks were equally licensed originally for note issues and commercial enterprise, for deposits public and private, and of savings banks, for loans on mortgage and on merchandise, for discounts, for emitting bonds bearing interest, and generally for the promotion of all great state and industrial operations. According to M. Seneuil, both the *Société Générale* and the *Banque de Belgique* were obliged to implore the assistance of the government in 1848, on which occasion a law was passed to give their note issues a forced currency to a certain maximum of amount, as was at the same time the case with the Bank of France. It was, however, soon found necessary to enlarge the maximum of issue. The state of course became the guarantee for both banks; and in 1849 we find the finance minister complaining to the Chamber of Representatives that the state had been compelled to become bond for the two banking establishments to the extent of fifty-four millions of francs, or say £2,100,000. It scarcely needs to be added that, the era of revolution passed, the convertible character of the bank note was restored, but a paper money circulation does not appear to gain much upon popular acceptance in Belgium, where the popular repugnance would seem to be more deeply rooted than even in France. We have not had the opportunity of consulting later balance-sheets of each establishment than for the year 1852, when the note circulation of the *Société Générale* was given at something less than seven millions of francs, say £280,000, and of the *Banque de Belgique* at less than 500,000 francs, say £25,000. At the same time the former was a holder of shares in other companies to the ex-

tent of upwards of fifty-seven millions of francs, say £2,280,000 ; the latter for upwards of fifteen millions of francs, say above £600,000.

The other banks of Belgium are the banks of the *Société Nationale*, with a capital of fifteen millions of francs, say £600,000, which is the state bank, specially privileged for circulation, and as the treasury receiver. Its capital was mainly contributed and raised by the *Société Générale*.—The bank *Société de Commerce*, with a capital of ten millions of francs, say £400,000.—The *Banque Liegeoise* (Bank of Liege), capital four millions of francs, say £160,000.—*Caisse des Propriétaires*, or proprietary bank, capital two millions, say £80,000.—*Banque Commerciale d'Anvers* (Antwerp Bank), capital twenty-five millions of francs, say one million sterling.—*Banque de l'Industrie*, Antwerp, capital ten millions of francs, say £400,000.—*Société de Commerce*, Antwerp, capital twelve millions of francs, say £480,000.—*Société de Commerce de Bruges*, capital three millions of francs, say £120,000. There may be other banking establishments more recently formed in that present hot-bed of schemes and speculations at Paris, but they have not fallen under our notice. It is to be remarked, however, as a singular fact for Belgium, that the note circulation of the *Bank Nationale*, the accredited state banking agent as before said, had ascended, according to the balance-sheet for 1852, to nearly seventy millions of francs, say about £2,800,000.

As the *Crédit Mobilier* of Paris was evidently founded on the same speculative principles of action as the *Société Générale* of Brussels, with the difference that it was not invested like the latter with the functions of issue, or constituted a bank for the deposit for savings and charitable institutions, it may not be unseasonable to compare briefly the position of the two at distinct periods of financial crisis and exaggerated speculation, bearing in mind, with the proper reserve, however, that the *Crédit Mobilier* has not had to contend with the presence or eventualities of a political disorganization continentally almost general, as was the case with the *Société Générale*.

So far as we can collect from a partial balance-sheet of the latter for the year 1847, just previous to the French revolution of February, 1848, the leading items of its situation stood as follows :—

It had out in loans on public securities, for about	-	£2,320,000
In shares and bonds of various companies	-	1,320,000
Public funds	-	500,000

£4,190,000

The foregoing were of the nature of active and speculative though convertible assets in ordinary times.

The capital of the <i>Société</i> paid up, and independent of the 29,000 shares held in reserve or annulled, then amounted to	-	£1,314,000
The reserve to	-	1,200,000

Total, - - - - - £2,514,000

So that the whole capital, with £1,026,000 in addition, was absorbed in shares, bonds, loans, and the public funds, which on the advent of the revolution, 1848, became unsalable ; apparently irrecoverable and without a market. These, it will be observed, are only leading items of the active

account, and not the general balance-sheet, which comprehends liability under the head of savings bank deposits, bonds, and circulation for three or four millions, partly only covered by various assets. Under the circumstances of that disastrous period of 1848, the *Société Générale* had of course to suspend and beg for government aid, which was liberally granted. Its note circulation was declared inconvertible, and its privilege of issue extended, with other remedial measures, under the guarantee of the state, by which it was enabled to weather the storm.

Turning to the *Crédit Mobilier*, we find it with a capital of £2,400,000

Whilst in Rentes it is a holder for 9,100,000 francs.

In shares	-	-	53,080,000	"
In bonds	-	-	29,880,000	"

92,060,000 or say £3,680,000

To which add investments in different securities, in "Reports," or continuations, and advances on shares and bonds, as per report of the directors on the 25th of April last, for the year 1856

75,780,000 frcs., or 3,031,000

Total in securities,	-	-	-	-	-	£6,711,000
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Or less than half a million short, only, of three times the amount of capital.

## BANKING IN CANADA.

### THE PRINCIPLES OF BANKING—LIABILITY OF SHAREHOLDERS IN CANADA.

From the *Canada Merchants' Magazine*.

THE Banking interest is one of the most formidable and most important in this Province. It is one concerning which the ideas of the public are equally vague and unsatisfactory. In times of monetary depression, the pinch of "hard times" brightens inquiry, and causes men to pry into the secrets of the "money changers," in a manner bordering on impertinence. Whether pleasant or unpleasant to the gentlemen who sit enclosed within green baize doors, the inquisitive under such circumstances must be satisfied.

In Canada, we believe that without exception the banks are conducted on the joint-stock principle. In a country where wealth is scattered—seldom consolidated—seldom at the command of individuals, the principle of joint-stock co-operation, as applied to banking, is not only allowable but indispensable. But when the joint-stock principle has tacked to it the further principle of limited liability, it behoves the state to see that the people are well protected.

The standard of currency is gold or silver bullion. The legislature may however, confer upon individuals or companies the right to issue paper in substitution of metallic currency. But the public is not obliged to accept



paper for bullion, or, having accepted it, is not bound to retain it one moment longer than it is considered safe to do so. True, we occasionally hear it mooted that the Legislature can authorize the suspension of specie payments. As a proposition of what *might* be done, this is unquestionably true; but as a proposition of what *ought* to be done, is subject to the gravest suspicions. In 1837 it was done under circumstances of the greatest necessity. To warrant it at any time, the necessity must not only be great, but the good to be gained certain and effectual. The system of *ex post facto* legislation is in few cases sound; but as applied to the rights of the public in relation to banking institutions, it savors strongly of dishonesty. To return to the ordinary issue of paper currency. The power to do so can only be beneficially exercised so long as the parties issuing it possess the confidence of the public. Now, as public opinion is extremely ticklish, it is absolutely requisite that the parties issuing paper currency should be at all times prepared against the worst contingency. Loss of public confidence is the worst contingency that can happen to any banker. So long as he enjoys this confidence, he may rest securely and continue delighted at the roaming tendencies of his "promises to pay." The moment confidence is shaken, the picture changes. Not one by one—but in whole cohorts the promises return, and specie is demanded.

It is the duty of the Legislature to anticipate these catastrophes, and, anticipating them, to see that when specie is demanded, specie is forthcoming. If, however, a condition were imposed that no banker should issue bills or notes for an amount greater than the actual bullion in his vault, few would be found willing or able to assume the responsibility. This being the case, it is usual for our Legislature, when constituting joint-stock banking companies, to provide that they shall issue notes for "the aggregate amount of the paid-up capital stock and the gold and silver bullion, and debentures or other securities, reckoned at par, issued or guaranteed by the Government under the authority of the Legislature of this Province, on hand." This stipulation, in these very words, is to be found in every Canadian bank charter to which we have made reference. It is also stipulated in every such charter, that "the total amount of the debts which the said bank shall at any time owe, whether by bond, bill, note, or otherwise, shall not exceed three times the aggregate amount of its capital stock paid in, and the deposits made in the bank in specie and Government securities for money." A violation of either of these stipulations is invariably made to work a forfeiture of the charter in which the stipulation is contained. In the management of a concern which may have liabilities outstanding at least three times greater than available assets, extraordinary caution is required. The profits of banking though generally remunerative, are not made without considerable risk. A "panic" is the spectre which haunts the banker. When it becomes a reality, the chances are greatly in favor of his downfall and utter prostration.

Again: if bankers were merely bound to have specie to a certain amount in their vaults, and no means were provided for testing compliance with the requirement, the grossest and most unpardonable frauds might be the consequence. This test is applied by the enactment that every chartered banking company shall, once each month, exhibit and publish a statement of its assets and liabilities. Under the head "assets" must be given coin and

bullion, landed or other property, Government securities, promissory notes or bills of other banks, notes and bills discounted, other debts due not included under the foregoing heads. Under the head "liabilities" there must be given the capital authorized, the capital paid up, notes in circulation, bills of exchange in circulation, balance due other banks, cash deposits. The secret of success lies in working all these different heads of liabilities and assets so that the former shall not exceed the latter. Subsidiary to this, a still further object is, to keep on hand an amount of bullion equal to any possible immediate demand. Auxiliary to this is the necessity there exists of exercising caution in not investing much money in doubtful or unavailable securities. In every charter which has come under our notice, is to be found a provision that "a suspension by the said corporation, either at the chief place or seat of business, or at any of their branches or offices of discount and deposit at other places in this Province, of payment on demand in specie of the notes or bills of the said corporation payable on demand, shall, if the time of suspension extend to sixty days consecutively, or at intervals within any twelve consecutive months, operate as and be a forfeiture of this act of incorporation, and all and every the privileges hereby granted."

Watching the operation on each side of the scale as the equipoise alters, there are two classes of individuals,—the stockholders and the public. Our present intention is to deal with the stockholders only. If all things fail—if bullion be exhausted—if securities be unavailable or worthless—if debts be irrecoverable—if real estate be valueless—the stockholders are liable to be pounced upon by an excited and suspecting populace. In every joint-stock banking company's act there is a provision commencing in these words:—"In the event of the property and assets of the said bank becoming insufficient to liquidate the liabilities and engagements or debts thereof, the shareholders of its stock, in their private or natural capacities, shall be liable or responsible for the deficiency, but to no greater amount than," &c. (here the responsibility is made to vary.) Few persons who subscribe for stock in banking institutions ever stop to inquire the extent of their liability. Fewer still, we are glad to say, are ever called upon to make good their liability. The soundness of the banking business of Canada is a cause of much self-congratulation. But the brightest day may be overcast, and the soundest banking institution may come to the wall. The material, animal, and moral world are perpetually changing. In view of the mutability of all mundane affairs, a word of good advice ought not to be slighted.

Stockholders are all subject to responsibility, either more or less. Were there no limitation of liability, each stockholder would be liable for the debts of the whole concern of which he is a stockholder. Were this the case, we can easily fancy there would be no stockholders. The public is interested in having the liability of stockholders as great as possible; the stockholders are interested in having it as little as possible. Between the two parties whose interests thus conflict the Legislature intervenes, and makes a solemn contract, which, when made, approved, and sanctioned, becomes the law of the land. No bank stockholder is made liable, when acting within the powers of the charter or act of incorporation, for the whole debts of the institution chartered. Each stockholder is made liable either to double the amount of his *subscribed* stock, or to double the amount

of his *paid-up* stock. Under one or other of these engagements does every person enter who becomes a stockholder in a joint-stock bank. Why there should be such a distinction, we are at a loss to divine. That such a distinction *does* exist, the following table manifestly shows.

NAME.	ACT OF INCORPORATION.	CAPITAL.	AMOUNT PER SHARE.
<b>CLASS I.</b>			
St. Francis Bank.....	18 Vic. c. 201	£ 100,000	£25 0*
Molson's Bank.....	18 Vic. c. 202	250,000	12 10*
Zimmerman Bank.....	18 Vic. c. 203	250,000	12 10*
Niagara District Bank.....	18 Vic. c. 204	250,000	25 0*
<b>CLASS II.</b>			
Commercial Bank of Canada...	19 & 20 Vic. c. 120	1,000,000	25 0**
Bank of Upper Canada.....	19 & 20 Vic. c. 121	1,000,000	12 10**
Union Bank of Canada.....	19 & 20 Vic. c. 122	1,000,000	20 0**
Ontario Bank.....	20 Vic. c. 159	250,000	10 0**
The Bank of Toronto.....	20 Vic. c. 160	500,000	25 0**
International Bank of Canada..	20 Vic. c. 162	250,000	25 0**
Bank of Brantford.....	20 Vic. c. 164	250,000	25 0**
<b>CLASS III.</b>			
Gore Bank.....	{ 5 Wm. IV. c. 46 amended by 12 Vic. c. 169 }	80,000	10 0**
<b>CLASS IV.</b>			
Eastern Townships Bank.....	18 Vic. c. 206	250,000	12 10***
The Bank of Montreal.....	19 & 20 Vic. c. 76	1,500,000	50 0***
City Bank, Montreal.....	{ 4 & 5 Vic. c. 97 amended by 18 Vic. c. 41 }	300,000	20 0***

It strikes us as surpassing strange, that while Canadian charters are in almost every other point uniform, they differ in that point which of all others is the one upon which they ought to agree—responsibility of shareholders. For the sake of convenience, we have in the above table divided the banks into four classes. The liability of shareholders of the banks mentioned in the first, second, and third classes, we conceive to be identical. Whether shareholders are made liable for “double the amount of their capital stock,” “double the amount of their respective shares,” or “twice the amount of their subscribed shares,” it matters not: under a slight variation of language, one and the same meaning is conveyed. But when we come to the shareholders of banks mentioned in the fourth class, there is not only a variation of language but a variation of meaning. There is a wide distinction between making shareholders responsible for “double the amount of their capital stock,” (as in class No. 1,) and “double the amount of paid up capital,” (as in class No. 4.) Of course, as to banks in which all the capital is paid up, the effect is substantially the same in either case. But how few banks are there in which the whole capital stock, both old and new, is paid up! As to the three banks mentioned in class No. 4, if the capital be not fully paid up, the shareholders are allowed

\* Liability of stockholders double the amount of their capital stock.

\*\* Liability double the amount of their respective shares.

\*\*\* Liability double the amount of paid up capital.

to speculate upon the whole of their capital shares, and receive dividends upon the whole of their stock, when paid up capital only is made the basis of liability! This, abstractedly considered, is manifestly improper; but when these banks are compared with the others less favored, there is a positive and glaring wrong made to appear. We ask the attention of the Legislature to the circumstance. A distinction such as that which we have thus laid bare, can have only one effect, and that is, the effect of giving to the shareholders of two or three particular banks an unfair advantage over all other banks. The respective charters of the *Banque du Peuple*, (1 Vic., cap. 66,) and the Quebec Bank, (2 Vic., cap. 24,) are thoroughly unique. We cannot class them under either of the foregoing heads, and therefore content ourselves with a simple reference to them.

Bank charters are becoming as numerous as the sands of the sea. They are granted with too much laxity; they are passed with too little consideration. Surely they are not matters of so little moment that attention bestowed upon them would be time wasted! There must be more surveillance, or else the time will come when designing men will be authorized by act of Parliament, to swindle her Majesty's subjects, whom her Majesty's Government is sworn to govern and protect. Our opinion is, that all bills, before passing a third reading, ought to be subjected to the ordeal of close criticism by men competent in point of ability and of information. With respect to bank bills, the desirableness of such an examination is beyond all cavil. To convince those in doubt, we have only to draw attention to the facts mentioned in this article. We trust they will carry home conviction to the hesitating, and spur to action those of more decided views.

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## COL. BENTON ON BANKS AND CURRENCY.

WASHINGTON, Nov. 15, 1857.

*To the Editors of the National Intelligencer :*

GENTLEMEN: Many papers, desirous of the establishment of a National Bank, are quoting what Gen. Jackson said in favor of such an institution at the beginning of his presidency. I have to remind all such papers that what was so said was said before Gen. Jackson saw a prospect of restoring the currency of the constitution, and that, after he saw that prospect, he said nothing more in favor of banks, National or State, but the contrary, and labored during the remainder of his public life to restore and preserve the hard-money currency which the founders of our government had secured (as they believed) for us. The plan of that restoration and preservation consisted of five parts, namely: 1. To revive the gold currency by correcting the erroneous standards of 1791. 2. To create a demand for hard money by making it the exclusive currency of the federal Treasury. 3. To make sure of this hard money by keeping it in its own treasuries. 4. To suppress all paper currency under twenty dollars by a stamp duty. 5. To wind up all defaulting banks by a bankrupt law against delinquents.

The first three of these five parts were accomplished, and to these we are indebted for twenty years exemption—from 1837 to 1857—from bank suspensions and depreciated currency ; also, for carrying the country through a foreign war—the Mexican—without paper money, and with the public securities above par ; also for having in the country at this time full fifteen times as much hard money as we had in the time of the late Bank of the United States ; and we are indebted to the want of the two latter parts of the plan for what we now see : nearly two thousand banks in the country, a great part of them frauds from the beginning, and the bad governing the good ; a general suspension in a season of peace and prosperity ; people forced to use depreciated paper when there is more hard money in the country than its business could employ ; men and women begging for work, and unable to obtain it, when the country needs all the work they can do, and has the means to pay for it ; families crying for bread when a bountiful Providence has given the most exuberant crops that ever was seen ; the business of twenty-five millions of people deranged, disordered and thrown out of joint ; and all this the work of the base part of the banks, falling down of themselves for want of foundations, and dragging the solid ones after them. For it is in this case of bank suspensions as it is with a ship sinking at sea, where those who cannot swim drag down those who can. A stamp duty on their notes, and a bankrupt process against themselves, would have saved the country from the calamities it now endures ; for many of the base order of banks would have been unable to “*make currency*” for want of money to pay for stamps on their notes, and others would have been proper subjects for the bankrupt process in the first few days of their existence.

The restoration of the gold currency was effected under Gen. Jackson’s administration ; the establishment of the hard money currency for the federal government, and the keeping of its own money in its own treasuries, was accomplished under Mr. Van Buren, both of which Presidents took the full responsibility of recommending these three measures, and also the two others—the two for the imposition of a stamp duty on all paper money under twenty dollars, and for a bankrupt act against defaulting banks. Bills were repeatedly brought into Congress for both purposes, but were always defeated by the defection of the paper money wing of the democratic party.

The most plausible of the open objections made against the stamp duty was in the expense, and the extensive machinery for its collection. That was answered by providing a cheap and simple process for both purposes—a clerk in the Treasury Department for a superintendent of the business, and the clerks of the federal courts to deliver out the stamps which they received from the treasury. The amount of the duty, and whether it should apply to all notes or only to those intended to be suppressed, were questions on which there was room for some diversity of opinion. The predominant opinion was that there should be duty upon all notes issued as a currency (for what more fit to be taxed than the moneyed power ?) the duty being the same on all notes, and such as the large ones could easily carry, and the small ones not. The amount of the duty was held necessary to be large—far greater than in Great Britain ; for there no note is re-issued ; no one goes out of the bank a second time, so that the duty in England

is paid every time the bank puts out a note. Not so in the United States. Here a note is re-issued until it is worn out; until it has become too ragged to hold together, or too filthy to be handled, or too defaced to be deciphered. A small duty is, therefore, sufficient in Great Britain; it would require a very heavy one to be its equivalent in the United States. Among the penalties for violating the act, either by issuing, receiving or passing the unstamped paper should be a disqualification to retain or receive a federal appointment; for the pursuit of office is so general at this time in our country, and so ardent, that, in arraying a class so large, so influential and active against the unstamped notes, their circulation would be effectually checkmated.

The paper-money wing of the democracy was still more against the bankrupt act against bankrupt banks than against the stamp tax on notes; and acting with the habitual opponents of the party to which they professed to belong, easily defeated all the bills. The open objection came from the lawyers with their professional ideas, drawn chiefly from British statutes, that merchants and traders were the proper subjects of the bankrupt law,\* although every late British statute on the subject includes banks, (the Bank of England excepted;) and in a single season of suspension (that of 1813-'14-'15,) ninety-two of these banks had been subjected to commissions of bankruptcy, but this remedy was not of English, but of Roman origin, as its name would show, ("*bancus*" and "*ruptus*,") and bankers were the original objects of the law, as the same name also shows. "Broken Bench" is the English of the Latin name, and was so called because the bankers (money-changers of that time, as now in the East,) had their benches in public places, on which they sat and did business; and when any one became delinquent, or criminal, he was driven away and his bench was broken. And thus, in its origin, bankruptcy was a process against banks and bankers, and still is in Great Britain; and hence retains its original name of Broken-Bench—the bench so broken being the sign and warning to the public that the banker himself was insolvent, and deprived of his place of doing business.

Banking in the United States is the most unrestrained and unsafe that there is in the world; and unsafe even for solid and well-conducted banks, there being enough of the unsolid and badly conducted to break down of themselves every few years, and to drag down the rest with them. The laws put few restraints or penalties upon them; and these restraints and penalties are regularly repealed just as often as the community needs the benefit of them. It is by name in some places, and by fact in others, a system of "free banking," which the hard-money democracy was accus-

\* The American lawyer seldom looks beyond the statute of Elizabeth, which was the first to confine the bankrupt process to merchants and traders; if they would look a little further back—look into the reign of that Queen's father—they would find a statute sufficiently comprehensive to include others besides merchants and traders; and the preamble to which is an accurate description of many of those who in our country, and at this day, follow the pursuit of issuing "currency" for the American people. That preamble says: "Whereas divers and sundry persons craftily obtained into their hands great substance of other men's goods, do suddenly flee to parts unknown, or keep their houses, not minding to pay or restore to any of their creditors their debts and duties, but at their own wills and their own pleasures consume the substance obtained by credit of other men for their own adournment and dainty living, against all reason, equity, and good conscience."—Anno 34, Henry VIII.

toned to call "free swindling." Anybody becomes banker that pleases, and issues small notes and sends them off to a distance to be circulated and lost, and to sink upon the heads of the laboring people.\* A favorite plan is to issue notes at one place payable at another far off, out of the way, and difficult to be got at, so as to compel the holder to submit to a shave. That mode of doing business was invented by a Scotchman of Aberdeen in 1806; but he was in Great Britain, not in the United States, and the British ministry and the British Parliament immediately took cognizance of the inventor and his imitators, and placed them all in the category of swindlers, and so put an end to their operations. No stamp duty, no bankrupt act, and no requisition to keep any proportionate amount of hard money on hand completes the license and unbounded freedom, and the perfect title to periodical explosions, which belong to American banking.

The last requisition, that of keeping on hand an amount of hard money proportionate to their liabilities, seems to be unknown (even in name) in the United States; yet that requisite is a legal and fundamental condition of the Bank of England; and the proportion of one-third in gold of the total amount of its liabilities in circulation and deposits is the rate enforced; and below that proportion the Bank of England does not deem itself safe. Thus swore Mr. Horsley Palmer, Governor of the Bank of England, before Lord Althorpe's committee, in 1832: "*The average proportion, as already observed, of coin and bullion which the bank deems it prudent to keep on*

\* A specimen of modern banking in the United States is seen in one of the latest of these institutions, duly chartered to issue "currency"—the "Granite Bank of Voluntown," Connecticut; whereof the Hartford (Conn.) Times gives this brief, and no doubt veracious account:

"The charter was passed, and for four or five months it was not heard of again. But, suddenly, on or about the 1st of November instant, the bills of the Granite Bank of Voluntown appeared in the market. The bank commissioners were in this city at the time, and though having their hands full of business in various parts of the State, they repaired at once to Voluntown. There a very rich scene was opened to them. They found, we understand, the following state of affairs:

"The managers of the bank, on or about the 1st instant, procured (i. e. borrowed for the occasion) a package of bills or a package of something which they called \$30,000. This was the paid in capital of the bank, and upon this they commenced business, though on Saturday last they sent this same package back to New York, as they claim, to procure specie for it.

"They have issued \$17,000 dollars in bills, and had circulated them in various parts of the country.

"Five thousand dollars in bills were taken by a man who was to circulate them in Ohio. This man left a receipt for them, and verbally promised to send on a note when he arrived in Ohio.

"The assets were between three and four hundred dollars in coin, one dollar bill on the Windham County Bank, and a second-hand iron safe not yet paid for. Also the receipt of the Ohio man for \$5,000 in the Granite bills."

This is a sample of a recent chartered bank in one of the oldest States. Here is another recent sample from one of the youngest Territories:

"The Legislature of the Territory of Kansas at its last winter session (1856-'57) chartered a number of banks to issue currency, one of which at Lecompton was required to have \$50,000 in specie, to be counted and certified by the Governor before it could begin work. In the late convention, while providing for a new bank of three millions, the fact came out in debate that the Lecompton bank, without a dollar in hard money, obtained its certificate from the Governor this summer past in this wise: It borrowed \$2,000, and putting \$1,000 into two bags, while the Governor counted one bag at a time, the other was carried out and brought in again; and this was done until \$50,000 was counted, and the certificate obtained."

hand, is at the rate of a third of the total amount of all her liabilities, including deposits as well as issues." And thus swore George Ward Norman, a director of the bank: "For a full state of the circulation and deposits, say twenty-one millions of notes and six millions of deposits, making in the whole twenty-seven millions of liabilities, the proper sum in coin and bullion for the bank to retain is nine millions." And to the same effect swore other directors. But in Great Britain it is not sufficient that this proportion of one-third is required to be on hand, but it must be shown, and that continually, that it is there.\* This is accomplished by the publication of the quarterly weekly average of the liabilities and assets of the banks, from which the public can always see when the bank has crossed the line of safety. How different this from banking in the United States, where no proportionate rate of specie to the liabilities is even prescribed; and where five, ten, fifty, a hundred paper dollars for one hard one in the vault, are frequently issued.

But one thing was wanting to complete the titles of our banking system to utter unworthiness, and that one thing has been discovered—it is dispensation of the specie basis! Throughout the world, so far as paper money is known, a specie basis is deemed necessary to an institution which issues promises to pay specie. Not so in the United States. Paper upon paper has become the vogue with us. Stocks and the notes of other banks are the "sandy" foundation upon which a large proportion of our banks are built.

I do not expatiate upon the evils of small paper money; they are palpable to every observer, and only require enumeration. 1. It drives away all hard money of equal denominations; for, in a competition between two currencies, the meanest is always the conqueror and chases the other out of the field. 2. It is the great source of the crime of counterfeiting; for the mass of the counterfeiters consists of small notes. 3. It demoralizes the community; for people, not being willing to lose a note for which they have given value, instead of burning it when rejected by a knowing one as counterfeit, put it back in the pocket, and offer it again to an ignorant person, who receives it, and who goes through the same process when rejected in his hands. 4. Small notes make the panics and bring on the runs which break down good banks; for these small notes being in the hands of the masses, when they get alarmed, they assemble by thousands at the doors of the institutions which issued the notes, demand the money, break the banks, and propagate the alarm which they themselves feel until it becomes general; for nothing is more contagious than a moneyed panic, nor any thing more unmanageable. 5. It pillages the poor and the ignorant; for every base note, every one that is counterfeit, or on a broken bank, or on a bank that never existed, although it will run for a while must stop some-

\* Every three months you may see in the leading London newspapers a notice in about these words:

"Quarterly average of the weekly liabilities and assets of the Bank of England, from the 12th day of December, 1847, to the 6th of March, 1848, both inclusive, published pursuant to the act 3d of William IV. chap. 98:—

LIABILITIES.		ASSETS.	
Circulation.....	£18,000,000	Securities.....	£22,792,000
Deposits.....	11,379,000	Bullion and Coin.....	10,015,000
	£30,185,000		£30,807,000



where ; and when it does, is sure to stop in the hands of the poor and un-informed, upon that class least able to bear the loss, who have no advantage from banks while in operation, and who bear the loss when they stop. 6. It excites to swindling ; for knaves with nothing but brass for their capital, and that in their faces instead of their coffers, are induced to set up manufactories of small paper, to be sent abroad and sunk upon the hands of those among whom it is scattered ; all that is so sunk being clear gains to the manufacturer. 7. It induces and even compels people to be wasteful of their money ; for such is the natural, honest and just contempt and distrust of small notes, that he or she that receives one, hurries off to lay it out for something not needed, while a piece of gold of the same amount would be valued and cherished, and laid by and added to, until enough accumulated to make a purchase of something needed and useful. 8. It subjects the payer to be cheated or worsted in change ; for giving paper in payment, he must receive the change in other paper, and for this purpose, the meanest, most ragged, dirty, and worthless will always be picked out and shoved upon him. In short, such are the evils, the crimes, the demoralization and cheating of small paper money, that all nations, except the United States, place it in the category of a criminal agent, and suppress it accordingly.

Twenty-odd years ago, when we were laboring to restore the constitutional currency to the government and the people, the ready objection, repeated by all the friends of paper money, was, that there was not gold and silver enough in the world to carry on the business of the United States ; and the ready answer to that objection was, that there was precisely enough ! and that exactly enough would come to the United States if we would only create a demand for it by correcting the gold standard, make it the government currency, and suppressing small paper. Only a part of these things have been done, and there have flowed into the United States, or been obtained from our own mines, about four or five times as much gold as the business of the United States could employ. The supply has been nearly a thousand millions of dollars, and the business of the United States would only employ about two hundred millions. This is not guess work, but bottomed upon authentic data ; for the statistics of political economy show that nations can only use certain amounts of money, some more, some less, according to their pursuits. Thus, a highly manufacturing country, where the employer needs money incessantly to carry on his business in the purchase of raw materials, and the payment of operatives, and in the construction or repair of buildings and machinery, and where the operatives themselves need money daily for the support of their families, the quantity of money required is far greater than in an agricultural and planting country, where the farmer raises his own supplies, and has his crops and produce to pay large demands. And therefore England, the foremost manufacturing country, requires the greatest amount of money ; and has it, to wit, about eleven dollars a head ; and Russia, so largely agricultural, requires the least amount of money, and can employ but about four dollars a head. So the United States, in small part manufacturing, and largely agricultural and planting, would find her maximum demand for money somewhere half way between the two, say, eight dollars a head ; which at the present amount of the white population, (say twenty-five millions,) would give two hundred millions as the national demand ; always remembering that the great pay-

ments are made with crops and bills of exchange founded on the proceeds of industry. And thus it becomes a proposition demonstrated that the United States, since the correction of the gold standard twenty-three years ago, have received a supply of gold to four or five times the amount which the business operations of the people could employ. Of that amount the leading banks estimated two hundred and ninety millions to be remaining in the country at the commencement of the present panic; and since that time more than twelve millions have arrived, and very little gone out; so that three hundred millions would be the present estimate of the amount of gold and silver in the country; being one hundred millions more than the business of the country would employ. Three hundred millions is exactly fifteen times as much as the United States possessed in the time of the late Bank of the United States. Twenty millions was the whole amount at that time, and that all of silver—not a particle of gold being then in circulation. And it is exactly thirty times as much as the whole Union possessed at the time of the termination of the first National Bank; the whole supply being then but ten millions, and that all silver.

Under these circumstances, (300,000,000 in gold in the country, peace and prosperity throughout Europe and America, great crops and good health,) there was nothing in the state of the country to justify the suspension, nor any thing to justify its continuance. The only solution to such a catastrophe is the obvious one, *to wit*, the failure of bad banks and the consequent run which their failure made upon the good ones. The insolvent pulled down the solvent; and the legislatures of the several States have put all on an equality; but the solvent should repulse the association. The living body should not be tied to the dead one. The solvent should recommence their payments, and make visible the broad line between the sound and the rotten, which the legislatures have covered up; and public sentiment would then soon dispose of the latter in spite of legislative indulgence.

The solvent banks can and will resume, and that will satisfy those who do not look beyond the evils of the day; but to those who look ahead and see new evils in the perspective, and to the legislative power whose duty it is to provide against evils before they happen, something more will be seen to be necessary. A recurrence of such calamities, in the view of all such, should be guarded against, and that can effectually be done by two acts of Federal legislation—a stamp duty on paper currency, and a bankrupt law against bankrupt banks.

There is not a monarch in Europe who would treat his subjects, or suffer them to be treated, as the people of the United States are treated by the base part of their own banks, and the indulgent legislatures which legalize their violations of law, promises and contracts. The issue of currency and its regulation is an attribute of sovereignty, and everywhere is exercised by the sovereign power except in the United States. Here, also, it was intended to be an attribute of sovereignty, and was placed in the hands of Congress, *and limited to the issue of gold and silver, and the regulation of its value.* For our present government was formed by hard-money men, who had seen and felt the disastrous and demoralizing effect of paper money, and were anxious to save their posterity from such calamities as they had suffered. They did their part to save us. Shall we be false to ourselves and to them? Respectfully,

THOMAS H. BENTON.

## NEW YORK CITY BANKS,—

COMPARATIVE STATEMENT OF THE CONDITION OF FIFTY NEW  
SUSPENSION, AND UPON THE

NAME OF BANK.	LOANS AND DISCOUNTS.				SPECIE.
	Oct. 8.	Dec. 5.	Increase.	Decrease.	
1. American Exchange Bank.....	6,080,988	6,489,766	858,823	.....	583,123
2. Artisans' Bank.....	671,689	612,517	.....	59,122	27,068
3. Atlantic Bank.....	527,919	482,141	.....	45,778	87,479
4. Bank of America.....	4,938,884	4,609,928	.....	828,906	848,860
5. " of New York.....	4,085,418	3,260,346	.....	775,172	393,562
6. " of the State of New York.....	3,682,815	3,361,219	.....	281,596	280,215
7. " of North America.....	1,499,189	1,689,757	180,568	.....	105,355
8. " of the Republic.....	3,629,889	3,242,100	.....	857,789	503,199
9. " of the Commonwealth.....	1,045,898	810,787	.....	235,111	85,673
10. " of Commerce in New York.....	12,137,869	10,192,823	.....	1,995,545	1,007,255
11. Butchers' and Drovers' Bank.....	1,581,961	1,250,104	.....	381,857	99,409
12. Bull's Head Bank.....	261,959	189,068	.....	72,906	25,564
13. Broadway Bank.....	1,782,299	1,786,180	3,881	.....	114,586
14. Corn Exchange Bank.....	1,426,674	1,598,670	171,996	.....	198,474
15. Chemical Bank.....	1,207,626	1,460,488	252,857	.....	327,282
16. Chatham Bank.....	488,811	392,202	.....	96,109	23,996
17. Continental Bank.....	2,576,705	2,516,284	.....	860,421	198,474
18. City Bank.....	1,700,179	1,901,419	201,240	.....	326,584
19. Citizens' Bank.....	625,875	498,088	.....	127,687	86,562
20. Dry Dock Bank.....	429,076	351,910	.....	77,166	81,259
21. Fulton Bank.....	1,417,041	1,850,487	.....	66,804	208,613
22. Greenwich Bank.....	690,548	489,995	.....	190,543	78,969
23. Hanover Bank.....	1,115,988	1,118,044	2,106	.....	83,548
24. Irving Bank.....	788,237	683,023	.....	100,205	28,076
25. Importers' and Traders' Bank.....	1,815,484	1,961,064	145,650	.....	145,778
26. Leather Manufacturers' Bank.....	1,882,502	1,784,845	.....	95,157	214,713
27. Manhattan Bank.....	4,484,925	4,300,965	.....	235,940	419,473
28. Merchants' Bank.....	3,718,309	4,082,606	314,304	.....	1,115,168
29. Mechanics' Bank.....	3,865,671	3,908,044	.....	252,627	315,964
30. Merchants' Exchange Bank.....	2,041,326	1,461,681	.....	579,695	101,283
31. Mercantile Bank.....	1,788,285	1,651,681	.....	131,654	253,062
32. Metropolitan Bank.....	5,089,715	5,479,702	390,987	.....	502,539
33. Market Bank.....	1,507,246	1,373,114	.....	134,182	106,406
34. Marine Bank.....	820,245	720,038	.....	100,212	60,844
35. Mechanics' and Traders' Bank.....	708,526	649,584	.....	58,942	68,182
36. National Bank.....	1,980,180	1,558,294	.....	371,886	415,891
37. Nassau Bank.....	1,185,625	1,073,818	.....	112,812	146,273
38. New York Exchange Bank.....	305,478	223,586	83,113	.....	11,884
39. New York County Bank.....	227,883	246,049	.....	51,784	28,980
40. Ocean Bank.....	1,237,718	1,181,690	.....	56,023	81,678
41. Oriental Bank.....	475,669	410,669	.....	66,980	34,550
42. Park Bank.....	2,669,296	2,683,371	19,075	.....	153,283
43. Peoples' Bank.....	563,025	483,526	.....	79,499	57,109
44. Phoenix Bank.....	2,965,744	2,788,476	.....	253,268	323,663
45. Pacific Bank.....	918,267	782,667	.....	155,600	67,689
46. Seventh Ward Bank.....	1,056,755	809,926	.....	246,829	175,375
47. St. Nicholas Bank.....	849,218	786,242	.....	62,976	48,582
48. Shoe and Leather Bank.....	2,388,838	2,726,521	342,683	.....	402,386
49. Tradesman's Bank.....	1,355,501	1,107,111	.....	248,390	123,564
50. Union Bank.....	2,576,668	2,482,892	.....	94,276	461,580
	<u>108,682,916</u>	<u>96,838,637</u>			<u>11,299,507</u>

SUSPENSION AND RESUMPTION.

YORK CITY BANKS, OCT. 3<sup>d</sup> AND DEC. 5<sup>TH</sup>, 1857; THE WEEK BEFORE RESUMPTION OF SPECIE PAYMENTS.

	SPECIE.		CIRCULATION.		DEPOSITS.			
	Dec. 5.	Increase.	Oct. 3.	Dec. 5.	Oct. 3.	Dec. 5.	Decrease.	Increase
1.	2,161,559	1,623,786	247,590	103,165	3,215,901	5,776,376	.....	2,560,475
2.	91,365	64,297	82,393	63,313	173,395	241,813	.....	63,428
3.	83,337	853	97,479	93,556	203,117	230,307	.....	23,090
4.	2,272,944	1,424,564	69,746	53,333	3,365,733	5,243,614	.....	2,456,373
5.	1,119,594	791,023	333,567	329,595	2,349,729	2,672,255	.....	322,526
6.	944,305	664,090	546,603	441,393	2,077,993	2,975,462	.....	897,464
7.	323,980	223,625	65,973	84,671	966,746	1,517,609	.....	550,863
8.	733,014	274,815	30,457	113,632	3,333,336	2,795,777	438,059	.....
9.	213,770	127,092	82,099	44,513	514,564	772,213	42,351	.....
10.	3,244,717	2,237,432	2,095	2,095	5,941,933	6,110,940	.....	168,959
11.	133,977	34,575	123,600	133,575	925,337	732,696	203,191	.....
12.	25,303	239	117,303	83,633	125,412	137,430	57,332	.....
13.	330,517	215,981	223,541	234,223	1,059,426	1,262,177	.....	203,751
14.	163,799	D. 29,675	77,973	77,973	1,013,793	1,214,616	.....	195,719
15.	666,277	333,993	223,173	223,346	992,054	1,619,311	.....	627,761
16.	85,543	61,347	113,527	83,213	196,443	190,005	6,437	.....
17.	723,269	524,795	97,375	97,943	1,621,361	1,381,126	.....	250,235
18.	669,034	342,250	13,993	16,997	1,339,004	1,904,213	.....	565,209
19.	90,315	53,633	163,346	147,903	439,663	330,460	99,203	.....
20.	62,060	30,301	30,434	46,675	105,393	115,095	.....	9,697
21.	253,160	54,547	123,355	83,013	1,175,901	1,153,795	17,106	.....
22.	131,339	102,331	111,623	103,330	492,546	455,375	36,971	.....
23.	144,006	85,463	99,435	33,522	442,451	594,656	.....	152,205
24.	123,236	100,310	110,431	94,791	466,432	490,043	.....	23,611
25.	236,531	140,733	177,690	149,939	763,347	969,156	.....	223,339
26.	422,074	207,356	209,911	250,363	1,230,355	1,339,439	.....	109,534
27.	1,090,737	671,309	314,554	179,300	2,330,150	3,390,921	.....	660,771
28.	1,354,363	239,300	330,300	300,266	3,377,045	3,392,700	.....	615,655
29.	609,767	293,313	334,011	335,746	2,652,624	2,759,363	.....	106,744
30.	453,475	352,192	112,303	126,043	1,131,347	1,063,373	113,369	.....
31.	485,597	232,545	99,334	25,601	1,227,525	1,569,599	.....	363,074
32.	1,513,121	1,015,539	230,036	230,626	3,661,237	4,766,361	.....	1,105,624
33.	203,510	102,104	164,650	171,621	943,433	335,633	54,603	.....
34.	133,903	73,059	94,700	93,539	434,664	412,069	22,595	.....
35.	90,436	37,304	111,166	112,090	373,010	330,263	42,747	.....
36.	637,336	223,493	154,007	60,074	1,077,506	1,195,169	.....	117,663
37.	200,410	54,137	102,764	89,453	713,357	733,644	.....	19,737
38.	43,541	31,957	113,399	103,004	135,372	214,003	.....	23,136
39.	56,116	27,136	37,911	94,933	173,906	143,966	30,940	.....
40.	232,301	150,623	115,497	91,343	316,631	773,067	.....	43,594
41.	77,330	43,330	113,029	93,246	269,034	226,254	42,780	.....
42.	515,624	332,343	159,133	132,365	1,646,177	1,571,750	74,427	.....
43.	92,433	35,329	103,733	110,253	346,311	255,323	90,433	.....
44.	732,073	433,410	39,032	92,937	1,335,733	2,225,452	.....	339,664
45.	174,765	117,076	114,099	123,333	612,324	593,146	50,673	.....
46.	356,531	131,306	190,023	105,619	594,255	640,373	.....	46,023
47.	93,723	55,160	93,659	97,412	422,343	333,946	83,402	.....
48.	537,337	134,931	104,193	96,333	2,040,950	4,704,254	.....	2,663,304
49.	132,069	53,505	226,052	233,127	797,717	607,023	190,699	.....
50.	563,530	102,000	136,731	164,931	2,133,516	1,970,972	212,544	.....
	23,069,339		7,527,422	6,555,000	66,394,717	73,432,065		

The relative position of the Banks of this city in October and December has been a matter of much interest. We have, therefore, prepared the preceding recapitulatory Table, exhibiting the condition of each institution immediately before suspension and resumption of specie payments. To show the precise augmentation of the strength of the 50 banks in good credit at the Clearing House, we have selected two periods from the Weekly Returns,—one immediately preceding the suspension and the other just prior to the resumption. [Ending 5th inst.] In analyzing them, we find that 37 banks curtailed their loans to the extent of \$0,666,372, and 13 increased them \$2,367,143, showing the aggregate reduction to be \$299,229.

In specie 49, exhibit an increase, during the suspension, of.....	\$14,800,000
And one, the "Corn Exchange," a decrease of.....	29,075
<b>Making a nett Gain to the 50 Banks of.....</b>	<b>\$14,770,925</b>
The circulation of 30 was reduced.....	1,256,174
And by 20 increased.....	283,752
<b>Showing a reduction of.....</b>	<b>\$972,422</b>
The increase in the deposits of 29 was.....	\$13,818,549
While the increase of 21 has been.....	1,721,201
<b>Showing an increase of.....</b>	<b>\$12,097,348</b>

If we give the real condition of our banking institutions as shown by their returns at the two periods above named, (leaving out those of the North River, Grocers', Bowery, East River, Island City, and Mechanics' Banking Association,) they will present the following comparison of strength from the date of going into and coming out of suspension, viz. :

<i>Assets.</i>	Oct. 3.	Dec. 5.
Loans and Discounts.....	\$103,632,916	\$96,333,687
Gold and silver Coin.....	11,299,507	26,069,832
	<b>\$114,932,423</b>	<b>\$122,403,519</b>
<i>Liabilities.</i>		
Deposits.....	\$66,394,717	\$73,492,065
Circulation .....	7,527,622	6,555,000
	<b>\$73,922,139</b>	<b>\$85,047,065</b>
Excess of means.....	41,010,284	37,356,454
Ratio of Specie to Liabilities,	15,29, (p. dol.)	30,65

In view of the continued demand for gold for export, the Banks will feel it necessary to pursue a very cautious policy. The reserve of specie is in round numbers as 30 to 100 of liabilities, and it would be well for New York if this ratio were never diminished. New York city, as the focus of foreign and domestic trade, should never have less than the sum now reported on hand—and the moment this ratio indicates a decline, the banks should curtail their loans so as to discourage foreign importations.

## STATE FINANCES.

## VIRGINIA.

The Messages of Governor Wise to the Legislature of Virginia, December, 1857, (there being no less than three several documents,) fill more than two pages of the *Richmond Enquirer*. The first Message is on the Commercial Crisis, the condition of the Banks throughout the United States, and particularly those of Virginia. Message No. 2 is on Free Trade in Money, stringent Usury Laws, State Bonds, &c. Message No. 3 is on the usual subjects embraced in the Annual Communication to the people through the Legislature. In case the Legislature should deem it expedient to take up a general banking law, the Governor recommends :

- 1st. That but one plan of banking be adopted.
- 2d. That each corporation be independent, and be not allowed to have a branch or branches.
- 3d. That each be authorized to issue only two of notes for one of capital.
- 4th. To issue three of notes for one of specie, and no more, under forfeiture of charter.
- 5th. To redeem all its issues in specie.
- 6th. Be required to register all their notes issued, in some government office.
- 7th. To issue no note under \$10.
- 8th. To be separate from the State and its finances, except so far as to negotiate loans and to receive deposits of public funds.
- 9th. To be limited in dividends to seven per cent., and to receive all surplus over that per cent. for a contingent fund, to guarantee specie payment.
- 10th. That greater governmental control be reserved over them to supervise their proceedings, and to prevent violations of their charters.
- 11th. That whether the State owns stock in them or not, at least three of the Directors be appointed by the State ; to be sworn as Commissioners to report quarterly the condition of the bank ; and that said commissioners be not allowed to own stock in or to borrow from the bank while acting as Directors.
- 12th. And that for sufficient cause, the Legislature or the Executive should have power to institute proceedings to close the bank and put it in the course of liquidation.
- 13th. That the banks be allowed to bank upon a limited amount, say one-half only of the deposits made in them.

Governor Wise adopts the exploded theory "that the rate of interest is raised by treating money as merchandise." He undertakes to say that those States where the usury laws were once abolished, have "been obliged to revert to the most stringent provisions against usury:" whereas it is well known that in Missouri, Wisconsin, California, Illinois, and other States a more liberal view of the usury question now prevails than formerly ; and that in England, where the usury laws have been totally abolished, not only in respect to commercial paper, but to real estate (bonds and mortgages), the most decidedly beneficial results have followed. The Gov-

error of Virginia takes exception to the policy of paying the State coupons at New York city.

"I know nothing more provincializing to the State, than to have its counter of specie out of its own limits. Our own people are thus made to disparage our own credit, or to put the State to more cost in paying interest on the public debt, and whilst other States have agents in New York, paid to watch the market for their bonds, ours have been left there to shift for themselves, and to carry specie from us to the great centre, where specie flows full enough without being aided by our legislation."

The flow of capital to New York—the general tendency within a few years to create one leading money centre—have shown the utility and the convenience arising from making the payment here of coupons on State bonds. It is at New York, not at Richmond, or Raleigh, or Indianapolis, or Jefferson City, that capitalists seek investments in Virginia, North Carolina, Indiana and Missouri bonds. Hence the importance (not the *provincializing*) in having one central point where a capitalist can seek and find the leading securities of all the States; and if Virginia bonds were divested of the feature whereby their annual or semi-annual interest is payable in New York, they would realize less price either at home or abroad. It costs nothing for the Treasurer of Virginia to send his interest funds to New York at regular periods; but it would cost the individual bondholders (two-thirds of whom are out of Virginia) one-half to one and a half per cent. to send to Richmond for their interest money. The cashier or president of any bank in Richmond could demonstrate this in five minutes to the Governor.

Virginia has entered too deeply or too suddenly into the system of internal improvement; and without levying an adequate tax on property to make the State finances work easily. This can be obviated hereafter. The improvements are important, are advantageous; then let the people pay for these obvious benefits. The bondholders of Virginia loans may feel perfect security in their investments. Governor Wise finally recommends as follows:

1st. That the last act respecting the Sinking Fund be repealed, and that the prior and first act be revived, in order to enable the commissioners of the Sinking Fund to take up bonds since 1852, which may be thrown on the market.

2d. To prohibit joint-stock companies from selling their securities below a given rate of discount, and to prohibit them from borrowing money above the legal rate of interest.

3d. To pay off the hypothecated debt in New York, and to call in the bonds hypothecated immediately, or as early as practicable, in whole or in ratable proportions.

4th. To exempt bonds from all taxes, State or Corporation.

5th. To provide that public debt hereafter contracted and interest shall in future be paid here at our own treasury.

And 6th. To abstain from altering the legal rates of interest, and from relaxing the usury laws.

## LEGAL MISCELLANY.

- I. BANK CHECKS.—DELAY IN PRESENTATION.—ACCOMMODATION CHECK.  
 II. LIABILITY OF EXECUTORS.—III. LIABILITY OF EXECUTOR FOR BANKRUPTCY OF BANKER.

*Before the Superior Court of Suffolk County, Mass. Term, 1857.*

The drawer of a check is liable to the holder thereof for value, although it was drawn for the accommodation of the payee, and this was known to the holder when he cashed it for the payee, and the holder did not present it to the bank until four months after it was due, and until after the payee had become insolvent, the bank still remaining solvent.—N. F. TENNEY, *et al.* v. B. E. WALCOTT, *et al.*

1. *Bank Checks—Accommodation Drawer.*—The plaintiffs cashed the check for Pullen, he informing them that it was drawn for his accommodation, and promising to take it up himself without presentment, at maturity. After maturity, the plaintiffs delayed presentment on like promises, until November 27, 1855, when payment was refused and notice given to the drawers. In the mean time Pullen had become insolvent. At the date and maturity of the check, defendants had on deposit \$29.96, which they withdrew before presentment.

Defence, that the check was not duly presented, and defendants had lost their remedy over against Pullen.

The only risk the holder of a check runs, by delay in presentment, is that of the failure of the depository of the fund on which it is drawn. This is the rule laid down in nearly all the text-books, though there are some loose expressions used in developing the analogies of checks and bills of exchange, and the only rule deducible from the cases.—*Taylor v. Wilson*, 11 Met. 44.

Strictly speaking, a check is not due until it is demanded, nor overdue until presented and refused. Hence a *bona fide* purchaser, for a valuable consideration, "long after its date," will not be affected by fraud in obtaining it from the drawer, or entire failure of consideration between the drawer and the person to whom he originally delivered it.—Story, Prom. Notes, § 491.

If then this was an ordinary check, the defendants, as drawers, would be liable, because there has intervened no failure of the bank, and because they had no funds, or what is tantamount, only partial funds, and those withdrawn, and consequently have suffered no loss by the depository.

But the fact that it was an accommodation check, and known to the plaintiffs to be such, makes no difference. When it came duly into the hands of the plaintiffs, it became clothed with precisely the same attributes as a business check, and retained them through all subsequent stages, irrespective of the relations of the drawer to other parties to the instrument, or to strangers.

And this results from a principle applicable to all negotiable accommodation paper. The very object of all accommodation paper is to enable the parties thereto, by a sale or other negotiation thereof, to obtain for it free credit and circulation; and this object would be wholly frustrated, unless the purchasers, or other holders for value, could hold such instru-



ments by as firm and valid a title as if they were founded in a real business transaction. Story, Prom. Notes, § 194; *Thompson v. Shepherd*, 12 Met. 311. The drawers of such checks, the makers of such promissory notes, and the parties to such bills of exchange, must protect themselves by indemnity or security from the parties accommodated. For when once a validity has attached to such instruments in the hands of proper holders, they retain the same through all subsequent transfers and negotiations, with or without notice, and are subject to the same rules as ordinary business paper.

Judgment on the verdict for the plaintiffs.—*Monthly Law Reporter, Boston, Mass. November 1857.*

2. *Misapplication of Assets by Co-executor.*—"If one executor does any act which enables his co-executor to obtain sole possession of money belonging to the testator's estate, which, but for that act, he could not have obtained possession of, and this money is afterwards misapplied, the executor who thus enables his co-executor to obtain possession of the money, is liable to make good the loss."—*Per* Sir John Romilly, M.R.; *Candler v. Tillett*, 22 Beav. 263.

3. *Liability of Executor for Bankruptcy of Banker.*—The testator died in May, 1842, having at that time a balance, rather less than usual, at his bankers, of £3,243 12s. The executors paid further sums into the bank to the account of the estate, and also drew out such sums as they required; so that, on the bankruptcy of the bankers on the 10th of January, 1843, there was in their hands the balance of £2,056 17s. 11d., belonging to the testator's estate, upon which the executors received dividends to the amount of £1,023 8s. 3d., which they had duly accounted for as part of the testator's estate, by which the loss occasioned by the bankruptcy of the bankers was reduced to £1,033 9s. 8d. It was found by the Master, "that there were not any purposes of their trust which rendered it necessary for the executors to retain the balance, or any part of it, with the bankers:" it was held, however, by Sir W. Page Wood, V.C., that the executors were not liable for the loss. "No case," said his Honor, "has been cited in the argument, nor do I know of any case, in which executors, who have merely left moneys belonging to the estate in the hands of the bankers of the testator, for a period of no more than nine months after his decease, have been held liable to make good the fund lost by the failure of the bankers. The executors are no doubt bound to exercise their judgment on the safety of the place of deposit, whether it be that which the testator had in his lifetime chosen, or whether it be selected by themselves; and, where a loss unfortunately happens, the question must always be, how far the executors must be held to be answerable under the circumstances of the case. Now, what are the trusts and duties of the executors? They have first to pay the debts; secondly, the legacies; and, thirdly, to hand over the remainder to the residuary legatee. They are allowed by the rule of law one year before satisfying the claims of parties under the will. There is no doubt that a case may be suggested, in which a very large balance of the estate may be in the hands of the bankers, upon which there is no probability of any further demand arising, and in which the executors may well be asked why they do not distribute the estate. . . . If the executors in this case, having no directions to invest the balance of the estate, had thought proper to do so, they would clearly have been liable to the residuary legatees for any

loss on a resale, if the funds had fallen, and the full sum which was invested should have happened not to be realized. The only course the executors could have taken, would have been to pay the balance over to the residuary legatees. There were, it appears, expenses of the executorship to be met, which afterwards amounted to about £550; and there were, at the time of the failure of the bankers, three or four months yet remaining of the time which the law allows to the executor to wind up the testator's estate. Executors cannot, in the nature of things, be supposed to be acquainted with all possible debts of the testator which may appear; and I do not think that in this case they were bound to have distributed the balance of the estate, or to have removed it from the bank before the time of the bankruptcy."—*Johnson v. Newton*, 11 Hare, 160.]

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## RESUMPTION OF SPECIE PAYMENTS IN NEW YORK.

An attempt was made on the 8th of December, by some of the banks of this city, to bring about resumption—but this was negated by a vote of 24 to 14. A more successful movement was made on the evening of the 11th, when it was adopted unanimously, after an active debate. The negative vote of 24 against an affirmative vote of 14, of the banks of this city, in reference to specie payment of balances at the Clearing-House, did not argue any disinclination on the part of the former to agree to specie payments at an early day, or whenever by concert of action among the country and the city banks, it might be found that all were prepared to move simultaneously, and without any danger of a retrograde step. It was by many considered too important a measure to be acted upon without a general understanding; and it was generally conceded that, as New England was forced into suspension by the action of the New York banks, the former should be consulted and requested to take part in the move. In fact, Boston had already intimated its willingness, on its own part, and on behalf of those banks which exchange through the Suffolk Bank, to resume payment at any date agreed upon by New York. We annex a recapitulation of the vote, viz: affirmative 14, negative 24, absent 12, of which latter four marked \*, are not members of the Clearing-House, and therefore have no vote in the matter in that body.

### AFFIRMATIVE, 14.

Commerce,	America,	Manhattan,	Merchants',
Am. Exchange,	Phenix,	National,	Fulton,
Chemical,	Greenwich,	Leather Man's,	Broadway,
Mercantile,	Irving.		

### NEGATIVE, 24.

Mechanics',	Union,	City,	State,
Republic,	Metropolitan,	Continental,	Tradesmen's
Merchants' Ex.,	Ocean,	Butch. and Drov.,	Chatham,
People's,	Citizens',	Nassau,	St. Nicholas,
Corn Exchange,	Park,	Commonwealth,	Oriental,
Marine,	Atlantic,	Hanover,	Market.

## ABSENT, 12.

New York, Pacific, Imp. and Traders'	Seventh Ward, North America, 'Artisans',	Mech. and Trad., Shoe & Leath., Bull's Head,*	Dry Dock,* N. Y. Ex.,* N. Y. County.*
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A meeting of the fourteen banks which voted at the Clearing-House meeting on Wednesday, in favor of settling balances in specie, was held on the 10th, and a committee was appointed to invite the city banks to resume specie payments on Monday following. The committee issued the annexed circular to the banks of this city :

" NEW YORK, December 10, 1857.

" SIR: The annexed is a copy of a proposed agreement for the resumption of specie payment by the banks of this city. The concurrence and co-operation of your bank in this important and most desirable object is earnestly solicited. The agreement itself will be presented on Saturday next for your signature.

Your obedient servants,

" GEORGE NEWBOLD, President.

" JOHN A. STEVENS, President.

" C. O. HALSTED, President.

" JAMES GALLATIN, President."

On the third page was the following notice, to which the signatures of the various bank officers of the city were solicited :

" In view of the present strong condition of the banks of this city, and of their duty to the community and to themselves, the undersigned banks of the city of New York, do hereby give notice that on and after Monday next, the 14th inst., they will resume specie payments on all their obligations.

.. " NEW YORK, December 10, 1857."

Some of our leading financiers expressed fears that mischief might grow out of it. The Commerce, the National, and the America have been the active movers in this step, these institutions having been desirous of resuming some time since. Those banks which have been opposed to resumption, however, only urged a short delay on the ground that affairs abroad were still very much unsettled, that the shipments of gold were large, and that the public did not demand resumption.

A meeting of bank officers was held at the Clearing-House on Friday afternoon, December 11th, at which the following banks were represented :

Bank of New York, Chatham Bank, Union Bank, Irving Bank, City Bank, Market Bank, Merchants' Ex. Bank, Corn Exchange Bank, Leather Man's Bank, Oriental Bank, American Ex. Bank, Imp. and Trad. Bank, Mercantile Bank,	Bank of the Republic, Mechanics' Bank, Hanover Bank, Phenix Bank, Citizens' Bank, Fulton Bank, Shoe and Leath. Bank, Mechanics' & Trad. Bank, Bank of the Commonwealth, Bank of the State of New York, Atlantic Bank, Ocean Bank, Artisans' Bank,	Merchants' Bank, People's Bank, Bank of America, Metropolitan Bank, Tradesmen's Bank, St. Nicholas Bank, Butch. and Drov. Bank, Continental Bank, Seventh Ward Bank, Marine Bank, Broadway Bank, Park Bank.
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On motion, the following resolution was unanimously adopted :

*Resolved, That on and after to-morrow we will resume specie payments in full on all our liabilities.*

This action was undoubtedly prompted by the decision of the Bank of America, Bank of Commerce, Manhattan Company, and National Bank, previously announced, to resume specie payments on all their obligations, on Monday, 14th inst., and by their invitation to all the other city banks to co-operate in this most important and desirable object. Most of these banks were not represented at this meeting.

On motion, it was ordered that the proceedings of the meeting be published in the morning papers.

WILLIAM A. BOOTH, Chairman.

R. S. OAKLEY, Secretary.

The following eight banks were not represented at the meeting, but were known to be urgently in favor of the step taken :

Manhattan Co.,	Bank of Commerce,	Chemical Bank,
Pacific Bank,	National Bank,	Bank of North America,
Greenwich Bank,	Nassau Bank.	

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SHIPMENT OF GOLD TO THE UNITED STATES.—The idea that henceforth bullion can be profitably sent to America, is simply absurd. Such an operation could not take place unless the inconvertible note circulation of New York were to stand at a higher value than gold itself. It is true that gold might be sent out by houses on this side to buy up bills drawn upon themselves, and which, owing to their being in discredit, had become purchaseable greatly below par; but the method would be clumsy, even in a transaction of this kind, since they could pay the gold to some London house of unquestioned standing, and so obtain a New York credit which would be just as available. The conclusion consequently is that, supposing all the arrangements for legalizing the existing suspension to be duly carried out, the flow of bullion will, in the course of a month or two, find again its natural channel, and, instead of passing from London to New York, will come from New York to London. Almost all the American payments from America to India and China, are made through this country, and the mining wealth of California, likewise, is expended in the purchase of European goods. There is constantly, therefore, a natural balance due to us from the United States, and an alteration of this condition of affairs must at all times be utterly anomalous. For the present, the return to a normal condition, will be delayed by the enormous amounts of English capital lately authorized to be drawn for at New York for investment in American securities at their depreciated prices; but this effect will be merely temporary, and it will tend, moreover, greatly to facilitate the revival of stability in that city, and to maintain its note currency at par value. Hence there will be no danger of hoarding, and the banks between now and the 5th of April, will have not the slightest difficulty in recovering whatever stock of bullion may be requisite for them safely to return to cash payments. Under these circumstances, there will be good hope that a majority of those among the firms lately broken by tens and hundreds, who have previously conducted their business on honest principles, will be able to resume, and that the ultimate prospects of creditors on this side, will prove far less gloomy than has been recently apprehended. This will be a point to test the honor of the American mercantile community. In Massachusetts there are stringent bankruptcy laws, but there are none in New York, and any house that has suspended can easily force its creditors to any kind of settlement. If the recovery from the crisis should be characterized by a faithful resumption of obligations, the credit to the community will be proportionably strong; and, judging thus far from every communication received, there is not a single sign that an opposite course is likely to be pursued.—*London Times.*

## TREASURY NOTES.

[From the Washington Globe, December 19.]

The proposition just made in both Houses of Congress to authorize the issue of Treasury notes, renews the interest on the discussions that have taken place in years past on the constitutionality and expediency of such issue.

It is not our purpose to enter into any argument on this question with reference to the present exigency of affairs. We will merely cite a few observations made by leading statesmen in regard to it, in order to give some idea of their opinions on a subject which is now exciting so much interest in financial circles.

President Van Buren recommended the issue of Treasury notes at the time of the suspension of specie payments in 1837. Mr. Woodbury, then Secretary of the Treasury, proposed notes of as low a denomination as twenty dollars, without interest, and redeemable at no fixed period. The notes now proposed to be issued are to be of a much higher denomination, to bear interest, and to be redeemable within a limited time.

Mr. Webster opposed the Secretary's recommendation. He declared the proposed notes, without interest, and unlimited in time, to be statutable paper money, and "a new emission of old continental." He thought that, like all government currency, they would depreciate.

The Senate disapproved the Secretary's plan, and a bill was reported to that body for notes not less than one hundred dollars, and bearing interest, so as to be used for investment, not circulation.

Mr. Benton, though opposed to the policy of issuing Treasury notes, defended this bill against the charge of being a paper money bill, and a bill to germinate a new national debt. The proposed notes he pronounced loan notes—notes on which to raise loans, by selling them for hard money, either immediately, by the Secretary of the Treasury, or secondarily, by the credit of the government, who might receive them—and possessing all the qualities which invite investment and impede circulation.

Notwithstanding this defence, made from motives of temporary necessity, Mr. Benton protested against the general policy of such issues. He thought them inexpedient, either in peace or war, until the trial and exhaustion of the ordinary resources of loans and taxes; because, as loans, they are a disguised mode of borrowing, and easy to slide into a currency, and as a currency, the most liable to abuse of all kinds of paper money. In confirmation of this view, he quoted the opinion of Hamilton, "that the stamping of paper (by government) is an operation so much easier than the laying of taxes or borrowing money, that a government in the habit of paper emissions would rarely fail, in any emergency, to indulge itself too far in the employment of that resource, to avoid as much as possible one less auspicious to present popularity;" and he thought with Jefferson, Madison, Macon, Randolph, and other early statesmen, that it is well to be shy of a resource "so liable to abuse, and so certain of being abused." Authority to borrow he found clearly expressed in the constitution; authority to issue notes could be obtained only by construction. He preferred direct loans, as less liable to undue extension, as always voluntary on the

part of the lender, and as limited by the capacity of one side to borrow and of the other to lend; while Treasury note loans are forced, and liable to extend beyond due bounds, like the continental money of the Revolution and the assignats of France.

Mr. Clay thought the whole plan a government bank in disguise. Reduction, economy, and retrenchment in government expenditures, he deemed better than such an issue. He considered it an issue of paper money in opposition to the banks, at the very time when paper was most decried. He declared it a resort to a government paper currency after a denunciation by its advocates of every currency but gold and silver.

Such were the opinions of some of the statesmen who lived and acted twenty years ago. We revive them for the information of statesmen of the present day.

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**MYSTERIOUS FORGERY OF BANK OF ENGLAND NOTES.**—A letter dated Brussels, Oct. 30th, says:—The following curious circumstance has occurred here within the last three days:—About three years past a respectable individual arrived at one of the principal hotels at the lower part of the town from the railway station, ordered a room, and deposited in it a leather hat-box, saying he would return with the rest of his baggage in the course of the evening. He did not, however, make his appearance, nor has any thing more been heard of him, nor any claim made since that period for the box, carefully kept in store by the hotel keeper. The latter hearing, however, of the Waterloo Bridge murder, and suspecting that some mystery might also be attached to the box, decided upon having it opened in the presence of a witness, on Tuesday, when, to his infinite surprise, he found that it contained sundry packages of English bank notes of divers value, from £5 to £100, to the total amount of £120,000, all made up in parcels addressed to individuals at Marseilles, Frankfort, and elsewhere, and prepared apparently for transmission by post. Upon seeing this, the hotel keeper took some of the notes to a money changer in the Rue des Fripiers, who, upon close inspection, declared them to be forgeries admirably executed, especially those for £5, £10, and £20. The money changer lost no time, consequently, in persuading the hotel keeper to deposit the box, with all its contents, at his office in presence of police agents, and forthwith communicated the discovery and his proceedings to the Bank of England and to Her Majesty's resident Vice-Consul. It is evident that the whole of these forged notes were intended to have been despatched by post to their different destinations, so that the notes might be put in circulation, simultaneously and at places far distant one from the other. The plan and the notes were abandoned from causes unknown; but the addresses on the packets will probably afford a clue to the discovery of accomplices, although the period of those wholesale forgeries dates so far back.

**SHAVING NOTES WITHOUT ANY CAPITAL.**—In the course of the trial in the Supreme Court, recently, of the case of Luke Green against Peleg W. Gardiner, Mr. Thomas A. Doyle testified that while he was cashier of the Grocers' and Producers' Bank, one of the Directors of that bank, now deceased, was in the habit of buying paper of the bill-brokers, giving therefor his check payable some days ahead, and before it became due would get the same discounted to pay his check. Sharper practice than this was never sworn to in a court of law. Men frequently transact a large business without capital; but we never before heard of a man shaving notes without money.—*Providence Journal.*

**PERMANENT INVESTMENT.**—A "capitalist" in the country, some months ago, sent \$20,000 to a friend in the city to invest in "good endorsed business paper." It was done. The whole amount matured during the month of October. In all, there were about twenty notes, and every single one was protested. All the names as makers and endorsers, save one, (an *endorser*,) have either *failed or suspended*. One note out of the whole batch, after going to protest, was taken up by the endorser.—*N. Y. Independent.*

## FOREIGN ITEMS.

**FAILURES IN ENGLAND.**—On Wednesday, 25th November, another large provincial Joint Stock Bank stopped payment, viz: the Northumberland and Durham District Bank. The paid up capital of the bank and the reserve fund exceed £700,000, and the liabilities are estimated at about three millions sterling. The assets were thought to be unfavorable. The head office of the institution is at New Castle-on-Tyne, and great excitement existed there, as the bank was connected with collieries, iron works, and ship-building concerns, many of which, it was feared, would be compelled to stop. The branch Bank of England, however, had undertaken to assist some of the large colliers, so that the workmen would remain employed. The other banks in the vicinity were regarded as quite safe, and there had been no actual run upon them.

**DENNISTOUN & Co.**—The balance sheet of Messrs. J. & A. Dennistoun & Co., of Glasgow, shows aggregate liabilities amounting to £2,143,701 to the public, and their assets £2,935,992, being a surplus of about £800,000, or nearly four millions of dollars. The creditors on open account are £91,947, and others holding security £217,276; bills payable (including £296,687 acceptances for the Australian branch) £1,833,478. The cash capital of the house was £769,770, of which £208,873 had been invested in Liverpool Borough Bank Shares. The assets of the house are as follows:

Produce on hand.....	£26,360
Bills receivable on hand.....	111,786
Claims in Great Britain.....	213,015
Debtors and property in America.....	1,584,215
Securities with creditors.....	187,080
Australia Branch.....	354,345
Liverpool Borough Bank Shares.....	208,873
Separate property of partners.....	190,383
Debts due partners in America.....	48,400
Miscellaneous.....	11,538

£2,935 992

**THE FIRM OF REID, IRVING & Co.**, London, have declared a sixth dividend to their creditors.

By the statements submitted to recent meetings of creditors, the following deficiencies, liabilities over assets, are shown: John Monteith & Co., liabilities in excess of the assets, £430,000; D. & J. Macdonald, ditto, £334,000; Godfrey, Battison & Co., ditto, £240,000; William Smith & Co., ditto, £104,000; J. Inches, Robertson & Co., ditto, £75,000. Total, £1,182,000. It appears from this statement that, on the bankrupts' own showing, £1,182,000 has been lost to the creditors of five houses.

It is stated that the arrangements for enabling the City of Glasgow Bank to resume payment are making such progress as to encourage every hope of a satisfactory issue.

**BANK OF FRANCE.**—The New York *Evening Post* makes the annexed statement on the authority of a gentleman who arrived by the Vanderbilt, of the manner in which the Bank of France sustains specie payment:

"About the middle of November, he informs us, he presented to the Bank of France a check for 150,000 francs, and asked for gold. They told him they could not give him so much gold, but would pay his checks in bills. He took the bills and then presented them for payment. They told him they did not pay any one person more than 10,000 francs (\$2,000) in one day, and declined paying him more than a portion of his demand. Being pressed for time, he succeeded in getting his gold that day only by sending different persons, each with bills to the amount of 10,000 francs. Under a free Government that would be called a suspension of specie payments, but they do these things differently in France.

**THE POOR-RICH MAN.**—Mr. James Morrison, of Basildon-park, Berkshire, one of the "Merchant Princes" of the city of London, died on the 30th ult., at his country-seat, where, in a declining state of health, he had resided for some years. Mr. Mor-

ri son was in the 68th year of his age. In mental character, and with immense riches entirely self-acquired, this great millionaire was a remarkable man. We believe he was a native of Hauts; born of yeoman parents originally of Scotch descent. Early transplanted to the metropolis at the end of the last century, the country boy first set foot in London, unaided, in search of his fortunes. \* \* \* After the close of the great continental wars, and the consequent rapid extension of population and wealth, Mr. Morrison was one of the first English traders who reversed his system of management, by an entire departure from the old exaction of the highest prices. His new principle was the substitution of the lowest remunerative scale of profit and a more rapid circulation of capital, and the success of the experiment speedily created his pre-emi-nent wholesale trade. "Small profits and quick returns," was his motto \* \* \* Mr. Morrison, from his earliest settlement in London, was associated with the Liberal party in the city. At periods called "the worst of times," he was foremost in the ranks of the Reformers; nor did his later gain of immense wealth ever vary his political principles and conduct in public. He commenced his Parliamentary career as M. P. for St. Ives, in 1830, and closed it M. P. for Inverness, in 1837. His speeches were only occasional, usually on subjects of political economy, the currency, poor-laws, trade, foreign commerce; and he was most active in the matter of railway legisla-tion. Mr. Morrison throughout his public life was an advocate of free trade, and follower of James Mill, Huskisson, Ricardo, and Poulett Thomson. We understand that Mr. Morrison has most equitably distributed his immense wealth and estates among the members of his large family. His accumulations may be estimated as nearer four than three millions sterling, and a considerable sum of his prodigious private fortune is invested in the United States.—*Abridged from the London Times, Nov. 2.*

SPAIN.—Even Spain is beginning to feel the effects of the revulsion in England and France. A private letter from Madrid, of the 17th November, states the following particulars:

The financial crisis, which is so general in other countries, is beginning to be felt among us. The funds are low, and the fall in the Three per Cent., is especially owing to the influx from abroad of a mass of paper of the Consolidated Debt, the holders wishing to turn it into cash with a view to the large profits presented by the exportation of the precious metals. It is strange that the Spanish Bank has not raised its rate of interest on discount, which is still at 5 per cent. Finding, however, that houses who have their representatives in Madrid, discounted largely by means of deposits in Government Stock, and withdrew from the establishment an enormous quantity of specie for exportation, the Bank, instead of raising its discount, contracted it within very narrow limits. This abrupt change has placed in a difficult position several of the principal merchants of Madrid, who have abundance of paper but very little specie. Before the Bank Council adopted that resolution, the holders of Government securities deposited them on account of advances at 5 per cent., which they negotiated afterwards and realized a profit of 2½ per cent., as Government's Three per Cents. in reality pay an interest of 7½ per cent. Now that the Bank will not discount, those who bought stock with the view of making their 2½ per cent., exclusive of the profits on exportation, cannot re-sell their Three per Cent. paper, as the funds fell considerably in the course of two days. They consequently find themselves embarrassed, and the result is much perturbation in the market. One well-known capitalist in particular is said to have lost 4,000,000 reals (£40,000) on the 200,000,000 which he holds as the proceeds of the negotiation on the loan. He cannot discount this paper at the Bank, neither can he dispose of it at the Bourse without considerable loss, for the simple reason that if it were sold the funds would fall lower, and an enormous quantity of stock is offered at this moment. For the last day or two numbers of people have been to the Bank demanding cash for their notes, and yesterday crowds assembled at the doors. The Bank paid its rates yesterday in *peseta* pieces, and not in five-franc pieces or Spanish dollars, with the view of obstructing the exportation as much as possible. In addition to this state of affairs, it is to be observed that the usual great exportation of our excellent fruit from the provinces of the south and the east, where the crop was so abundant this year, has not taken place this autumn. No foreign ship has yet arrived in those ports, and the fruit is beginning to rot. The export of Malaga and Alicante raisins, and of the figs and almonds of Murcia and Valencia, has failed in consequence of the commercial crisis throughout Europe. Spain loses by this alone 8,000,000 dollars, which were annually distributed through the



country. To finish with this matter, I must tell you that yesterday M. Mon remonstrated with the representative at Madrid, of a capitalist of European celebrity, on his exportation from Spain of the precious metals. "If our friends," said M. Mon, "treat us so, what may not our enemies do?" M. Mon has always been a sincere friend of the capitalist in question, but he cannot approve operations which are so injurious to the best interests of the country, particularly on the part of *friends*.

DENMARK—The Copenhagen correspondent of the *Galignani Messenger*, under date of Dec. 3, gives the following analysis of financial affairs in that city:—As at Hamburg, at Stockholm, and at Gothenburg, the financial crisis which is raging in the north of Europe has suddenly fallen on all the commercial community of this city. The merchants in Denmark and in the Duchies have from time immemorial found sure credit with the bankers of Hamburg, it being through these bankers that they negotiated their drafts on England, America, and other foreign countries. They were in the habit of drawing bills at three months on Hamburg, which the National Bank of Copenhagen accepted in preference to any other paper. Now that a great number of Hamburg houses have been unable to meet their engagements, a mass of these bills have been returned to Copenhagen protested. The deplorable effect produced by that circumstance it is difficult to describe. The Minister of Finance to-day sent notice to the National Bank that the government had spontaneously resolved to place at its disposal a sum of five millions of francs. A meeting of the principal merchants and shipowners was called at the Exchange, in order to devise the best means of warding off the impending evil. Several of the bank directors were present, who declared that they were ready to renew for three months the bills which had become due and were unpaid. It was in consequence of that decision that a deputation (as already mentioned) was sent off to Hamburg to take up all the over-due bills, and those which will come due in the present month.

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## NEW PUBLICATIONS.

I. *The Bankers' Common-Place Book*. 12mo. pp. 192. New York. Office of the Bankers' Magazine, 162 Pearl Street, 1857.

Within this little volume is condensed more useful information with regard to the important but complicated science with which it deals, than can be found elsewhere in any single treatise. There have been published in England many books relating to special branches of the subject, but we know of none in which every aspect of banking is so thoroughly and concisely discussed. It contains ten distinct treatises by different authors, and a comprehensive numismatic dictionary, in which the value of the coins of every country is given in pounds, shillings, and pence. The laws of banking, bills of exchange, the duties of cashiers, bank directors, &c., are all lucidly set forth.—*N. H. Statesman*.

*Cashiers*.—The new Bankers' Register for 1858 will contain "An Alphabetical List of Cashiers in the United States." We have numerous letters recommending this. A letter from a Massachusetts cashier says, "I hope you will continue the List of Cashiers, alphabetically arranged, as in the last number. I find it a great convenience."

The Merchants and Bankers' Register of 1858 will be issued in January, containing, I. List of Banks in the United States, with names of President and Cashier. II. List of Private Bankers in the United States, Europe, &c. III. Usury Laws of each State. IV. McCulloch on Paper Money, &c., &c. Price \$1 12 in paper covers, \$1 25 in muslin, (including postage prepaid.)

## BANK ITEMS.

**NEW YORK.**—*Suspended Banks.*—We understand that Mr. Andrew Carrigan, the Receiver of the Mechanics' Banking Association, is prepared to pay the outstanding fifty per cent. of claims against that institution, with interest. The first fifty per cent. was paid within 40 days of taking possession of the assets. It is also stated that the institution has been found to be solvent, that a portion of the original capital remains, and that with the consent of the Court the bank will be resuscitated.

Mr. J. A. Stewart, the Receiver of the Bowery Bank, has declared a dividend of 40 per cent. upon all claims established against that bank prior to the 11th inst. The dividend is payable on demand. We understand the affairs of this bank look more favorable than at first, and that if the institution is wound up judiciously, it will pay all its liabilities and leave a respectable dividend for the stockholders.

**NEW YORK CITY.**—R. A. Tooker, Esq., Cashier, who has been cashier of the Nassau Bank since its organization, has accepted the cashiership of the Artisans' Bank of this city. Mr. F. M. Harris, late assistant-cashier of the Nassau Bank, has been elected cashier of that bank in place of Mr. Tooker, resigned.

**RHODE ISLAND.**—A meeting of the Providence banks was held on Wednesday, 9th December, at the call of the advisory committee, at which thirty-four of the thirty-eight banks of the city were represented. Wm. Sheldon presided, and Henry C. Cranston acted as secretary. We copy the annexed report of the proceedings from the *Providence Journal*:—Mr. J. R. Bartlett, from the committee, stated that they had, from time to time, examined the condition of the banks as exhibited by the balances at the clearance bank, and that the question had arisen in the minds of the committee, whether steps should not be taken toward the resumption of specie payments. With this view, and in order to obtain the opinion of the banks, he presented the following resolutions:

*Resolved*, That it is desirable for the Rhode Island banks, at as early a day as practicable, to resume specie payments.

*Resolved*, That the banks of Providence will, on the — day of —, settle their balances at the clearance bank (the Bank of North America), in specie, or in New York or Boston funds.

The first resolution passed unanimously.

It was moved that the further consideration of the second resolution be postponed, and that the special committee referred to, be authorized to call a meeting of the banks at a future day, when they shall deem it proper, for the purpose of carrying out the recommendation therein contained. On this question nineteen banks voted in the affirmative and fourteen in the negative, the Merchants' Bank declining to vote. The following banks voted for the postponement:—American, Arcade, Atlas, Bank of America, Bank of Commerce, Bank of North America, Blackstone Canal Bank, Continental, Manufacturers', Marine, Mechanics', Mechanics' and Manufacturers', Mercantile, Northern, National, Lime Rock, State, Union, Weybosset.

Those voting against the postponement, were:—Atlantic, City, Commercial, Eagle, Exchange, High Street, Jackson, Liberty, Phoenix, Providence, Roger Williams, Traders', Westminster, What Cheer. The Butchers' and Drovers', Globe, Grocers' and Producers' and Pawtuxet Banks, were not represented at the meeting.

**PROVIDENCE.**—John L. Noyes, Esq., who has been connected with the Globe Bank, Providence, twenty-four years, (and as cashier since April 1st, 1836,) resigned the cashiership of the Bank on the 7th inst., with a view to commence the banking business. He will make collections of commercial paper at all points in Rhode Island, Massachusetts, and other portions of New England. T. Salisbury, Esq., succeeds Mr. Noyes as cashier of the Globe Bank.

**CONNECTICUT.**—On the evening of the 14th of October, the banks of this city proposed a resolution to the effect that, in view of the bank suspensions in New York and Boston, it was inexpedient to continue the payment of specie for the present. The public acquiesced, and it was generally supposed that the banks declined to pay out specie. But as there was no run upon any of them, and as specie was worth little if any premium, the banks, we are informed, did not find it necessary to refuse specie

when it was demanded for their own bills, and so they have never suspended, though the public, from their resolution, supposed they had. Of course, they cannot now properly be said to have "resumed" specie payment. They continue to pay specie. The conduct of our banks throughout the monetary troubles has been very commendable. They have sustained our business men, resisted the efforts made to depreciate the currency, and thus assisted in enabling Connecticut to take its place with other specie-paying States upon the very first movement in that direction.—*New Haven Journal*.

*Colchester*.—The Colchester Bank Charter was procured in 1856, by Mr. Jones, and its organization was considered a sort of family concern. Jones, who was a young Democratic lawyer in Hartford, and a sociable, popular man, relied successfully on his personal influence to get the charter, and on the organization of the bank was appointed its cashier. The Legislature of 1857, not liking the management of the bank, ordered an investigation, which resulted in the passage of resolutions compelling a more satisfactory subscription to the stock, \$50,000, and the election of a new set of Directors, and a competent Cashier. The new Directors tendered Mr. Jones a re-appointment as Cashier, which he declined after thanking them.

A GOOD BANK CUSTOMER.—The *Hartford Times* tells the following of a case of "idle capital":—"A remarkable case of the careful preservation of bank bills came to light in Middletown about two weeks since. Mr. John Cone, who resides near Haddam, appeared at the counter of the Middletown Bank with \$1,000 of its bills, and asked for the specie, which was promptly given to him. These bills were paid to him in 1835, and they were returned in the same packages, and with the same strips of paper and marks that were upon them when paid out. Mr. Cone had kept them 22 years, of course without interest. Had he placed the money in some good savings bank when it was first paid to him he would now be entitled to nearly \$3,000 instead of \$1,000."

NEW JERSEY.—The official statement of the Banks of New Jersey for the month of October, compared with July, shows the following result:

LIABILITIES.		
	July.	October.
Capital .....	\$7,076,695	\$7,292,774
Circulation .....	5,406,000	3,758,000
Deposits.....	4,750,000	3,767,000
Due other Banks.....	729,000	626,000
Surplus profits.....	1,269,000	1,250,000
RESOURCES.		
Loans .....	14,851,000	12,756,000
Specie.....	799,000	855,000
Due from other Banks.....	1,385,000	1,357,000
Notes of other Banks.....	738,000	476,000
Real Estate.....	349,000	350,000

*Jersey City*.—Mr. Condit, for some years past Secretary of the Morris Canal Company, has been elected Cashier of the Hudson County Bank, Jersey City.

*New Banks in New Jersey*.—The following are some few of the applications to be made for new charters at the next meeting of the Legislature. Three of these institutions in the immediate vicinity of Philadelphia, were applied for by one party: To charter the City Bank of Hoboken, with \$500,000 capital. To incorporate a bank in the City of Hoboken, to be called the Marine Bank of Hoboken. To incorporate a Company, with a capital of \$500,000, to loan money on real and personal property, and to receive deposits with or without interest, to be located in the County of Hudson. To incorporate a Bank, to be located in Newark, with \$250,000 capital, and privilege of \$500,000; also for a Bank at Rahway, with \$250,000 capital. To charter a Bank at Plainfield, with \$1,000,000 capital. For a charter for a Bank, to be located in Camden, to be called the Camden County Bank, with a capital of \$100,000. For a charter for Atlantic County Bank, to be located at May's Landing; capital, \$50,000. For a Bank at Trenton, with \$500,000 capital. For an act to incorporate the Egg Harbor City Bank, to be located at Egg Harbor City, in the County of Atlantic, with a capital of \$50,000.

PENNSYLVANIA.—As we have for some time anticipated, legal proceedings, we learn, have been instituted against the late President and Directors of the Bank of Pennsylvania. "A. F. Dos Santos for himself, and for such other stockholders of the Bank of Pennsylvania as may desire to become parties to the suit, has filed a bill in equity, applying for an injunction upon the Bank of Pennsylvania and the appointment of a Receiver. In the bill the petitioner charges that the capital and surplus of the bank have been greatly impaired or wholly lost; that the bank is in a failing condition; that its funds have been loaned to irresponsible persons upon insufficient securities; that large sums of money have been loaned to Directors, and that the late President, Mr. Allibone, was suffered for a long time to keep the key of a safe in which securities were deposited, until his departure, while the character of the contents was known only to himself. He further charges that the bank has suspended specie payments, and refuses to pay its depositors and noteholders; that the bank will not take its notes and the checks of depositors in payment of debts, but has hypothecated its discounted bills, thereby incurring a risk of the expense of litigation to the detriment of the stockholders; that since the suspension its notes have been issued to purchase specie, thereby increasing its liabilities; that it has no credit, receives no deposits, and discounts no bills; and that it is not probable that it will resume business. He adds, that by reason of the wrongfulness of the transactions of the bank, they have been kept secret from the stockholders, and he therefore prays that the Bank and its Directors may be severally interrogated respecting them; and charges that the assets of the Bank have been and are being squandered by its officers, without regard to the interest of the stockholders or the creditors. He charges that the officers and Directors, knowing the condition of the Bank, permitted debts to be incurred, its funds mismanaged, and its property improperly disposed of, whereby they have made themselves personally liable to pay the debts incurred during the time they were Directors, and prays that the Court will direct them to do so."—*Philadelphia Ledger*.

*Pittsburgh*.—The Commercial Bank of Pittsburgh has commenced business. President, Thompson Bell, Esq., (late of the banking firm of Thompson Bell & Co.,) Cashier, D. Robinson, Esq.

*Westchester*.—*Bank of Chester County*.—Pursuant to notice, given some time previous, Washington Townsend, Esq., on the 30th of October, tendered to the Board of Directors his resignation as Cashier. That step was induced by the impaired state of his health, and was taken in accordance with medical advice. The Directors—with sincere reluctance, but with a conviction of its propriety, under the circumstances—accepted the resignation; while they felt it due to that faithful and accomplished officer, to testify their sense of his long and valuable services, by a unanimous vote of the highest approbation. They moreover directed the expression of their sentiments to be accompanied by some small but appropriate and *enduring tokens* of their regard. This order was complied with on the 25th of November, inst., by the presentation of a gold watch, with the following inscription on the inner case:—The Directors of the Bank of Chester County to WASHINGTON TOWNSEND: A Token of respect and esteem for able and faithful services MDCCLLVII." Never was testimonial better merited, or more cordially awarded; and the transaction is equally honorable to the givers and the receiver.

MARYLAND.—According to the *Baltimore Patriot* the banks of that city will not resume until the day fixed for the Philadelphia banks, 1st April next. Money in Baltimore is tighter, and the street rate is 1 to 1½ per cent. per month. Exchange on New York 4¼ to 5 per cent. Of resumption the *Patriot* says:—The banks, we feel confident, are amply prepared to meet any emergency, but as a mutual dependence, and reciprocal interest exist between them and the community, neither can entertain any desire to hamper or oppress the other. Whatever advantage can arise from a state of suspension, let it be enjoyed, allowing ample time for all to participate, so far as prudence may dictate. Business must be resumed and take an active turn before wonted ease and confidence find full restoration. Viewing matters in this light, we are safe in asserting that resumption of specie payments by our banks, at so early and injudicious a period as the first of January next, is not contemplated.

GEORGIA.—On Tuesday, Dec. 22, the Governor vetoed the bill for the legalization of the suspension of specie payments by the banks. The Legislature has since passed the bill over the veto by a two-thirds vote.

**NORTH CAROLINA.**—W. R. S. Burbank, Esq., was, on the 10th October, elected cashier of the Branch Bank of Cape Fear, at Washington, N. C., in place of Mr. Hardenbergh, deceased.

**SOUTH CAROLINA.**—The Bank of Charleston issued the following card in October last:

*Bank of Charleston, N. C., October 15, 1857.*

This bank will continue specie payment.

All bank notes current in the city will be received in payment, and on deposit, by this bank; and depositors are requested to draw their checks payable in current funds.

Checks on New York will be furnished at par for the bills of this bank.

Depositors may, at their option, receive certificates for deposits now at their credit, bearing interest at the rate of seven per cent. per annum, redeemable in coin, at not less than three nor more than six months.

For the protection of the public, this bank will receive current funds for the payment of debts due the bank, and for all collection paper received from other banks, and will furnish similar funds only for payment to other banks.

This announcement had a favorable effect, and the good feeling manifested the previous day was not only sustained but increased. The cotton market shared in the general activity, and prices advanced an eighth to a quarter.—*Charleston Mercury.*

There is a remarkable disparity in the condition of the banks of New Orleans and those of South Carolina at the last dates, showing the ability of the former to maintain specie payments whatever may be the movements elsewhere, viz:

	<i>South Carolina,</i> 20 banks.	<i>New Orleans,</i> 10 banks.
Loans.....	\$11,004,000	\$14,821,000
Specie.....	902,000	8,154,000
Circulation.....	6,297,000	4,121,000
Deposits.....	2,707,000	10,400,000

The foreign export trade of New Orleans has increased from sixteen millions in 1831, to *eighty* millions in 1856; while that of the seaports of South Carolina has increased from eleven millions in 1825, to only *seventeen* millions in 1856.

In South Carolina there is no limit to the liability of the banks, when compared with their specie reserve; while in New Orleans they are compelled by charter to hold a coin reserve to the extent of one-third their deposits and circulation.

**ILLINOIS.**—The auditor of Illinois says that the Hamilton County Bank, the Bank of the Commonwealth, and the Hutsonville Bank, having failed to make good their securities within the time required by law, will have to be put in a course of liquidation. A few others, it is feared, will not be able to meet the requirements in the time prescribed. They, too, will have to be wound up.

**KENTUCKY.**—The People's Bank, of Louisville, Kentucky, went into operation on the 26th November. Its capital is \$250,000, which has all been subscribed. About \$100,000 of the stock is held in that city, and the balance in the county where the bank is located, and in the adjacent counties. The first call of ten per cent., amounting to \$25,000, has been paid in specie by the stockholders. A second call of ten per cent. was payable, December 10th. In a few days, therefore, the bank will have \$50,000 in specie, and may then put \$100,000 or more of her notes in circulation.

**LOUISIANA.**—The banks at New Orleans that successfully maintained specie payments are the Bank of Louisiana, the State Bank of Louisiana, the Canal Bank, and the Southern Bank, the latter the only one of the free banks which stood the storm, except the private bank of James Robb. Of the suspended banks the Citizens' Bank, (chartered,) aided by the chartered banks, was first enabled to resume, and the other banks have quite recently followed in the resumption of specie payments. As confidence has thus been restored and the supplies of gold are constantly arriving at that port, there can be no doubt now that New Orleans will continue to keep a gold currency. The New York public is more immediately concerned in the New Orleans banks, that deal in foreign exchange; these are, the Southern Bank, the Bank of Louisiana, and the Canal Bank, and their bills form a portion of the supply offered to remitters at the North.

As stated, these three banks maintained specie payments, though advised from the North, and urged at home to join in the general suspension, and the Southern Bank especially presented at that time an impregnable attitude, notwithstanding the almost coincident suspension of its New York agents, Messrs. Corning & Co. This bank, whose principal business consists in buying bills secured by bills of lading, and in other exchange dealings, draws on the London Joint Stock Bank, formed by a proprietary of great wealth and influence. The bills formerly sold by Messrs Corning & Co. are now sent for sale to Messrs. Cammann & Co. The Canal Bank, whose bills are sold by Messrs. Matthew Morgan & Sons, has also an account with the London Joint Stock Bank. The Bank of Louisiana have their New York account with the Merchants' Bank; draws on Messrs. Overend, Gurney & Co., the London discount house. All these bills having, for their basis, cotton at moderate prices, shipped to England, offer to buyers of exchange a plain and intelligible security.

MISSOURI.—The banking house of Messrs. John J. Anderson & Co., at St. Louis, resumed specie payment on the 7th of November. The directors of the City Bank of St. Louis, which was incorporated with a capital of \$2,000,000, have voted to surrender their charter. The bank of St. Louis, whose charter allows of an extension of the capital of \$1,000,000, will, it is understood, go into operation without much further delay. The St. Louis *Republican* referring to the fact that the New York and New England banks had resumed specie payments, says of the Missouri banks: "Our own banks can run until November next, by favor of the law, without promising or undertaking to pay specie. We have no opinion to give as to what they propose to do in the matter."

OHIO.—The *Cincinnati Gazette* of the 24th remarks that New York Exchange remains steady. Baltimore is heavier and lower. Philadelphia is easier, but not quoted lower. Bankers' rates are as follows:

	<i>Buying.</i>	<i>Selling.</i>		<i>Buying.</i>	<i>Selling.</i>
New York.....	1	1½	Philadelphia...	½ dis, a par	par a ½ prem.
Boston .....	¾ a 1	1½ a 1 ¾	Baltimore.....	2½ a 3 dis.	1½ a 2 dis.

Gold is inactive, at 1 premium buying and 1½ a 1½ premium selling. Bankers' checks on New Orleans are held at 1½ a 2 premium, but the business is chiefly transacted outside at par a ½ premium. The sales of New York checks on 'Change, were chiefly at 1½ premium.

NORWALK.—The "Norwalk Savings' Company" at Norwalk has suspended payment to depositors, and made an assignment of its effects. The total amount of deposits was about \$73,000, belonging to all classes of society, and varying in amount from \$1 to \$5,000. A partial investigation shows among the assets \$20,000, in bonds of the Peru and Indianapolis Railroad, now worth *NINE CENTS* on the dollar, and indebtedness from Latimer the Treasurer, from \$30,000 to \$35,000.

"We have been told, that the total amount of deposits is about \$63,000, and there is due other banks about \$11,000—making the total amount of liabilities \$74,000. The sum due the banks must be paid in full, in order to release the securities held by them. The total amount of assets, of every description, is about \$112,000, which includes the railroad bonds we have mentioned, and the indebtedness of Mr. Latimer to the Institution, amounting to some \$30,000 or \$35,000. The Assignee has informed us that depositors will get about fifty cents on the dollar.—*Sandusky Mirror*."

OHIO Life Insurance and Trust Company—*Statement by the President*.—Having returned from New York, after an absence of three months diligently employed in the investigation of the affairs of this Company in said city, it will, no doubt, be expected that I am prepared to render a statement of its present condition and prospects. It pains me to state that such is the confused and intricate condition of the Company's books and papers at the New York Agency, that it is utterly impossible now to present any statement which will enable those interested to form any correct estimate of the ultimate value, either of the stock of the company, or of any claims they may hold.

Accounts with parties having business with the Agency have been made out and furnished them. In many instances no response or acknowledgment has been received; many have been returned, pointing out numerous errors and discrepancies. It will readily be seen that these various differences in the accounts must be reconciled and adjusted before the actual condition of the company can be ascertained. One serious

source of embarrassment arises from the unwarrantable hypothecation by the Cashier in New York, of a large amount of paper sent to the agency for collection, only. It is impossible at this time to conjecture for how much of this the Company may be ultimately liable.

Within the past two weeks, protested bills of exchange to the amount of £25,000 sterling, (equivalent to about \$125,000,) have been returned upon the Company in New York. Nearly all these bills have been purchased and remitted to meet various drafts drawn by the Cashier upon a credit opened in London with Messrs. Bell and Grant, the acceptors of these protested bills as well as the drawers in New York having suspended payment, and being perhaps insolvent, what dividends will be obtained from their estates, and when, is very uncertain. This is another of the many causes or reasons why a statement cannot now be prepared, and is here introduced merely as an illustration.

In addition to the foregoing, is the almost endless litigation, caused by numerous attachments and other legal proceedings, causing additional embarrassment in the liquidation and settlement of claims in favor of, as well as against the Company.

The various assets of the Company, pledged and unpledged, are of such a mixed and varied character, that in the present unfixd and unsettled state of money matters, it is wholly impossible now to fix a value upon them.

The causes which have brought the Company to insolvency, are wholly owing to the unauthorized and disastrous transactions of the Cashier in New York.

1st. In his dealings with and large advances to the Cleveland and Pittsburg Railroad Company, to aid in the completion of said road—this account has not been adjusted.

2d. In speculations on his own account in the stock of this Company as well as of other Companies, as also in State securities.

3d. In the depreciation of stocks and securities held by him, as collateral to unauthorized loans made by him in New York.

These are the prominent items, and the loss sustained on them alone, will I fear be of sufficient amount to absorb the entire capital of the Company—two millions of dollars.

In my investigations in New York, I received from the Trustees there, Messrs. Coe & Stedman, efficient aid and counsel. These gentlemen on the 22d April last, entered into an examination of the affairs of the agency, and found the various securities which had been pledged for loans made by the Cashier all on hand, and perceived nothing wrong in the various statements prepared and presented for their examination. The great trouble in reference to the books at the agency not showing its real condition, arises from the fact that the large transactions already referred to were not made in them, but were suppressed by the cashier, and consequently known only to him.

It will require some months yet of patient investigation before any statement can be prepared that will serve as a guide in determining the value of claims against the Company.

I am fully aware of the incompleteness of this statement, and that it cannot prove very satisfactory to stockholders, or to those who have placed their funds in the custody of the Company, and are so much annoyed and distressed by its being withheld from them for so long a period.

Cincinnati, Dec. 4.

CHARLES STETSON, President.

TENNESSEE.—On Monday the Joint Committee of the Tennessee Legislature reported a bill legalizing the Bank suspensions in that State till the 8th of January, 1859—upon condition that no bank shall declare a dividend during their suspension, and if the banks of New York and New Orleans shall resume specie payment during the Spring or Summer of 1858, the banks of this State, which avail themselves of this bill, shall also resume within 60 days thereafter. The free banks are required within 90 days from the passage of the bill, to deposit bonds of Tennessee, with the Comptroller, sufficient to make the bonds in his hands of par value, according to the New York prices of said bonds, and on failure, to be placed in immediate liquidation. The banks are required to make quarterly reports to the Governor, of their condition. The bill also repeals the 1st, 2d, 3d and 4th sections of the Act of Feb. 12, 1852, to authorize and regulate banking. Passed 1st reading and 120 copies ordered printed.

The House of Representatives of Tennessee spent one day last week in discussing the Bank question. A bill was offered, the main features of which were to

give the banks of the State until the first day of January, 1859, to resume specie payment, to suppress the circulation of small notes, and to repeal the Free Banking Law, not, however, affecting the banks already established. This was rejected by a vote of 34 to 51.

**BANK DIVIDENDS.**—Nearly one-half our city banks make their usual dividends in January and July. Sufficient is not known of the losses of the past two months, but six of them have already declared dividends for the past six months, viz: American Exchange 3 per cent., Fulton 5 per cent., Union 4 per cent., Pacific 4 per cent., City Bank 4 per cent., Merchants' Bank, 3½. The surplus profits of those payable in January next are shown in the last quarterly report, viz:

Capital.	Profits.	Div. July	Capital.	Profits.	Div. July.				
Bank of America.....	\$2,850,000	\$342,000	4	Importers & Traders'..	\$1447,000	\$102,000	4		
Bank of Commerce.....	8,317,000	741,000	4	Mercantile.....	1,000,000	133,000	5		
Bank of New York.....	2,568,000	194,000	4	Merchants' Exchange..	1,215,000	122,000	4		
Bk of North America.....	1,000,000	116,000	4	Metropolitan.....	3,893,000	412,000	4		
Bk of Commonwealth.....	750,000	56,000	4	New York County.....	200,000	13,000	4		
Broadway.....	1,000,000	304,000	5	New York Exchange.....	130,000	18,000	5		
Butchers & Drovers'.....	8,000,000	115,000	5	Park.....	2,000,000	118,000	4		
Continental.....	2,000,000	98,000	4	People's.....	412,500	67,000	4		
Market.....	1,000,000	51,000	4	Phenix.....	1,800,000	182,000	4		
Mechanics'.....	2,000,000	285,000	4	Seventh Ward.....	500,000	133,000	5		
Mechanics' & Traders'.....	400,000	38,000	7	Tradesmen's.....	800,000	71,000	5		
			May, Dec. & Jan.				May, Dec. & Jan.		
City Bank.....	\$1,000,000	\$164,000	4½	4	Union.....	\$1,500,000	\$257,000	4	4
Amer. Exchange.....	4 6 6,000	437,000	5	3	Pacific.....	422,700	75,000	4	4
Fulton.....	600,000	273,000	5	5	Merchants' Bank.....	1,905,000	125,000	5	3½

Total..... \$43,791,200 \$4,920,000

An average surplus profit of over thirteen per cent.

**CURRENCY.**—The brokers quote as follows for uncurrent bank bills:—

	Discounts.
Eastern Bank Notes.....	½ a ½
Rhode Island.....	4 a —
East Jersey.....	½ a ½
West Jersey.....	½ a 1
Philadelphia.....	1½ a 1½
Pa. not par in Philadelphia.....	1½ a 2
Baltimore.....	2½ a 3
Maryland and Virginia.....	3 a 4
North and South Carolina and Georgia.....	5 a 8
Ohio, Indiana, Kentucky, and Missouri.....	2 a —
Canada.....	1½ a —
Illinois and Wisconsin.....	7 a 8
New Orleans and Mobile.....	1 a 2

**NARY RED TO NARY BROKER.**—The devices of the banks in the West to save specie, the commodity so scarce with them, are original, to say the least of them.

The Springfield (Ohio) *Nonpareil* says, the citizens of that town last week adopted a new plan for protecting their banks from being run by the brokers. Learning that a broker had reached town from a neighboring city to run the bank for coin, they promptly placed on one side of the bank entrance a bucket of tar and a brush, and upon the opposite a long, rough-looking fence rail, bearing this inscription: "Nary red to nary broker." As the broker approached the bank he read the inscription, glanced at the tar bucket and retreated. The bank went on as usual.

**THE FRAUDULENT CREDITOR.**—He is an oily man, who has made many bad debts during his commercial life, and who always seems to extract nourishment from them. He has generally been very badly treated by the fraudulent debtor, but while the latter has scarcely a bed to lie down upon, the fraudulent creditor manages to keep a good balance at his banker's. He seldom attends and will never take the chair at a meeting of creditors. When an arrangement is proposed, he always declines at present to come in. He has scruples and objections, and he takes time to consider. He likes to be treated with individually. God forbid that he should be the means of carrying the affair to the Bankruptcy Court, and injuring others! But he does not think there has been a fair statement rendered, and he would rather lose the whole of his debt—ill as he can afford it—than accept a dividend less than the estate ought to pay. He holds



out firmly, and when others get 10s. he gets 15s.; when others get 15s. he gets 20s. Failing this, he stands over until the debtor begins trade again, and then he advances his claim upon the new estate, to the injury of the new creditors. He is one of the most obstructive and dishonest men in trade, and yet who would refuse his acceptance for £5,000? It may be that the 20s. in the pound, with which the bill will be paid, will be very dirty shillings—shillings that ought to have been in the pockets of other people, but they fulfil the commercial requirements as to weight, and the code of trading morality exacts no other condition.—*Dickens's Household Words.*

The Treasury notes recently authorized by Congress will be issued in about two weeks. The Secretary of the Treasury has determined that the denomination of these promises to pay shall be one hundred, five hundred, and one thousand dollars. The contract for engraving plates has been given to Rawdon, Hatch & Co., of New York, and to Topping, Carpenter & Co., of Philadelphia, the former firm having the execution of the notes of one hundred and five hundred dollars, and the latter the notes of one thousand dollars. The Secretary is very anxious that these notes shall be executed in the best style of American art.

LONDON BANKS.—The following are the returns for the current year, of the capital, deposits, reserve fund, (profit account,) and annual dividends declared, of the various joint stock banks in London. It will be seen by this statement, that while the capital is less than twenty millions of dollars, the deposits are £43,000,000, or over two hundred millions of dollars.

Name of Bank.	Year Founded.	Paid-up Capital.	Deposits.	Guarantee Fund.	Rate of dividend and Bonus.	Ratio of Increase, or Decrease of Deposits in former Year.
		£	£	£	Per cent.	Per cent.
London and Westminster, 6 branches.....	1834	1,000,000	13,913,058	154,724	18	24.60 increase.
London Joint Stock, 1 branch.....	1836	600,000	10,698,530	168,420	22½	36.90 increase.
Union Bank of London, 3 branches.....	1839	600,000	10,874,640	150,000	20	20.20 increase.
London and County, 65 branches.....	1839	500,000	3,857,281	100,000	10	8.40 decrease.
Commercial Bank, 1 branch.....	1839	300,000	936,724	73,274	7½	39.00 decrease.
City Bank.....	1855	257,235	1,248,191	28,000	6	58.70 increase.
Bank of London, 1 branch.....	1855	300,000	1,205,006	8,320	..	11.60 decrease.
Unity Bank, 3 branches.....	1855	150,000	176,013	..	..	..
Western Bank of London.....	1856	200,000	191,281	2,243	3	..
Totals.....		£3,907,235	£43,100,724	£684,984		

The Borough Bank of Liverpool, an institution chartered in July, 1836, with a paid-up capital of £750,000, suspended in October. It issued no notes of its own, but used those of the Bank of England. Glyn & Co., Bankers, were their London agents. Of this Bank the *Times* says,—

All expectation of redemption by the Liverpool Borough Bank seems to be at an end, but the Liverpool letters express confidence that no other banking difficulties of any importance will arise. According to some accounts, the Borough Bank contemplate that an examination of their assets should be made by some of the leading shareholders, and that if the result should be satisfactory as far as regards the ultimate sufficiency of the assets to meet all liabilities, promissory notes should be issued to their depositors, so as to mitigate as far as possible the inconvenience to these parties by furnishing them with documents which may be negotiable.

Ordinarily the Bank refuses to discount any paper bearing the endorsement of a suspended establishment, but it is understood that in the present case this rule will be waived, and that no bills of a sound character, endorsed by the Borough Bank, will be rejected on that account. A great mass of paper will thus be prevented from becoming practically inconvertible. The total commitments of the Borough Bank, in the shape of endorsements, &c., are rumored to amount to more than £3,000,000, but a large portion is of an indirect character, and will be duly provided for by responsible parties. The deposits, which recently amounted to £1,500,000, have latterly been reduced, it is said, to about £1,000,000. Many of these having been lodged by persons for the sake of permanently securing a high rate of interest, the inconvenience of their being temporarily unavailable will be less felt than if they had belonged to traders in active business.

## Notes on the Money Market.

NEW YORK, DECEMBER 26, 1857.

*Exchange on London, at Sixty days' sight, 109½ a 110.*

The month of December has been an eventful one in financial matters, both in Europe and the United States. The leading event with us has been the resumption of specie payments by the banks of this city, on the 14th instant, and by those of New England (Rhode Island only excepted) immediately following. Indeed, the country banks of New England and of New York represent that they did not actually suspend payment in October last; and that the suspension charged upon them was merely nominal. In Europe there has been much excitement among the Continental money and business markets, with numerous failures in the large cities of the Continent and of England. Hamburg, London, Liverpool, Glasgow, have each suffered severely.

The rates of foreign exchange at New York have advanced to what may be considered par. The shipments of coin to Europe during the month are the result of specific orders, and not warranted by the prevailing rates. Late in November the rates for mercantile bills were 105 a 108, and for bankers bills on London at sixty days, 108 a 109.

The rates are now more firm. There are few transactions in sterling over 9½. The doubt prevailing in November is in part now succeeded by renewed confidence in drawers. We annex the current rates on the leading cities.

	60 Days' Sight.	Short Sight.
London,.....	108½ a 109½	111½ a 111½
Paris,.....	5 27½ a 5 18½	5 15 a 5 10
Basil and Zurich,.....	5 25 a 5 20	..... a .....
Antwerp.....	5 25 a 5 20	..... a .....
Amsterdam,.....	40½ a 41½	..... a .....
Hamburg,.....	36 a 37	..... a .....
Bremen,.....	78 a 79	..... a .....
Frankfort-on-the-Main,.....	41 a 41½	..... a .....
Berlin,.....	73 a 74	..... a .....
Leipzig,.....	73 a 74	..... a .....
Cologne,.....	73 a 74	..... a .....

There is an obvious improvement in the money markets of the United States. Capital is more abundant for business purposes, and is freely offered here on stock collaterals. One of the best indications we have of a favorable change, is in the resumption of operations—in some cases partially and in others in full—by some of the manufacturing companies in New England, New York, Pennsylvania, and other States. As soon as domestic labor can be restored to its proper channels and receive its due reward, then there will be a full restoration of confidence, of business, and of prosperity. Whenever our domestic manufactures are fully and successfully in operation, there is contemporaneously an active demand for the staples of the South, the mineral products of the Middle States, and for the agricultural productions of the whole. Resumption of specie payments has thus far (two weeks) created no inconvenience. Fortunately, on the day of resumption, there was highly favorable intelligence from Europe and from the West. The advices from London were to the effect, that quiet in the money market had been partially restored. Consols had advanced ½ to 1 per cent., and the Bank had acted upon the authority granted by the Queen's Council to extend its circulation without the usual specie basis required by its charter. The California steamer arrived on the 16th, with about \$2,300,000 in gold, thus contributing to the already large amount in the bank vaults at New York, which sum has now reached over twenty six millions of dollars. The redemption of uncurrent money goes on with great regularity at the Metropolitan Bank in this city, and at the Suffolk Bank, Boston. The main difference perceptible now, compared with the early portion of October, is, that the demand for redemption is much less; the currency of New England and New York being so much reduced in volume by the panic of last summer, that it is not sufficient at present for the business operations of these States. As business shall expand, according to the obvious wants of the country, there will necessarily be

created a demand for further bank issues. The operations of the banks of this city for the year 1856, are fully indicated by the annexed summary of their loans, circulation, deposits, and specie.

*Loans, Circulation, Deposits, and Specie of the New York City Banks, and Specie held by the Sub-Treasury, 1857.*

1857.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 3,	\$109,149,000	\$8,602,000	\$93,846,000	\$11,430,000	\$11,172,200	\$22,602,300
Feb. 7,	112,876,000	8,426,000	96,029,000	13,618,000	11,143,800	24,761,800
March 7,	111,899,000	8,465,000	95,858,000	15,189,300	11,707,300	26,896,600
April 11,	115,374,000	8,787,000	96,518,000	15,174,800	10,884,400	26,059,200
May 2,	114,409,000	9,006,000	99,159,000	14,408,100	12,009,900	26,418,000
June 6,	115,338,000	8,838,000	96,594,000	12,431,000	13,134,700	25,565,700
July 3,	115,044,000	8,901,000	98 834,000	10,317,000	12,837,300	23,154,300
Aug. 1,	120,597,000	8,665,000	94,445,000	12,161,600	12,918,000	25,079,600
Sept. 5,	112,221,000	8,673,000	79,491,000	11,678,200	10,237,900	21,896,100
Oct. 3,	103,935,000	7,916,000	67,978,000	7,748,200	11,400,400	19,146,600
Oct. 10,	101,917,000	7,523,000	63,301,000	6,190,150	11,400,413	17,590,563
Oct. 17,	97,245,000	8,087,000	52,694,000	5,514,400	7,843,200	13,357,600
Oct. 24,	95,593,000	6,884,000	57,530,000	5,885,200	10,411,600	16,296,800
Oct. 31,	95 317 754	6,334,748	51,833,158	5,600,000	12,863,400	18,463,400
Nov.	95,866,241	6,434,312	56,424,973	5,407,500	16,492,100	21,899,600
Nov. 14,	95,239,247	6,258,652	72,592,645	5,164,000	19,451,000	24,615,000
Nov. 21,	95,375,432	6,283,417	79 313,291	4,877,600	23,167,900	28,045,500
Nov. 26,	94,963,130	6,592,783	79,509,225	4,395,200	24,303,100	28,698,300
Dec. 5,	96 333,687	6,555,000	78,492,063	3,986,400	26,069,800	30,036,200
Dec. 12,	96,526,000	6,348,000	75,365,000	4,257,800	26,058,800	30,316,600
Dec. 19,	97,211,600	6,309,400	76,443,100	8,912,700	27,957,300	31,870,400
Dec. 26,	97,902,000	6 852,100	76,139,800	3,661,600	27,142,000	30,803,600

The following table shows the operations of the Clearing-House for the four years of its existence, showing the exchanges for the fiscal year ending October 1st. It will be remarked that the reduced business at the Clearing-House is commensurate with the lessened business of the city.

One Year to	Total Exchanges.	Balances.		Total Exchanges.	Balances.
Oct. 1, 1854.....	\$5,750,455,927	\$297,411,493	1 week to Oct. 26,	57,938,901	4,115,750.
" 1, 1855.....	5,407,912,098	289,694,738	" " Nov. 2,	57,663,034	4,282,939
" 1, 1856.....	6,906,213,328	331,714,489	" " 9,	74,759,801	5,964,046
" 1, 1857.....	8,333,226,718	365,313,901	" " 16,	71,946,542	5,607,906
			" " 23,	86,371,964	6,864,156
Total....	\$26,397,808,181	\$1,224,134,617	" " 30,	76,009,225	6,817,856
1 week to Oct. 5,	91,061,752	5,048,553	" Dec. 7,	84,286,140	6,225,341
" " 12,	81,339,032	4,755,247	" " 14,	74,742,808	4,437,530
" " 19,	61,191,668	5,034,659			

*State Loans.*—United States six per cents. have risen to 112, with a better demand than supply. Since the close of November we find an improvement in Ohio six per cents, 1; Kentucky, 1½; Georgia, 5; Louisiana, 4. Indiana five per cents., 1½. No interruption is anticipated to the regular payment of the State interest in January, 1858. Measures have been adopted by the legislatures of Virginia and Missouri, to provide ample funds for the punctual payment of interest. We annex the prices of State Loans at the close of the past eight weeks.

	Oct. 30th.	Nov. 6th.	13th.	20th.	27th.	Dec. 4th.	11th.	18th.
*U. S. 6 per cents. 1867-8.....	110	..	112	111	112	109	110	112
*Ohio 6 per cents. 1886.....	92½	94	95	102	102	103	103	103
*Kentucky 6 per cents.....	93	92½	93	98½	98½	98½	99½	100
Indiana 5 per cents.....	73	73	77½	78	81	81	82	82½
Pennsylvania 5 per cents.....	80	81	81½	85½	85½	84½	85	82½
*Virginia 6 per cents.....	79	84	88	88½	90	88½	87	90
*Georgia 6 per cents.....	89	81	85	84	90	90	95	95
California 7s, 1870.....	55	60	63½	65	70	67	68	68
*North Carolina 6 per cents....	70	82½	88	87	86½	87	86½	87
*Missouri 6 per cents.....	69	72½	74½	78	80	78½	77½	80
*Louisiana 6 per cents.....	72	..	73	73	81	82	84	85
*Tennessee 6s.....	68	78	82	82	84½	84½	84½	84½

\* The interest on these will be payable in January.

The new bonds of California will be delivered in liquidation of the principal and interest of all claims entitled to consolidation. A tax of 3 per cent. will be levied on all the personal and real estate of the State, in order to provide for the interest and the redemption of the principal, and all sums that may be received from the Federal Government in payment of the civil debt shall be exclusively applied to the same object. Whenever \$10,000 or upwards shall have accumulated in the sinking fund, after the payment of the interest, this accumulation shall be employed in the redemption of the present loan of \$100 or under, public tenders being received therefor. When the bonds cannot be had at this price, the numbers of a series of them will be advertised in the newspapers, which bonds will be paid at par on presentation, and if not presented within three months, interest will cease to accrue upon them. The following are the claims which are entitled to consolidation: All titles or claims pronounced legal by the Courts; all bonds, constituting the civil debt, issued in virtue of the act of 1851, 1852, 1853, 1855, and 1856. N. B.—Each bond bears on the face of it the act under which it was issued. All claims or bonds entitled to this consolidation, *must be presented to the Treasury at Sacramento, California, before the 1st of January, 1859*, in order to be exchanged for the new bonds, after which time, if not presented, they will forfeit their privilege to the present act. The portion of the bonds of the present emission, which, not having been applied for, shall remain on hand after the 1st of January, 1859, shall be cancelled. The Governor, in his Message of January, 1857, represents the consolidated debt of the State to be then as follows:

3 per cent. Bonds (probably lost).....	\$6,036
7 per cent. Bonds issued in 1851, redeemable in 1860.....	150,000
do do 1852, 1870.....	1,389,600
do do 1855, 1870.....	700,000
do do 1856, 1875.....	984,000

Total..... \$3,229,686

The act of the State authorizing the new issue, may be found in a preceding part of this Number [pp. 541-544].

*Railroad Shares.*—There has been renewed activity in the share market, with returning confidence that the railroads of the country will hereafter be more remunerative than for three or four years past. New York Central shares have been in demand at an advance of  $2\frac{1}{2}$  since the close of November. We note also an advance in the New York and Erie shares,  $3\frac{1}{2}$ ; Reading,  $3\frac{1}{2}$ ; Michigan Southern, 5; Panama,  $7\frac{1}{2}$ . In a few others the closing prices of November have not been sustained. We annex the closing rates for leading railroad shares for the past eight weeks:

	Oct. 30th.	Nov. 6th	13th.	20th.	27th.	Dec. 4th.	11th.	18th.
N. Y. Central R. R. shares,.....	63 $\frac{1}{2}$	70 $\frac{1}{2}$	75 $\frac{1}{2}$	79	74	77 $\frac{1}{2}$	72	76 $\frac{1}{2}$
N. Y. & Erie R. R. shares,.....	11 $\frac{1}{2}$	14	16	17	15	16 $\frac{1}{2}$	15 $\frac{1}{2}$	18 $\frac{1}{2}$
Harlem R. R. shares,.....	6 $\frac{1}{2}$	6 $\frac{1}{2}$	7 $\frac{1}{2}$	9	8 $\frac{1}{2}$	8 $\frac{1}{2}$	8	7 $\frac{1}{2}$
Reading R. R. shares,.....	31 $\frac{1}{2}$	34 $\frac{1}{2}$	39 $\frac{1}{2}$	47 $\frac{1}{2}$	51 $\frac{1}{2}$	53	50 $\frac{1}{2}$	54 $\frac{1}{2}$
Hudson R. R. shares,.....	14 $\frac{1}{2}$	15 $\frac{1}{2}$	16	21 $\frac{1}{2}$	21	20 $\frac{1}{2}$	19	20 $\frac{1}{2}$
Michigan Central R. R. shares,...	39	50	59	58	54	55	52 $\frac{1}{2}$	54
Michigan Southern R. R. shares,...	12	12 $\frac{1}{2}$	19 $\frac{1}{2}$	21 $\frac{1}{2}$	17 $\frac{1}{2}$	19 $\frac{1}{2}$	18 $\frac{1}{2}$	22 $\frac{1}{2}$
Panama R. R. shares,.....	70 $\frac{1}{2}$	78	85 $\frac{1}{2}$	89 $\frac{1}{2}$	66 $\frac{1}{2}$	93 $\frac{1}{2}$	91 $\frac{1}{2}$	94
Baltimore & Ohio R. R. shares,...	39 $\frac{1}{2}$	42 $\frac{1}{2}$	46 $\frac{1}{2}$	46 $\frac{1}{2}$	48	46 $\frac{1}{2}$	45 $\frac{1}{2}$	44
Illinois Central R. R. shares,...	83	85	94	95 $\frac{1}{2}$	95	93	86 $\frac{1}{2}$	92
Clev. and Toledo R. R. shares,...	28	33 $\frac{1}{2}$	39	40	40 $\frac{1}{2}$	43	41 $\frac{1}{2}$	43
Chicago and Rock Island R. R. ...	67	71	74 $\frac{1}{2}$	82	79	75	73	76 $\frac{1}{2}$
Milwaukee and Miss. R. R. ....	18 $\frac{1}{2}$	20 $\frac{1}{2}$	22	31	33 $\frac{1}{2}$	32	32	30
Galena & Chicago R. R. shares,...	66 $\frac{1}{2}$	69 $\frac{1}{2}$	74	82	79 $\frac{1}{2}$	72 $\frac{1}{2}$	72	76

There are several railroad loans now before the market, and the indications are that each will be taken. They are mainly for the purpose of substituting new bonds for old, and for liquidating floating debts. We enumerate these loans as follows:

	Interest.	Amount.	Redeemable.
I. Illinois Central Loan.....	7	3,200,000	1868
II. Michigan Southern Railroad Loan.....	7	2,000,000	1870
III. Erie Railroad Loan.....	7	6,000,000	1880
IV. Michigan Central Railroad Loan.....	8	2,000,000	1882
V. New York and Harlem Railroad Loan.....	6	1,000,000	1868
VI. Chicago, Burlington and Quincy Railroad...	8	400,000	1883

Of the \$1,630,000 allotted to the United States holders of Illinois central bonds, \$1,050,000 has already been subscribed, the remainder 1,400,000, it is thought, will be taken by the foreign holders. II. The subscription books for the Michigan Central Railroad loan closed on the 19th. Subscribers are authorized to pay 70 per cent. on bonds or claims upon the company, and 30 per cent. in cash. III. The new bonds of the New York and Erie Railroad Company will bear interest at seven per cent. and be redeemable in 1880. Of this loan about 1,325,000 has been subscribed in the United States, and a large portion, it is thought, will be taken abroad. IV. The loan of the Michigan Central will bear interest at eight per cent., the proceeds to be appropriated to the liquidation of bonds falling due in 1857. V. Of the loan of the Harlem Railway Company, \$700,000 may be paid in old bonds, and the remainder in cash. The bonds now proposed will bear seven per cent. interest, payable semi-annually, redeemable in ten years. Preference in the subscription is given:—1st. To holders of the unsecured bonds of the company, payable in 1858, '59, '61, '67 and '72. 2d. To holders of outstanding extension certificates. 3d. To holders of preferred stock. Payments are to be made as follows:—40 per cent. in cash, and 60 per cent. at par in unsecured bonds, extension certificates or preferred stock, at any time before January 15th next. The subscriptions not to be valid, unless the whole be taken. VI. Subscriptions to the loan of the Chicago, Burlington, and Quincy Railway Company, will be required in cash between January and May next. The proposals will be opened at the office in Boston, on the 8th day of January next, in the presence of the Board of Directors of the Company, who will award, without reserve, to the highest responsible bidders.

At Washington Congress has had under consideration a bill authorizing the issue of Treasury notes, to meet the current demand upon the Government. The mistakes committed by the Secretary in the present case we consider to be, first, in making the notes payable with interest; and secondly, in giving them the character somewhat of post-notes. Being made payable six or twelve months after, with a nominal rate of interest, they will not attain the circulation which is desirable for them as a par currency throughout the Union. They would be more useful if convertible into coin at once, but this convertibility would keep them in circulation instead of absorbing the gold of the Treasury. With a specie basis of ten millions of dollars, the Treasury could keep twenty or thirty millions of notes afloat, which would be sought at remote points of the Union as remittances. Thus the heavy expenditures of the Government for army and naval purposes could be made with more satisfaction to the creditors by Treasury notes than by coin.

Congress has passed the Treasury Note bill, authorizing the issue of twenty millions at a low rate of interest. The Assistant Treasurer at this port advertises that he is ready to receive deposits of gold coin to the amount of three millions of dollars from parties who want Treasury notes, at 3 per cent. per annum. Three millions only is allotted to New York. The offer was made the Secretary at Washington, to take the whole \$6,000,000 at a fraction over 3 per cent., which was declined not only from its being beyond the limits of interest fixed, but from the inexpediency of placing the whole under the control of one individual.

It having been shown that the good assets of the City of Glasgow Bank amounted to £5,107,142, against liabilities amounting to £4,455,249, it was resolved by the shareholders that the directors should take steps for a speedy resumption of the business of the bank. It has been decided to wind up the Western Bank of Scotland. The latest dispatches from Hamburg look rather more encouraging. There was again a quotation in the discount market, the charge being 10 per cent. The proposal for the issue of notes had been totally abandoned. Another reduction of one per cent. in the rate of discount of the Bank of France, had taken place. The rates now stand at 6, 7 and 8 per cent. for bills having, respectively, not more than 30, 60, and 90 days to run. It is asserted that France intends strictly to avoid any interference in the Holstein dispute, which she is willing to consider as merely federal and confined to Germany, if the Germans themselves treat it in that way. A dispatch from Paris of the 8th instant states that the position of the Bank at France continued to improve. During the last three days the reserve had reached the amount of 230 millions of francs. The funds closed at 66f. for money, and 66 15 for account.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES. FEBRUARY, 1858.

No. 8.

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RETROSPECTIVE VIEW OF THE YEAR 1857.

THE year 1857 has been one of the most important, commercially and financially, of the present century. It has been marked by more extraordinary reverses of fortune, greater fluctuations in the values of property, more frequent depression in the stock market, and a greater number of commercial failures, than during any one year of the nineteenth century. The changes appear the more extraordinary, when we compare the recent and the present condition of Commerce and Trade with that which marked the opening of the past year. In January, 1857, the rates for Foreign Exchange were favorable, sterling bills being quoted at 108 a 109, and the shipment of coin to Europe was moderate; the public securities of this State bore a premium of 10 to 18 per cent.; there was an active market in real estate, not only in this city, but elsewhere, and the prices of property, as well as the rents, were commensurate with the prosperous state of business at large, throughout the country; there was an active demand abroad, at high prices, for Cotton and American Produce, thus furnishing to the planter of the South and to the farmer of the Western and Middle States strong incentives for extending the cultivation of the leading staples of the country. Labor in every branch of industry was well rewarded, and activity prevailed throughout the vast manufacturing system of New England, New York and other States; the prices of railroad securities were well maintained, public credit was high, and there were no premonitions of default on the part of any of the leading Corporations of the country in the payment of their interest for the then coming year.

The contrast at the commencement of the year 1858 is a marked one,

and three months ago was yet stronger. At the present moment, although indicating an early recovery from the extreme depression of September and October last, the prices of our great staples in Europe, those upon which we rely mainly to liquidate the heavy indebtedness continually existing abroad, are fully one-third lower than the prices of a year ago; exchange on Europe is above par, and the balances against us are now being paid by large shipments of coin; all kinds of public securities are depressed, and confidence is impaired in the values of railroad shares and loans; the manufacturing system is only nominally in existence, and the prices of labor and of materials are lower than for many years past. We will recur to the leading events of each month of the past year, as a record of the important changes that have taken place. Few or none living now will, we think, live to see a revulsion of a similar character or any thing approaching it during the present century. The safeguards which obviously should be thrown around our banking system, and the more consistent legislation demanded in behalf of domestic labor, will perhaps shield the community from another crisis.

*January.*—Exchange on London opened at  $108\frac{1}{2}$  a  $108\frac{3}{4}$  for bills at sixty days. The interest on State Loans and other Bonds was punctually paid, and the banks of this city commenced the year with aggregate loans of 108 millions and specie over ten millions on hand; N. Y. Central Railroad shares were held at  $93\frac{3}{4}$  a 94; Erie at  $62\frac{1}{2}$  a 63; Illinois Central at  $124\frac{1}{2}$  a 126. The new loan of one million of dollars in behalf of the State of New York was promptly taken on the 15th at a premium of 14.25 a 15 per cent., averaging 14.54. More than two-thirds of this loan were taken for account of two of the Savings Banks of this city, viz.: the Seamen's Bank for Savings, \$350,000, and the Bank for Savings (Bleecker street) \$350,000. In order to show the results of this loan as compared with others of the previous two years, we annex the premium realized on each:

## NEW YORK STATE LOANS.

Date.	Amount.	Aggregate premium.	Prem-per cent.
1854, June.....	\$1,000,000	175,706	17.57
1854, Aug.....	1,250,000	167,245	13.38
1855, Feb.....	1,000,000	181,380	18.13
“ June.....	1,250,000	234,500	18.76
“ “ .....	1,500,000	259,405	17.80
“ Oct.....	1,250,000	204,511	16.36
“ Dec.....	4,500,000	31,981	70
1856, Oct.....	1,000,000	170,709	17.07
“ Oct.....	1,250,000	171,886	13.75
1857, Jan.....	1,000,000	145,449	14.54

The loan of \$4,500,000 was at five per cent.; all the others bearing six per cent. interest. The Bonds of other States were also in high repute, Ohio Sixes being quoted at  $108\frac{1}{2}$ , Kentucky  $102\frac{1}{2}$ , Virginia  $92\frac{3}{4}$ , Georgia 95, North Carolina 94, Louisiana 89, Missouri 85, California seven per cent., at 75. The paper currency of the Union had been rapidly increasing since the discovery of gold in California (1848-9), and each State seemed to vie with its neighbors in a determination to extend its banking system and its paper issues to the utmost limits consistent with safety. This disposition had extended even to Cuba; a special decree of the Captain-

General on the 24th of December preceding having been issued, authorizing a paper currency for the first time. This order was for \$250,000 on that occasion.

*February.*—In this month we began to feel more strongly the pressure for money, following the excessive importations from abroad. The first six months of the fiscal year (July to December, 1856) showed the Custom House duties collected to have been \$34,922,000, being \$4,413,000, (*or nearly FIFTEEN PER CENT.*) in excess of the corresponding six months of 1855.

We trace mainly to this cause nearly all the disasters of the year. Within ten years our annual importations of foreign woollen goods had increased from ten to thirty-one millions; iron, from \$8,700,000 to \$22,000,000; sugars, from \$9,800,000 to \$22,580,000, and a commensurate increase in silks, embroideries, hardware, cotton goods, jewelry, and other items. This excess of foreign imports necessarily was accompanied by a disregard of the claims of domestic labor—of the importance of the domestic market—and this disregard was further shown by the adoption, at the end of the last Session of Congress, of a reform Tariff, whereby the duties, on articles which come into competition with our own manufactures, were materially lessened. At this early day (February) the unfavorable results of these large importations were felt in the West, and the banks of that region were compelled to part with their specie funds to meet the balances due New York. The Stock market of February indicated no serious decline; holders being well sustained by the increased volume of bank loans, viz.: from 106 millions at the beginning of December to 111 millions at the end of February.

The leading items of the Money Market abroad in January and February were 1st:—The reception of intelligence of the outbreak in China and bombardment of Canton. 2:—A decline in the rate of discount at Hamburg from 6 to  $5\frac{1}{2}$  per cent. 3:—Several large failures at Glasgow, Trieste, London and other cities of Europe.

*March.*—Government and State loans maintained their recent values. The Treasury of the United States readily purchased the six per cent. bonds of 1867-'8 at a premium of 16 per cent., besides the accumulated interest, the Sub-Treasury funds being ample for the business wants of the Government, leaving a large surplus of the funded debt. In Railroad shares the first marked decline was observable—in Erie from  $62\frac{1}{2}$  to  $53\frac{1}{2}$ , Michigan Southern from  $80\frac{1}{2}$  to  $73\frac{1}{2}$ . Railroad bonds were firmly held, because more largely owned for investment; but we may observe in March the earliest indications of the decreasing confidence in Railroad Shares generally, and particularly in a few that were supposed had adopted the unwise policy of borrowing money to pay dividends. The high prices of Cotton abroad were caused in part by the estimated decline in production: the exports to England up to the 20th of March having been only 834,000 bales, against 1,039,000 for the same period in 1856, and 1,035,000 bales in 1853. The banks of this city gave a tone to the operations of those in other States, by extending their discount line to 113 millions, although the Specie reserve had declined fully one million from the first week in December to the third week in March. The New York Canal five per cent. loan of \$500,000 was taken on the 24th, mainly by New York city banks, at an aggregate premium of \$6,897, or about 1.38 per cent.



There were no prominent features in the English Money Market for the month. On the 4th the English Ministry sustained a defeat by 16 on a motion deprecatory of the Chinese war; but this caused a decline of only  $\frac{1}{4}$  a  $\frac{1}{2}$  in the price of Consols. On the 17th the liquidation of the London and Eastern Banking Company was announced. Numerous mercantile failures also occurred during the month.

*April.*—Early in this month the symptoms of reaction in the commercial world were developed: a decided distrust of railroad securities in this market, and a change in the policy of the Bank of England, with large exports of gold from this port, all indicated that our banks should pursue a more cautious policy; but in the face of all this they expanded their loans to 115 millions, thereby encouraging speculation, as well as foreign importations, to excess. The stock market experienced important changes. Erie Railroad shares receded to  $46\frac{3}{4}$ ; Harlem from  $14\frac{3}{4}$  in March, to  $11\frac{7}{8}$ ; Hudson River from 30 to 25. The Great Western Railroad Company of Illinois failed to pay their coupons on the 1st of this month, and soon after went into insolvency. The large issues of State bonds by Missouri and Virginia had not, up to the end of April, seriously affected their market values, but public opinion was opposed to any further extension of State credit. Rhode Island had come forward for a loan of \$10,000, increasing the public debt to \$50,000! The heavy expenditures of Tennessee and North Carolina for railroad purposes kept their bonds at low prices, although the market was abundantly provided with capital.

The English Money Market was seriously affected early in April by the further news of the Chinese disturbances. The Bank of England, on the 2d, advanced the rate of interest from 6 to  $6\frac{1}{2}$  per cent., and soon after refused to discount brokers' bills having more than one month to run: at the same time advanced the rate on stock loans to 7 per cent.

*May.*—Foreign exchange during the month of May was above par. Specie was going away from us at the rate of three or four millions per month. The importations of goods from Europe had only temporarily abated, to be renewed with fresh vigor after the 1st of July, at which date the new tariff was designed to come into effect. The warnings given to the country by the adoption of the new Tariff were not heeded—unfortunately, as it afterwards proved, the extension of bank facilities induced the belief that the policy of the country was permanently established; and that no reaction would follow the financial policy of that period. State loans were well sustained in the market; and Railroad securities generally were held at the quotations prevailing in March and April. The exceptions to these were the shares of the Erie Railroad Co., which declined from  $52\frac{1}{2}$  in April to  $36\frac{1}{2}$  at the close of May. Michigan Southern shares from 68 to 61. Much difficulty was experienced in raising funds for the City Treasury, but the final offer to issue seven per cent. temporary loans served to replenish the Treasury early in May. The bank capital of the city had been rapidly increased during the year, and further instalments became payable in April, May, and June. A rapid extension of the number and of the capital of banks had been this year authorized in Maine, Pennsylvania, Connecticut and Missouri; all requiring a temporary absorption of active means from ordinary channels, in payment of instalments on their capital.

The chief financial items from Europe were 1st:—The refusal of the Bank of England (on the 7th) to loan on government securities. 2:—The

failure of the Bank of Lowe & Co., Preston, England. 3:—The failure and flight of M. Thunneysen from Paris, with liabilities amounting to 20 millions of francs. Numerous commercial failures occurred at Liverpool, London, Hamburg, &c.

*June.*—The unfavorable condition of our foreign trade was further evinced by the advance of Sterling Bills to 9 $\frac{1}{2}$  premium; and by larger exports of gold from this port as compared with former years, viz.:

To 30th June, 1852...	\$10,518,000	1855...	\$15,096,000
“ 1853...	7,918,000	1856...	12,236,000
“ 1854...	14,864,000	1857...	20,056,000

The leading financial event of the month was the defalcation of the State Treasurer of Ohio to an amount estimated at \$800,000, entailing a heavy loss upon the State. The banks of New York city continued to expand, although their specie funds were *three millions* less than in June, 1856, and their loans *twelve millions more* than at the latter period. State loans were well sustained throughout. The most important change was in the market values of a few Railroad Shares, whose management was discussed and blamed.—Those of the Michigan Southern Railroad Company continued to decline seriously, viz. :—From 64 on the 1st May to 40 at the end of June; Erie from 35 to 28; Reading from 79 to 71; Cleveland and Toledo from 68 to 54.

The temporary reduction in Custom House duties produced a belief in the public mind that there would be no serious reaction. The effects of the new tariff were not anticipated; and various loans were brought forward under the hope that railroad securities were to remain the favorites of the public. The Chicago, St. Paul, and Fond du Lac Railroad Company proposed for a loan at 8 per cent.; the Pittsburgh, Fort Wayne, and Chicago, \$1,000,000 at seven per cent.; the Norwich and Worcester Railroad Company, \$400,000.

The recent Act of the Legislature of this State, giving to banks several days' grace on the payment of their circulation, was found to be inoperative.

The Bank of England very unwisely reduced the rate of interest from 6 $\frac{1}{2}$  to 6 per cent.; and the bank of France from 6 to 5 $\frac{1}{2}$ . Numerous failures occurred throughout England and the Continent.

*July.*—There was no material check in July to the expansive movement of commerce and banking. Without any more favorable features in our foreign trade, the banks of New York and other States continued to expand; their loans in this city reaching one hundred and twenty millions at the close of the month, while their specie reserve was less than thirteen millions—a wide contrast with their exhibit in July, 1855, when their loans were only ninety-seven millions, with a specie basis of fifteen millions. It must be borne in mind that the business of the country, as indicated by that of the port of New York, had increased rapidly during these two years—the volume of bank paper had likewise increased largely—and the whole burden of the foreign trade, the supply of capital for new railroads, and other expensive undertakings devolved upon this city. This vast foreign export and import trade, and the daily redemption of more than one million of bank currency demanded a larger instead of a smaller basis in specie. Yet, up to this time, no serious inconvenience was felt. Public

credit was well sustained, Railroad and City Securities, with some few exceptions, experienced no severe decline. The exceptions referred to were those of the Erie Railroad Company, whose stock, in view of the obvious deficit on its revenues, declined to  $34\frac{1}{2}$  at the end of the month; Illinois Central Shares to 118 against 145 at a late date. The Erie Railroad Company proposed a loan of six millions of dollars, which has not yet been met.

The English market in July was seriously disturbed by the news of the insurrection in India; and by the increasing demand for silver and gold (mainly the former) for export to India and China.

*August.*—The financial revulsion of 1857 made its first developments at the close of this month, and rapidly such events followed as to bring general bankruptcy upon a large portion of the country. During the last week in August the failures of the Mechanics' Banking Association, the Ohio Life and Trust Co., John Thompson, Banker; DeLaunay, Iselin & Clark, bankers, and others, were announced; also numerous mercantile failures. The banks had reached the climax of expansion during the first week in the month; their loans being \$122,000,000, with less than twelve millions of coin. The curtailment which followed was accompanied by a rapid return of bank circulation for redemption from the West, and confidence was rapidly lost by the numerous failures among the banks of the country. New York had to sustain not only the circulation of the whole of this State, but that of New England, New Jersey, &c. The shares of the Erie Railroad Co. declined at the end of August, to 22; Michigan Southern,  $18\frac{1}{2}$ ; Cleveland and Toledo, 40; Reading,  $60\frac{1}{2}$ . These companies had long been large borrowers in Wall-street at severe rates of interest. Missouri State Sixes fell to  $72\frac{1}{2}$ ; Virginia to  $89\frac{1}{2}$ . Commercial paper was discounted with great difficulty, and in all cases at high rates of interest. The extreme scarcity of money forced sterling bills down to 6 or 7 per cent. premium. The bank contraction after the first week in August was rapid, unnecessarily so, and found our merchants generally unprepared for the change.

Similar stringent features attended the European Money Markets. On the 4th the Bank of Amsterdam raised the rate of discount to  $4\frac{1}{2}$  per cent., and on the 18th the bank of Prussia from 5 to  $5\frac{1}{2}$  per cent. The Douglass Bank (Isle of Man) failed on the 21st, and numerous commercial failures were announced. On the 17th it was known in London that the attempt to lay the telegraph cable from Ireland to America had failed. These and other causes led to a severely stringent Money Market throughout England and the Continent.

*September.*—This was a month of great anxiety—severe sacrifices, heavy losses, and the month terminated with the first serious bank failures (viz., Philadelphia). The banks of this city pursued an unwise policy, as since acknowledged, in curtailing their loans from 122 millions, as reported early in August, to 107 millions at the close of September. In doing this they sacrificed many merchants and manufacturers, whose capital and resources had hitherto given them a high character, and whose business sustained thousands of laborers and operatives. The policy thus dictated by New York was, unfortunately, not confined to the limits of the city alone: for whatever course may be dictated by New York, must be followed very closely by that of other cities and States; whenever New York contracts its banking loans, the balances against Boston, Philadelphia, and

Baltimore become larger, and an immediate claim for specie follows. Thus the banking facilities in those cities were reduced rapidly, and the suspension of numerous commercial houses followed, leading finally to the suspension of the Banks themselves. The Stock Market was in sympathy with this decline. State bonds felt the pressure at once. Ohio Sixes fell from 103 to 90 a 91; in part owing to the fear that the defalcation of the State Treasurer, and the failure of the Ohio Life and Trust Co., would cripple the resources of the State itself. At the close of September Missouri Sixes fell to 68, Virginia 78, California Sevens to 50. The best bills on London, in consequence of the scarcity of money, were selling at  $6\frac{1}{2}$  a 7 per cent., equivalent to 2 per cent. discount.

The pressure upon the New York country banks through their redemption agents, was such that three in Buffalo, one in Utica, and several in New England suspended. Among the failures of this city were Messrs. Beebee & Co., Atwood & Co., and other bankers. On the 17th, in the height of the crisis, news was received of the loss of the Steamer *Central America* with over two millions of gold. The Insurance losses by this Steamer were promptly discounted as soon as ascertained, but the severity of the loss contributed to lessen confidence on the part of the public. The Bank of Pennsylvania and the Girard Bank, both at Philadelphia, suspended on Friday, 25th, and the other Banks of that city on the next day concluded to follow the example. They were followed immediately by those of Rhode Island, Baltimore, Delaware, and by various Southern cities.

In Europe the stringency became very severe in September. On the 15th the Bank of Holland raised the discount from  $4\frac{1}{2}$  to 5 per cent., and a large number of failures was reported at Manchester, Hull, Bristol, &c.

*October.*—The money crisis of this month exceeded all others hitherto known in this city. The results were not, comparatively, more severe than in 1837, but the more enlarged business transactions in New York early this year, compared with those of 1837, involved many in bankruptcy who had sustained themselves through the trying times of former years. On the 12th, the banks of this city had reduced their loans below one hundred millions, a reduction of twenty-two millions in about eight weeks—a reduction that had placed large numbers of their customers under protest: and the aid required by the country banks could no longer be granted. Panic seized the community on the 12th and 13th, forcing every bank in the city (with one exception) to suspend. Boston, Albany, and other cities, followed suit, and some relief followed temporarily. During that week, all classes of public securities were quoted at extremely low prices. Ohio Sixes sold at 88 a 80, Virginia 77 a 78, Missouri 64 a 67, Erie R. R. shares as low as 9 $\frac{1}{2}$ , New York Central 53, Michigan Southern 10 $\frac{1}{2}$ , Michigan Central 32. The paper of the Erie Railroad Company, Illinois Central and Michigan Southern had gone to protest, and the Illinois Central had made an assignment of its property on the 10th.

Bills on London, first-class signature, sold before the suspension, at 105 a 106; mercantile bills sold at par to 105; bills on Paris and other continental cities were sold on commensurate terms. The shipment of gold to Europe was effectually checked for the time, and large remittances of gold were received from London and Liverpool. On the 28th, £240,000 arrived per *Persia*.

The drain of gold and silver continued from England to the Continent and to India without abatement. The Bank of England endeavored to stop this export by advancing the rates of discount, viz.: on the 8th, to 6 per cent.; on the 12th, to 7, and on the 19th, to 8. The Bank of Hamburg adopted similar measures—on the 11th, their rate was advanced to  $7\frac{1}{2}$ , and on the 14th, to 8; and on the 16th, to 9 per cent. On the 5th, that of the Bank of Prussia was raised to  $6\frac{1}{2}$  per cent. That of the Bank of Holland on the 9th, to  $5\frac{1}{2}$ ; and on the 14th to 6 per cent.—and, an extraordinary step, by the Bank of Antwerp from  $3\frac{1}{2}$  to  $4\frac{1}{2}$ . On the 28th the Liverpool Borough Bank suspended, causing the suspension of many heavy firms in Liverpool, Manchester; and finally that of Dennistoun & Co.

*November.*—Immediately after the suspension of the banks of this city, they commenced a course looking towards a speedy resumption of specie payments. Debtors were accommodated with an extension on loans wherever it could be done with safety to the banks and advantage to the debtors. Gold continued to arrive in large quantities, swelling the aggregate in the bank vaults from \$11,000,000 on the 10th of October, to \$26,000,000 at the close of the month. On the 4th, the California steamer arrived with \$1,464,000, and another on the 16th, with \$1,200,000, and on the 30th, with \$1,745,000. On the 13th, the Cunard steamer *Arabia*, with \$1,150,000.

The Stock Market rapidly recovered from the extreme depression of October. Ohio State Loans again recovered a premium. Virginia reached 89 a 90; Missouri, 78 a 80; and Railroad Shares again became active at higher prices. One feature of New York history should not be overlooked. On the 10th, the sub-Treasury and Custom House in Wall-street were, for the first time since their origin, placed under the protection of the military, through fears that the idle and vicious portion of the populace might make a forced entry to them for the purpose of robbery. While financial affairs were thus gradually assuming a better shape in this city, as well as throughout the United States, those of Europe assumed a much worse aspect than before. On the 9th, the Western Bank of Scotland suspended payment; and on the 11th, the City of Glasgow Bank. The pressure upon the Bank of England for accommodation was such as to induce the Government to authorize the directors to suspend, if necessary, the operation of the charter, so far as to allow the Bank to issue bills upon adequate securities, but without the usual basis of gold or silver. The effect of this order was prompt throughout the kingdom, and the Bank was thereby enabled to sustain many firms that would otherwise have fallen through. The Bank did not, however, avail itself of the new privilege granted by the Queen's Council.

The Bank of England had raised the rate of discount on the 5th of November, from 8 to 9 per cent.; and on the 9th (Monday), from 9 to 10 per cent. In the meanwhile, however, the firm of J. & A. Dennistoun, of Glasgow, had suspended (7th), together with a large number of houses previously considered substantial, at Glasgow, Liverpool, London, Manchester, Paris, &c.

*December.*—The chief point in this month's events was the resolution of the Banks of the City on the 12th to resume payment of specie forth-

with. The gradual approach of New York bank bills to specie during the past few weeks, made this step an easy one. The banks had never before had such an accumulation of gold in their vaults. Exchanges throughout the country were in favor of this city—the semi-monthly arrivals of gold from California had long since become steady, and now contributed to swell the reserve held by the banks. The moderate amounts that have been exported during the month, create no uneasiness. The Banks of New England, New York, New Orleans, determined to pay specie in full; and it was confidently anticipated that Philadelphia, Providence, Baltimore, Richmond, and other cities, will promptly be restored as specie-paying institutions.

The financial revulsion in Europe has, since the middle of November, had disastrous effects upon Commerce and the Currency. Many of the old and hitherto wealthy firms of London, Paris, Liverpool, Hamburgh, and other cities, have been compelled to suspend payment.

*Conclusions.*—In reviewing the causes of the extraordinary revulsion of 1857 in this country, we cannot lose sight of the fact, that while its business, internal and foreign, has more than quadrupled within the past twenty years, and while the domestic manufactures of the country have acquired strength and stability, the specie basis of the State has not kept pace either with its business or its wants. The gold per capita in the country at this time, is little more than it was eight or ten years since. In order to avoid a recurrence of such a crisis, it is evident that the proportion of the specie to bank paper and deposits should be fixed—such a proportion as will screen the banks at all times from panics, and, whenever the reserve is reduced, compel a restoration of bank liabilities to a safe limit.

New York City especially requires a specie reserve far beyond what it has maintained up to October, 1857. New York, as the central point of the commerce of the Union, should be enabled to maintain a strong position, whatever the policy of the General or State governments may be. If Congress adopt free trade measures, in opposition to the obvious demands of domestic labor, New York should be able to check the tendency to excessive imports, and be also enabled to maintain a due equilibrium in the vast foreign trade of the Union.

It is at New York that the several States provide funds for the payment of interest on their funded debts. New York is looked to for aid in all and various schemes for Railroad construction. New York is the depository of the surplus capital of the banks and bankers of the whole Union, at which city it is required, in order to meet the daily demands through the commercial and financial exchanges, and for the redemption of bank bills issued by over fourteen hundred and fifty institutions.

New York is, in fact, the depository OF THE UNION; and the funds intrusted to it by other States for public and private ends, should not be jeopardized through a spirit of speculation or desire of gain. The banks of this city, holding thus twenty-five or thirty millions of dollars constantly in trust, should by law be compelled to maintain such a portion in coin as will relieve it from the ordinary and extraordinary hazards of Commerce: so that, in all time to come, the city shall not again be a prey to panic or revulsion. If eight millions in specie in our Banks were considered essential to the trade of New York in 1849, when the combined export and

import trade was only 138 millions, should we not demand a commensurate reserve of not less than twenty millions in 1857, when such combined trade has risen to 370 MILLIONS!!!

The Banking history of New York since 1849 is indicated by the following lines for September of each year :

Sept.	Loans.	Specie.	Deposits.	Capital.
1849.....	\$51,079,000	\$8,022,000	\$28,551,000	\$25,100,000
1850.....	62,886,000	9,056,000	37,230,000	27,500,000
1851.....	65,426,000	6,032,000	36,957,000	34,600,000
1852.....	88,815,000	8,702,000	50,216,000	36,800,000
1853.....	90,149,000	11,231,000	27,968,000	45,000,000
1854.....	91,391,000	14,714,000	72,856,000	48,400,000
1855.....	100,436,000	12,852,000	81,057,000	48,600,000
1856.....	109,560,000	13,098,000	89,350,000	54,000,000
1857.....	112,200,000	10,227,000	79,491,000	64,000,000

Let us compare this with the increase of business at this port, and our position as to the *deficit* in the specie reserve of late years will be demonstrated. We propose here to show the aggregate taxable property of the city for each year since 1849 ; the aggregate exports and imports of the State for each year (of which the city bears nine-tenths) ; the Custom House duties of each year ; and, finally, the proportion of specie which our Banks SHOULD have held each year, assuming that of 1849 as a criterion :

Year.	Tax Property of N. Y. City.	Aggregate Foreign imports and exports of the State.	Custom House Duties of N. Y. City.	Due Proportion of Specie.
1749.....	\$256,000,000	\$138,500,000	\$19,668,000	\$8,000,000
1850.....	281,000,000	163,800,000	24,523,000	9,400,000
1851.....	320,000,000	227,500,000	31,056,000	13,100,000
1852.....	351,000,000	219,800,000	28,226,000	13,000,000
1853.....	412,000,000	256,400,000	37,248,000	15,000,000
1854.....	462,000,000	317,900,000	41,656,000	18,500,000
1855.....	487,000,000	278,500,000	30,658,000	16,000,000
1856.....	510,000,000	329,200,000	42,628,000	19,000,000
1857.....	530,000,000	371,300,000	42,273,000	21,500,000

While the paper circulation of this country has increased in a greater ratio than its gold reserve, that of Continental Europe has increased in nearly the same proportion. A vast superstructure has thus been created in both Continents upon an *infirm, fluctuating, and declining basis*. According to recent statistical returns, the increase of paper money in four kingdoms of Europe from 1846 to 1854 was over 1,300 million francs in extent, viz :

	1846. Francs.	1854. Francs.	Increase. Francs.
Germany.....	243,400,000	1,066,400,000	823,000,000
Russia.....	649,200,000	918,200,000	269,000,000
France.....	52,200,000	233,800,000	181,100,000
Great Britain.....	723,600,000	848,400,000	119,800,000
Francs.....	1,668,400,000	3,061,300,000	1,392,900,000
United States, fr.....	520,000,000	1,020,000,000	500,000,000
Or.....	\$104,000,000	\$204,000,000	\$100,000,000

The bank circulation of the U. S. in 1846 was estimated, from official data, by the Treasury, at \$104,000,000 or \$105,000,000 ; and in 1854 at

\$204,000,000, with less than fifteen millions increase of coin during the interval in the bank vaults in the whole country. It would be a curious subject of inquiry at the next census as to what amount of the precious metals is annually consumed in manufactures and the fine arts in the United States. By some persons this is estimated as ten millions annually in this country. In Europe, probably double this sum, annually; or four millions sterling. But, let the causes be what they may, there is only a slight increase of gold in the bank vaults of the country when compared with the years 1848-9.

Our trade with England and France has drained us of some two hundred millions in gold during the past five years. The India trade of England and France has in ten years drained them of much more. This is fully explained in the annexed summary of Imports and Exports of silver from France; and of Exports of gold (deducting imports) from the United States:

Years.	Imports into France. Franks.	Exp'ts of Silver from France. Franks.	Exp't of Gold and Silver from U. S. Dollars.
1846.....	106,858,000	60,086,000	130,000
1847.....	138,307,000	84,678,000	.....
1848.....	233,330,000	19,396,000	9,000,000
1849.....	291,414,000	46,847,000	.....
1850.....	147,693,000	82,308,000	8,000,000
1851.....	178,629,000	100,680,000	24,000,000
1852.....	179,857,000	182,574,000	37,000,000
1853.....	112,568,000	229,453,000	23,000,000
1854.....	99,848,000	263,542,000	35,000,000
1855.....	120,891,000	318,651,000	53,000,000
1856.....	109,895,000	393,518,000	41,000,000
1857.....	.....	.....	57,000,000
	Franks, 1,719,290,000	F'cs., 1,781,133,000	\$282,130,000

*Flour.*—The following were the ruling average prices for flour each month, 1853-1857, at this port:

	1853.	1854.	1855.	1856.	1857.
January.....	\$5 37	7 50	9 18	8 33	6 45
February.....	5 20	8 12	8 94	7 31	6 40
March.....	4 93	7 45	9 06	7 00	6 15
April.....	4 90	8 08	10 25	6 57	6 10
May.....	4 68	8 69	10 75	6 06	6 90
June.....	4 62	8 72	10 52	5 94	6 50
July.....	5 00	8 29	9 31	6 56	6 40
August.....	5 33	8 50	8 81	6 52	6 10
September.....	5 70	8 70	7 47	6 49	5 60
October.....	6 61	8 50	8 38	6 69	4 90
November.....	9 40	8 88	9 31	6 62	4 90
December.....	6 78	9 18	8 84	6 50	4 25
Average,.....	5 71	8 88	9 23	6 71	5 88

Thus one important source of profit in the commercial years 1854-1855 is destroyed in a large measure—Europe is enabled to supply her own breadstuffs without reliance upon the granaries of the United States.

*Cotton.*—The planters of the South and South-west have for some years realized high prices for this important staple, and were led to suppose that the high prices would continue for the new crop which is now



coming in. We fear the net result on this year's crop, when compared with last year, will be a loss of fully two-fifths, or about seventy millions of dollars. The decline in prices is from five to seven cents. We annex the ruling rates for middling Uplands at New York at the close of each month of the calendar year :

January.....1857	12½c.	July.....1857	15¼c.
February.....1857	13½c.	August.....1857	15¼c.
March.....1857	14¼c.	September.....1877	15¼c.
April.....1857	14c.	October.....1857	nominal.
May.....1857	14c.	November.....1857	11¼c.
June.....1857	14¼c.	December.....1857	9¼c.

The weekly demand in England for consumption is probably one-fifth less than six or nine months ago. The proceeds of last year's crop were estimated at 180 to 190 millions of dollars; while for the current cotton year (September, 1857, to September, 1858) the proceeds will not exceed 120 to 125 millions.

## FOREIGN SUMMARY OF COMMERCIAL AND FINANCIAL EVENTS.

### DECEMBER, 1856.

*Dec. 4.*—The Directors of the Bank of England lower their rate of discount from 7 to 6½ per cent.

13.—The failure announced of the Kidderminster Old Bank (Messrs. Farley & Co.), with a circulation of about £7,000.

18.—The Directors of the Bank of England further reduce their rate of discount from 6½ to 6 per cent.

24.—The Bank of France relax their discount restrictions, by negotiating bills of 75 days' date.

29.—Failure of Mr. Pervanoglu, Greek trade, with limited liabilities.

29.—Intelligence received of the bombardment of Canton, and removal of the merchants to Hong-Kong.

29.—Intelligence received of the outbreak of a war in China, and the bombardment of Canton by the British fleet under Admiral Seymour.

30.—Suspension announced of M. Decio Trasciatti, merchant of Trieste.

31.—Failure of Mr. G. B. Rocca, merchant, connected with M. Frasciatti; the liabilities estimated at £50,000.

### JANUARY, 1857.

*Jan. 7.*—Announcement of the suspension of Messrs. Begbie, Wiseman & Co., general merchants of Glasgow, with liabilities estimated at about £150,000.

9.—The Directors of the Bank of England give notice of their intention to make advances on Government Stock at the rate of 6½ per cent.

9.—A decline announced in the rate of discount at Hamburg from 6 to 5½ per cent.

15.—Failure announced of Messrs. Rice, Harris & Co., of Birmingham, in the glass trade; liabilities £22,000.

*Jan. 16.*—Leopold Redpath convicted, at the Central Criminal Court, for forgeries committed with respect to shares in the Great Northern Railway, and sentenced to be transported for life.

FEBRUARY, 1857.

*Feb. 16.*—Announcement of the suspension of Messrs. Hargreaves & Jennings, stuff merchants, of Bradford, with liabilities estimated at £65,000.

16.—Mr. James Sadleir unanimously expelled the House of Commons, on the motion of the Attorney-General for Ireland.

21.—The suspension announced of Messrs. O. Franghiadi & Sons, Greek merchants, London, with liabilities estimated at about £80,000.

23.—Failure of Messrs. Vuros Brothers, and Messrs. P. Sinanides & Co., of London, Greek merchants; Mr. J. Basilio, of Manchester, Greek merchant.

MARCH, 1857.

*March 3.*—The suspension of Messrs. Swayne and Bovill, merchants and patentees of machinery, with liabilities estimated at about £100,000.

3.—In connection with Messrs. Swayne and Bovill, the stoppage of Messrs. Cheape and Leslie, in the East India trade, was also notified.

4.—Ministers defeated in the House of Commons by a majority of sixteen, on a motion of Mr. Cobden deprecatory of the Chinese war.

4.—Announcement of the failure of Mr. Gustave Foa, seed merchant, of Old Broad-street.

6.—Suspension of Messrs. Barnes, Copeland & Co., provision merchants. The liabilities of the firm estimated at £40,000.

10.—Failure of Messrs. Dodge, Bacon & Co., of London and Newark, New Jersey, merchants and patentees of India-rubber cloth. Estimated liabilities £100,000.

17.—Liquidation of the London and Eastern Banking Co. announced.

25.—Suspension of Messrs. R. James Brown & Co., timber merchants and shipowners, of Sunderland; their liabilities said to be about £250,000.

30.—Announcement of the failure of Messrs. Greene & Co., bankers, Paris.

APRIL, 1857.

*April 2.*—The Directors of the Bank of England advanced the rate of discount from 6 to 6½ per cent.

9.—The Directors of the Bank of England refuse to discount brokers' bills having more than one month to run; and also increased their terms for advances on stock to 7 per cent.

18.—Suspension announced of Mr. A. Marks, shipowner and builder, of Sunderland.

25.—Intelligence received of the spread of the Chinese war to Sarawak, Borneo, and slaughter of 2,000 Chinese, by forces headed by Rajah Sir J. Brooke.

28.—Stoppage announced of the Messrs. Valie & Co., bankers, of Paris and Havre; the liability is said to be considerable.

The election of Governor, Deputy-Governor, and Directors of the Bank of England took place on the 14th and 15th of April, when Mr. S. Neave was elected Governor, and Mr. B. Dobree, Deputy-Governor. The following were elected Directors: MR. T. BARING, MR. H. W. BLAKE, MR. T. BUXTON, MR. E. H. CHAPMAN, MR. R. W. CRAWFORD, MR. W. COTTON, MR. B. B. GREENE, MR. C. P. GRENFELL, MR. H. H. GIBBS, MR. T. HANKEY, MR. J. O. HANSON, MR. J. B. HEATH, MR. K. D. HODGSON, MR. H. L. HOLLAND, MR. J. G. HUBBAED, MR. T. N. HUNT, MR. A. LATHAM, MR. G. LYALL, MR. T. MASTERMAN, MR. A. MATHESON, MR. J. MORRIS, MR. G. W. NORMAN, MR. T. C. SMITH, and MR. T. M. WEGUELIN.

It is announced that Mr. Horsley Palmer has resigned his post as Director of the Bank of England, which he has occupied for forty-six years.

30.—The first session of the fifth parliament of Queen Victoria, opened by the election of Mr. E. Denison as speaker of the House of Commons.

30.—Suspension of Messrs. Biggs and Son, of Broken Wharf, Upper Thames-street. Liabilities £21,000, and assets £11,000.

#### MAY, 1857.

May 6.—Suspension announced of the General Wood Cutting Company, with liabilities estimated at £80,000.

7.—The Directors of the Bank of England refuse to make advances, on any terms, upon government securities.

18.—Failure of Messrs. Barker & Co., timber and stave merchants, Southwark; liabilities stated to be between £60,000 and £100,000.

14.—Announcement of the stoppage of Messrs. E. J. Hambro & Co., general merchants.

16.—Announcement made of the closing of the bank of Messrs. R. Lawe & Co., Preston, in consequence of the sudden death of Mr. Lawe, the sole proprietor.

20.—Intimation received of the failure and flight of Mr. C. Thurneyssen, of Paris, with liabilities amounting to about £800,000.

22.—Failure of Messrs. McAlpin and Nephew. The liabilities are about £20,000.

24.—Failure of Mr. Doherty, of Liverpool, with liabilities amounting to about £100,000.

ESTATE OF REID, IRVING & Co.—It appears that the dividends paid on the estate of Messrs. Reid, Irving & Co., have amounted to 2s. 6d. in the pound, in addition to the further sum of 6d. in the pound, now declared; it is hoped there will yet be considerable realization.

THE GOVERNOR OF THE BANK OF FRANCE.—The Count D'Argent, after having been Governor of the Bank of France for twenty-one years, has tendered his resignation, which is said to have been just accepted by the Emperor. According to report, the Count was hurt at the little deference shown to him in the late monetary councils at the Tuileries. As his long administration was chiefly distinguished by extreme prudence, his retirement will, perhaps, be acceptable to the speculators, and, coupled with the rumor that the Bank are about to issue notes of a denomination as low as 50 francs, it may, perhaps, have been the cause of the advance in prices. It was stated that M. De Parieu would probably be his successor.

#### JUNE, 1857.

June 3.—Announcement of the failure of Mr. William Macintosh, of Manchester, with liabilities to the amount of about £53,000.

9.—Suspension announced of the Bank of Messrs. Gotch & Sons, of Kittering, with liabilities estimated at £140,000.

10.—Messrs. Evans, Hoare & Co., engaged in the Australian export trade, suspended payment, with liabilities amounting to between £150,000 and £200,000.

16.—Ratification at Paris of the treaty concluded between Prussia and Neuchatel.

18.—The Directors of the Bank of England give notice of their intention to reduce the rate of discount from 6½ to 6 per cent.

19.—Intimation received of the failure of Messrs. Langton & Co., ship-brokers, of Liverpool. Their debts estimated at £75,000.

June 25.—The Bank of France reduced their rate of discount on commercial bills ½ per cent., viz., from 6 to 5½ per cent.

26.—Suspension announced of the old banking establishment of Messrs. Smith, Hilder, Smith & Scrivens, of Hastings, but having branch establishments at St. Leonard's, Battle, Hawkhurst, Robert's Bridge and Hailsham.

JULY, 1857.

July 13.—Intelligence received at London of the great spread of the insurrection in India, and of the death of General Anson, Commander-in-chief.

16.—The Bank of England reduced their rate of interest, from 6 to  $5\frac{1}{2}$  per cent.

24.—The Bank of France reduced their rate of interest on advance of government Stock from 6 to  $5\frac{1}{2}$  per cent.

30.—The East India Co. raised their rate of exchange  $\frac{1}{4}$ d. per rupee.

AUGUST, 1857.

Aug. 4.—Failure of Messrs. Ratty, Hall & Co., Scotch and Manchester warehousemen, with liabilities amounting to about £50,000, with a deficiency of £87,000.

4.—The Bank of Amsterdam raised their rate of discount from 4 per cent., at which it had stood from the end of March, to  $4\frac{1}{2}$  per cent.

6.—Suspension of Messrs. Carr, Brothers & Co., of Newcastle-on-Tyne, cotton owners, with liabilities exceeding £700,000.

8.—Failure of Mr. A. J. C. Cawthorn, of the Stock Exchange, share dealer.

17.—Intelligence received of the failure in laying the Atlantic Telegraph Cable, at a distance of about 800 miles from Valentine Bay.

18.—The Bank of Prussia raised the rate of discount from 5 to  $5\frac{1}{2}$  per cent., leaving the rate of interest on advances, as before, at 6 per cent.

21.—The notes of the Douglas (Isle of Man) Bank, were refused payment by their London agents, Messrs. Williams, Deacon & Co.

SEPTEMBER, 1857.

Sept. 3.—The directors of the Bank of England extend their limitation of discount of bills from three to six months.

5.—Announcement of the suspension of Messrs. Warburton & Omersher, silk brokers, of Manchester, with liabilities estimated at £20,000.

7.—Suspension of Messrs. H. F. Fardon & Co., of the Stoke Soapworks, near Broomsgrove; liabilities estimated at from £30,000 to £40,000.

7.—Stoppage of Mr. Aaron Crosfield, general merchant, of Bristol; debts about £10,000.

7.—Suspension of Mr. Charles Isaacs, of Bristol, in the Australian trade, with liabilities amounting to about £15,000.

7.—Failure of Messrs. George Wyld & Son, rectifying distillers, Bristol.

7.—Failure of Messrs. Perron & Co., merchants, ship and insurance agents, of Bristol, for £20,000.

15.—The directors of the Bank of Holland raise their rate of discount from  $4\frac{1}{2}$  to 5 per cent.

17.—A dividend of  $5\frac{1}{2}$  per cent. declared at the half-yearly meeting of the Bank of England proprietors.

18.—Suspension of Mr. William Summerskill, silk manufacturer, of Manchester; liabilities not very heavy.

19.—Stoppage of Mr. Lynd, drysalter and oil merchant, Leeds; the liabilities are about £30,000.

24.—Failure of the Hull Bank, conducted by Messrs. Harrison, Watson & Co.

## OCTOBER, 1857.

- October 2.—The National Bank at Munich raised the rate of discount from 5 to  $5\frac{1}{2}$  per cent.
- 5.—The Bank of Prussia raised the rate of discount to  $6\frac{1}{2}$  per cent.
- 7.—Kept as a day of fast and humiliation in England on account of the Indian mutiny.
- 8.—The Bank of England raised the minimum rate of discount from  $5\frac{1}{2}$  to 6 per cent.
- 9.—The Bank of Holland raised the rate of discount to  $5\frac{1}{2}$  per cent.
- 11.—The Bank of Hamburg raised the rate of discount to  $7\frac{3}{4}$  per cent.
- 12.—The Bank of England advanced its rate of discount to 7 per cent.
- 13.—The Bank of France advanced its rate of discount to 7 per cent.
- Suspension of Messrs. Ross, Mitchell & Co., London, in the Canadian trade, with Branch at Toronto; liabilities, £400,000.
- 14.—The Bank of Holland raised the rate of discount to 6 per cent. The Bank of Antwerp from  $3\frac{1}{2}$  to  $4\frac{1}{2}$  per cent. The Bank of Hamburg, to 8 per cent.
- 16.—The Bank of Hamburg advanced its rate of discount to 8 per cent.
- 19.—The Bank of England again altered its rate of discount, from 7 to 8 per cent; and at Hamburg the rate was advanced from 9 to  $9\frac{1}{2}$  per cent.
- 20.—Failure of Messrs. Balabio and Co., Bankers, Milan.
- 26.—News arrived in London, by telegraph, of the capture of Delhi. The highest price of consols during the month of October was  $90\frac{3}{8}$ ; the lowest,  $86\frac{1}{8}$ . October 28 closed at  $88\frac{7}{8}$ .
- 27.—The rate of interest at Hamburg advanced to  $8\frac{1}{2}$  per cent.
- 28.—The Liverpool Borough Bank gave notice that it would not resume business.
- 30.—The rate of interest at Hamburg advanced to  $8\frac{3}{4}$  per cent.

## NOVEMBER, 1857.

- Nov. 2.—Suspension announced of Messrs. R. Wilson, Hallet & Co., Liverpool, engaged in the American trade.
- 5.—The Bank of England advanced the rate of discount from 8 to 9 per cent. Suspension of Messrs. Nayler, Vickers & Co., of Sheffield, with branches at Liverpool, Stockholm, New York and Boston.
- 5.—Rate of interest at Hamburg, advanced to 9 per cent.
8. Suspension of Messrs. J. and A. Dennistoun, Cross & Co., of London, with branches at Glasgow, Liverpool, New York and New Orleans; liabilities, £2,000,000.
- 8.—The Bank of Ireland raised its rate of discount 1 per cent.
- 9.—The Bank of England raised its rate of discount from 9 to 10 per cent. Announcement of the suspension of the Western Bank of Scotland, chief office at Glasgow.
- 9.—Suspension of Messrs. Hoge and Co., Liverpool, in the American Trade, and also of Messrs. John Monroe and Co., Bankers, Paris; and of Messrs. Henry Dutilh and Co. Liverpool, in the American trade.
- 10.—Suspension of Messrs. B. T. Babcock & Co., of Liverpool, Glasgow, &c.
- 11.—Announcement of the suspension of the City of Glasgow Bank.
- 12.—Authority received by the Bank of England from the First Lord of the Treasury, and the Chancellor of the Exchequer, authorizing an issue of Bank notes beyond the Charter limits.
- 12.—Suspension of T. B. Coddington & Co., Iron Merchants, Liverpool. The Bank of Hamburg raised the rate of discount to  $9\frac{1}{2}$  per cent.
- 13.—Suspension of Messrs. Bowman, Grinnell & Co., Liverpool, and of Messrs. R. Bainbridge & Co., London, both in the American trade.
- 16.—Rate of discount at Hamburg, reduced to  $9\frac{1}{2}$  per cent.; and on the 19th, to  $8\frac{3}{4}$ ; but the next day, (20th,) again advanced to  $9\frac{1}{2}$ .
- 17.—Suspension of the Wolverhampton and Staffordshire Bank.

## SUGGESTIONS FOR A NATIONAL CURRENCY.

A MEASURE PROPOSED TO SECURE TO THE PEOPLE A SAFE TREASURY  
AND A SOUND CURRENCY.

BY JAMES ROSS SNOWDEN, Director of the Mint of the U. S.

INTRODUCTION.—The following communication, addressed to the Secretary of the Treasury, is published with his permission. The proposition therein considered embraces two objects, namely:

1. To authorize certificates to be issued on deposits of *gold bullion*, at the Mint and its branches, and the Assay Office, in convenient sums at the option of the depositor, and payable to bearer.

2. To permit similar certificates to be issued at the minting establishments above named, and at the Treasury and Assistant Treasuries of the United States on deposits of the *gold coins* of the United States.

The Mint is authorized, by the 19th section of the general Mint law, passed January 18th, 1837, to give the depositor "a certificate of the net amount of his deposit, to be paid in coins of the same species of bullion as that deposited." But it is proposed to go further, and permit several certificates to be issued for the same deposit, by dividing the amount into such sums as the depositor may wish, and making them payable to bearer. It might be proper that neither the *bullion* nor the *coin* certificates should be issued for a less sum than twenty dollars; but this point, as well as the details of the plan may, with propriety, be left for future consideration. If the principle suggested is sanctioned, the details can be very readily supplied.

As reference is made in this paper to a remark in my last annual report, respecting the production of the precious metals within the last few years, it is deemed proper to insert it here. After showing that the whole coinage of the Mints, up to the 30th of June, 1857, amounted to upwards of five hundred and eighty-eight millions of dollars, I observe that "of this amount there has been received since the 1st of January, 1849, of native gold, the production of the United States, the sum of four hundred and two millions of dollars. If, in addition to this sum, we add the gold produced in Australia, and other foreign countries during the same period—which may be stated to be about five hundred millions of dollars, and the production of silver bullion from all sources, which is at the rate of about forty millions per annum—it will be seen that within this comparatively brief period, the world's supply of the precious metals has been increased to the extent of twelve hundred and forty millions of dollars. In view of this great increase, and of the further supplies which will doubtless for years to come be received from the same sources, it may well be considered, whether in a country so highly favored with the production of gold, and the supply of silver as ours, some measures should not be adopted by which the people, in like manner with the Government, should enjoy the advantages of a specie currency."

I beg also to add, as a further remark, that since the present communication to the Secretary of the Treasury was prepared, the contingency therein referred to, of the probable withdrawal of the bullion fund from the Mints, has happened. As the Mints are now without a bullion fund in gold, and great delay in paying depositors of gold for coinage must necessarily take place, the reasons in favor of the issue of Mint and

Coin certificates are much strengthened. On this point I refer particularly to the sixth paragraph of the communication.

In concluding these preliminary remarks, I think it not inappropriate to refer to the second annual message of Gen. Jackson, in which it will be seen that he thought it practicable and constitutional "to organize a branch of the Treasury Department, based upon *public* and *individual* deposits." The Independent Treasury system has most happily provided for the security of the *public* deposits; and established a constitutional currency for the government. We will have advanced further in the right direction when we provide an equally safe Treasury for *individuals*; and secure to the people a paper currency which will actually represent, and be at all times convertible into, gold.

If, in addition to this measure, the States adopt the Independent Treasury system, then the country will substantially possess the advantages of a specie currency, and be relieved from the pernicious influence of banks of issue. The banks will then become what they ought to be, namely, places where deposits of money may be made, drafts purchased, and discounts obtained. Gold and silver, and the undoubted equivalent of the former, namely, mint and coin certificates, will then be the general currency of the country. To assist in the accomplishment of these desirable results, this brief pamphlet is respectfully submitted to the public.

MINT OF THE UNITED STATES, Philadelphia, November 4, 1857.

*To the Hon. HOWELL COBB, Secretary of the Treasury.*

SIR:—When I submitted to your consideration a proposition, relative to the issue of certificates on the deposit of gold bullion and coin, and placed in your hands a brief statement of some of the advantages which would result from their issue, you were pleased to indicate a wish, that I should present my views more fully on the subject. In doing so, I will notice some of the advantages of the plan proposed; and will adopt the same order pursued in the paper I placed in your possession.

1. *Security to the owners of specie.* This would be the same as that of the government for its own funds, and no improvement in this respect would probably be desired. The advantages of this security would be felt to be so great, that I am satisfied that large amounts of the precious metal would ultimately be accumulated in this way. At present, the holders of coin, beyond what is immediately needed for current use, have to choose between private hoarding with its hazards and annoyances, and the public injury consequent upon its withdrawal from circulation, or its deposit in a bank, to be exposed to the various risks, which sad experience shows to be incident to such an institution.

2. *The practice of hoarding is much induced by a want of confidence in banks and individuals.* If the holder of coin is made secure, he would, in most cases, gladly bring it forth from its hiding place, and thus relieve himself from the anxiety and danger which arise from its possession. Robberies, burglaries, and murders are frequently induced by the practice of hoarding. It is believed that the plan proposed would check this injurious habit.

3. *The specie thus deposited would not be withdrawn from circulation.* On the contrary, it would be as available as if it remained in actual circulation. The specie certificates, representing as they would dollar for dollar,

would be as advantageous, for the purpose of currency, as the coin itself. For making payments to the government, and for domestic exchanges, and in other large moneyed transactions, they would be more convenient than coin, by reason of their portability, the readiness by which they could be counted, and their facility of transmission.

4. *The specie thus deposited would constitute a great reserve, to be withdrawn, at any time when a special demand for coin might arise, without the slightest disturbance of the commerce, finances, or loan market of the country.* This is undoubtedly a most beneficial feature; and that it may be better understood, a brief reference to the usual causes of what is called a financial crisis, is appropriate. Such a crisis we find, in this country, almost always to happen in consequence of an unusual demand, or the apprehension of such demand, for coin. This demand is chiefly induced by an excess or redundancy of paper currency and credits, evidenced in the first instance by a demand for coin for exportation. Under a proper system of currency, namely, one of specie, the exportation of coin cannot be regarded as injurious. Gold, under such circumstances, would go wherever it is required, just as cotton, wheat, or any other production of the soil does.—But whilst we rejoice at the exportation of these agricultural productions, we evince great reluctance in parting with gold. This is a consequence of the false artificial system which has been imposed on the community; and to this we must look for an explanation. We shall find it in the organization of our banks. These institutions are mainly the repositories of the specie of the country, except what is in current circulation and in the vaults of the government. On the basis of this specie they obligate themselves to pay, on demand, to their depositors and note holders, in coin, an amount from six to ten times, or more, the total value of the specie actually in hand. This disparity of immediate means to immediate liabilities is so great, that in case their creditors, or any considerable proportion of them demand the specie, the banks must fail to pay. But even what is comparatively an insignificant call for coin, and does not cause the failure of the banks, may, nevertheless produce great disasters to the business operations of the country. The banks, conscious of their inability to withstand a demand upon them, endeavor to check its first symptoms, and to protect themselves, by calling in their loans, or collecting them as they fall due, and refusing the discounts to which the merchants and manufacturers have been accustomed. Such a contraction of loans, to a community which has based its business on the expectation of them, must necessarily prove eminently disastrous. How often have we seen a slightly increased demand for specie on the banks, growing out of, perhaps, the accident of a foreign war, or an unusual import of foreign goods, bring in its train that contraction of the loan market which eventuates in a paralysis of credit and business, and the prostration of the merchant, manufacturer, mechanic and laboring man? But without enlarging on this topic, I think it will readily be seen that it would prove a great benefit if the demand for specie did not operate, as it now does, upon the banks, or in other words, upon the loan market. By the adoption of the plan under consideration, I am of opinion that any unusual drain of coin for foreign exportation or otherwise, would operate mainly, if not solely, on these mint and coin certificates. If so, it is evident that the banks could continue their usual functions without being disturbed by such a demand. The loan market



would not be affected in any degree, and the panics and financial disasters, now so constantly attendant upon the movement of specie, would cease. These views, of course, are predicated upon the idea that the certificates herein noticed are not to be counted by the banks as specie. It is not designed to affect the legislation of the several States on this subject, which permits only the *coin* of the United States to be so counted. Hence the certificates could not be used as a means of banking operations, but as a circulating currency themselves. The gold which they would represent would be the great reserve, to be used when the special demand for it should arise.

5. *The plan, by substituting paper for specie placed on deposit, will avoid the loss incident to the wear, clipping, and other injuries to coin, through circulation.* This in time constitutes quite a considerable item of loss, and ultimately eventuates in a degradation of the standard by diminishing the weight, or involves the expense of re-coinage. A re-coinage ordered by the English government was commenced in 1774, and ended in 1788. During that period the coinage was £18,000,000. Probably three-fourths of this amount were pieces re-coined. The deficit of weight was an expense to the government of £500,000—about 3½ per cent. Many of these pieces, it is true, had been in circulation for a very long period. But a loss by wear is unavoidable, inasmuch as the metals used must be sufficiently malleable to be rolled, cut into planchets, and milled, and receive the impression from the dies at a single blow.

6. *The plan would obviate the necessity of a government bullion fund being retained at the Mints.* In explanation of this remark, I mention that depositors of bullion are now paid immediately after the values of their deposits are determined by an assay, say in two or three days, although it takes as many weeks to manufacture their bullion into coin when it is brought to the Mint in its natural or unrefined condition. The government advances to the Mints and the Assay Office the funds necessary to effect such prompt payments; and it is found that for all the establishments about five millions of dollars are required. But under the proposed plan, so large an amount of the deposits would remain permanently on hand uncalled for, that these government advances could be withdrawn without any inconvenience, which in the present state of the treasury would be highly advantageous, and seems, indeed, in any contingency, to be desirable.

7. *It may be alleged that the proposed certificates would substitute a government paper currency for a specie currency.* To this I remark, that such an objection is founded on an abuse of terms. A paper currency, in the sense generally understood, and to which all the objections to such a circulation apply, is one emitted upon the mere general credit of the issuers, whether individuals, banks or government. As to banks, their principal object is profit to their stockholders. The more of their credit they can lend, the greater profits accrue. Hence they are stimulated to outrun each other in the career of expansion, fostering a spirit of speculation and high prices, which induces increased applications for discounts until the currency becomes redundant; when some apparently trivial cause exposes the instability of the system, and brings on a reaction, producing ruin and destruction to all the industrial pursuits of the community. It is unnecessary however, to discuss the evils of the banking system. The present unhappy

condition of the country speaks, on this point, more forcibly than words. But none of the evils thus adverted to can be produced by the certificates I am now considering, because they will not be based upon the credit of the issuers, but upon deposits of bullion and coin. They will, in fact, be merely receipts for bullion and coin. There cannot be an over-issue of them any more than the specie, for which they are receipts, could be an over-issue while in circulation. Nor could their emission have any further tendency to inflate prices or encourage speculation than such specie itself.

8. *It is proposed that the certificates be made payable to bearer, and not to order.* For manifest reasons the former will be the most expedient, both as facilitating the currency of the certificates, and relieving the government and its officers from responsibility or uneasiness, in relation to the genuineness or validity of endorsements.

9. *It may be admitted that the plan will involve some risk and perhaps expense to the government.* With proper guards and checks, such as are used in carrying into effect the Independent Treasury system, and such further securities as may be deemed expedient, the risk may be regarded as inconsiderable, and the expense but trifling. The official organization for the execution of it is, at present, complete; some additional clerical services may, on experience, be found necessary, which could be provided for as the exigencies of the case may, from time to time, arise. But if the risk and expense are made a subject of objection—allowing them more force than they seem to possess—it may be asked by way of reply, whether it does not become necessary for the government to assume a responsibility and expense to accomplish a great constitutional object and an evident public benefit, as is done in other cases where its action is deemed expedient.

As a general remark, I may state, that the adoption of the plan proposed will give to the people the benefits of a system similar, in many respects, to the admirable one now used by the government. It looks towards the adoption, by the people, as well as the government, of specie or its undoubted representative, as the general medium of currency and exchange. It will, also, in my judgment, lead to the establishment of similar coin treasuries in the several States.

In my recent report to the Department on the operations of the Mint, I have exhibited the amazing increase in the world's supply of the precious metals within the last few years. I will not enter upon this subject here; but I refer to it in this connection for the purpose of showing that if we create a demand for coin, we can have it to any amount that the business of the country requires.

The project I have been considering is not absolutely unsupported by precedents. Banks, according to their primitive organization, and before they became vitiated with the privilege of issuing paper money, were mere depositories for bullion and coin, securing to the depositor a credit exactly equal to such deposits. The banks of Venice and Amsterdam were such; and the Bank of Hamburg still remains on that footing. To show the exceeding commercial convenience of the plan, it appears that the credits in the banks of Venice and Amsterdam, always bore a premium as compared with coin up to the time of their subversion under the French Revolution. The Bank of England also, under its late re-charter, embraces

some features assimilated to the proposed plan. It has the privilege, it is true, to issue notes on its general credit up to the sum of £14,000,000; but all notes issued beyond that sum can only be in exchange for an equivalent amount of bullion brought to the bank. Its functions in regard to such additional issues are therefore absolutely mechanical, as much so as would be the case under the proposed plan of issuing specie certificates. It was the intention of the authors of the new bank charter—which was introduced by Sir ROBERT PEEL, and prepared by him and other eminent political economists of Great Britain—that the volume of the currency should swell and diminish just as specie would were there no bank. As specie accumulates, it goes to the bank to be exchanged for an exactly equivalent amount of notes. As specie is demanded, it is withdrawn by the notes being returned again. This result appears to have been thus far secured. There are, however, objections to the English system, growing out of other features of the organization of the bank, especially the power to issue the large amount of £14,000,000 on “securities,” which may probably disappoint the expectations of its authors. The plan I herein advocate has all the benefits and none of the disadvantages or evils of the institutions referred to.

As to the power of Congress to authorize the issuing of the proposed bullion and coin certificates, I have no doubt. It is not a bank that is suggested or anything like one. No power to loan, to discount, or deal in exchanges, or transact any other business, is asked for; but simply the mechanical function of receiving gold bullion and coin, and giving certificates therefor. Without looking to the other and more general provisions in the Constitution, this power would seem to be embraced in the constitutional recognition of “a treasury of the United States,” and the power “to coin money; regulate the value thereof, and of foreign coin.”

I remark, in conclusion, that this subject was recently brought to my especial attention by JAMES WORRELL, Esq., of Harrisburg, who sent me a copy of a resolution adopted by the Senate of Pennsylvania, in which a part of the plan herein considered, namely, the use of Mint Certificates, as a circulating medium, was recommended, and who asked my views upon this subject. It will be observed that I have considered this point in connection with that of receiving deposits of *coin* at the Mints and Treasury offices of the United States. I have deemed it proper, for obvious reasons, to communicate my views upon these subjects to the Treasury Department. I beg to express the hope, that the plan suggested may receive the sanction of the government, and of Congress, and thus secure to the people the benefits of a safe treasury, and a sound currency.

I have the honor to be, with great respect, your faithful servant,

JAMES ROSS SNOWDEN,  
*Director of the Mint.*

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## BANKING IN NEW YORK.

ANNUAL REPORT OF THE SUPERINTENDENT OF THE BANKING DEPARTMENT.

STATE OF NEW YORK, BANK DEPARTMENT, }  
ALBANY, December 31st, 1857. }

The Superintendent of the Banking Department, in accordance with the provisions of section 11 of the act to "organize a Bank Department," has the honor to submit for the consideration of the Legislature, the following

## REPORT :

That the past year has been one of extensive and unparalleled financial disaster, reaching capital and labor in all their varied employment, is a fact so apparent that its assertion alone is its proof. The banks in the city of New York, with a single exception, suspended specie payments on the thirteenth of October last. This was followed by those located in the cities of Albany, Troy and Brooklyn, and generally throughout the State. Although quite a number of what may be called country banks continued payment in specie of all demands presented at their counters, the suspension of the banks in those cities was operatively a suspension throughout the State, owing to the provisions of the law of 1851, compelling all banks located out of the cities above-named to redeem their circulating notes at one quarter of one per cent. discount, through an agent located in one or the other of them. It is the duty of the Superintendent of the Banking Department, in his annual report to the legislature, to "suggest any amendment to the laws in relation to banking by which the system may be improved, and the safety of the bill-holders and depositors may be increased."

The banks of this State having suspended specie payments on the 13th October last, renders this duty somewhat embarrassing. The suspension, with overflowing granaries, exemption from pestilence; neither internal insurrection nor foreign invasion; our country at peace with every nation of the earth; without a single cause in operation that produced the two former suspensions of the banks of this State, or, I may say, nation, it stands alone without precedent, and without apparent reason, derived from past experience. There is no question upon which the minds of men will so differ as the causes which produced this catastrophe, and the results to follow it. The Superintendent feels that in presenting his opinions upon this subject, his views are liable to run counter to those of men of greater research and experience than himself; still, in the performance of his duty, he will frankly present his convictions of the causes that produced this general disaster to the banks and the people of our State, and their preventives for the future. The suspension of all the banks in the United States, (except those of New England,) in 1814, was placed upon the fact that we were at war with Great Britain. That of 1837, upon the indebtedness of the country to Europe. At that period of time we were importers of the very staple productions of our soil, and payment could only be made in coin or bankruptcy. The banks of New York struggled for some

months against the latter alternative, when the price of exchange on, I may say, Europe, became such that necessity compelled a suspension by the banks, of not only New York, but of the whole United States. Although it may be found, upon examination, that the banks had placed themselves in imminent danger, both in 1837 and 1857, of suspension, to other causes than those of 1837 must be traced the suspension of 1857. Let us remove the mystery that surrounds the business of banking, and endeavor to see what practical banking is in this State. The law defines banking to be "discounting bills and notes and other evidences of debt; receiving deposits; buying gold and silver bullion, foreign coins and bills of exchange; by loaning money on real and personal security; and by exercising such incidental powers as shall be necessary to carry on such business." These functions can be carried on in this State by any individual or individuals, as copartners, each liable to his creditors to the extent of his or their entire property. To concentrate capital and at the same avoid this liability, extending as just stated, associations are formed under our general bank laws, the liabilities of the associates extending to simply paying their proportion of the indebtedness of the association, (if necessary to liquidate its debts,) not to exceed the amount of stock owned by each individual. To reach this limited liability, the associates must file the proper certificate in the office of the Superintendent of the Banking Department, and deposit in that office \$100,000 of the securities required by the act to authorize the business of banking, passed in 1838, and the various amendments thereto. The association thus formed demands circulating notes of the Superintendent, if it so chooses. The taking of circulating notes from the department for securities thus deposited, rests entirely at the option of the associates. They are a banking association with the limited liability above described, whether they receive notes from the Bank Department or not.

The mass of our banks in this State, with an occasional exception, in the interior, (excepting those incorporated by special charters, whose corporate powers have not expired by the terms of the acts creating them,) are associated institutions with a limited liability. Having thus stated the liability and the method of forming a bank, the practical working of the system is the real question for consideration at the present moment. To illustrate this, the New York Clearing-House presents the best solution. The banks of New York city meet daily through their agents at a common centre. Their respective debits and credits against each other are there liquidated; if, on this general settlement of balances, A is found a debtor bank, the balance is paid to his compeers in specie; the Bank of America being the deposit bank for the different parties in interest. In other words, if A is found to have incurred liabilities above the amount of his demands against the whole of the banks admitted to the Clearing-House, his specie reserve in the Bank of America is correspondingly reduced, the Bank of America holding this specie reserve as trustee for the different banks.

The wisdom that created this system of settling at a common centre the balances against each other of the bankers of the city of New York, the Superintendent does not question, and cordially admits its conservative and healthful action. Still, this is only a process, and it does not show, except as between the banks themselves, what banking is, practically, in this State. An error in principle, in banking, is no less an error if concurred in by all the banks in the city of New York or of the State itself. To designate

banking in the fewest possible words is to say, "it is an exchange of credits," nothing more, nothing less. In other words, the bank using its capital and its credit, particularly the latter, to attract depositors, (and circulate its notes, if a bank of issue,) while it undertakes to pay on demand all its liabilities thus created, and is forbidden to issue its promises to pay in any form, (except bills of exchange on foreign countries,) unless payable on demand. The means, or rather the money, (the greater proportion of which, is paper promises to pay,) thus drawn to it, is loaned upon notes or other obligations, payable at specific times and places. This method of transacting business, of necessity, places the debt or liability of the banks of this State to their creditors, in one great *call loan*, to be paid upon demand. Their power to pay exists in coin, i. e., absolute money in their vaults, and in the promises of their debtors to pay at specific times and places, and for the exchange of an obligation to pay upon demand, by the banks, when called for, issued in the shape of draft, certificate of deposit, or bank notes, to an individual or firm. It, the bank, takes his or their promise to pay at, say thirty, sixty, or ninety days, using their credit and capital to exact interest therefor.

Now what is successful banking in the city of New York, taking profits to the stockholders as the true test, large deposits may change the rule, but assuming those to be nearly equally divided? Simply carrying the largest debt of good paper, on interest, upon the smallest amount of dead weight *specie*, and skilfully adjusting the balances daily to be struck for and against the bank in the Clearing-House; thus maintaining its credit and standing in that house by the balance there daily presented. To sum up successful banking in that city, (taking the question of immediate profit to stockholders as its true test, and this would appear as the standard there, with an occasional exception, when safety to capital invested seemed to be the rule of action, instead of large yearly profits,) is in incurring the greatest amount of debt payable on demand, with the smallest amount of money (coin) to pay the same when demanded. In other words, it is a trial of skill between the officers of each bank to sustain the largest discounted debt by a floating balance (owned by one to-day, another to-morrow,) of a fair proportion of the coin (on deposit in the Bank of America) with its neighbors; thus enabling them to settle balances with each other; and they in the struggle to keep each his proportion of the specie rest, seem to have lost sight of the alarming fact that the reserve steadily decreased, while the great *demand loan* as steadily enlarged. All community of interest, all concert of action, as the crisis approached, was apparently, if not actually, abandoned,—all forgetting the maxim of "united, we stand; divided, we fall." The result, (unavoidable perhaps, under the circumstances,) certainly strengthens, if it does not prove, the truthfulness of the adage. The interior banks, outside of our large cities, where balances are settled by the banks every day, from their proximity, operated like the New York Clearing-House with each other, balances being paid by draft upon New York; and the compulsory redemption of country bank notes (the chief element of profit to a country bank) at one-quarter of one per cent. in either the city of New York, Brooklyn, Albany or Troy, placed the question of profits in banking in the skilful adjustment of balances, by bank officers, upon the same footing throughout the State.

That this system has heretofore worked well in connection with a se-

cured currency, no one doubts, and every well informed man, the Superintendent thinks, will see, upon examination of our present position, that the error of the day has been in considering a specie basis of, say one to eight or nine of immediate liabilities, sufficient to sustain specie payments, unless entire confidence was maintained between the debtor and creditor. About this amount of certain and immediate means beyond contingency to meet any demand, except a foreign one for coin, was sufficient, as experience had taught us in former years. The result, at this period of time, has shown the reverse of the fact. The banks of this State have suspended specie payments from a home demand for coin alone, and the really great question to decide is, what the proportion of immediate and certain means, *i. e.*, coin in the hands of the banks, should be, as compared with their *demand loans* from the public. By demand loans the Superintendent means deposits and circulation. This suspension of our banks was so remarkable and unexpected to the bankers themselves and the public generally, that it may be well to look around us for some of the causes that tended to produce it. An examination of the census will show the remarkable fact that no agricultural county in this State, (with perhaps a single exception,) not having within its borders a city or large manufacturing village, has increased in population from 1840 to 1855. This State contained a million more inhabitants at the census of 1855, than shown by the same process in 1840.

This great increase of population has sought and obtained other pursuits than those that, through agriculture, add material wealth to the State. They have aided in urging the channels of trade and commerce far beyond the accumulation of capital necessary to sustain those pursuits; and have probably added hundreds of millions of credits, all to be liquidated upon a basis sufficiently small for the safe transaction of our business in 1840. Again, look for a moment at the personal habits of expenditure at the present day, of our citizens, as compared with that of 1840. The very condition of our social position, our rank in society, our respectability, I had almost said, at the present time, would seem to depend upon the extravagance of our personal expenditure, or in the amount of business each man does if engaged in trade or commerce, as his wealth is usually measured by the number and magnitude of his transactions. It is humiliating to say so, but where is the man with eyes to see and ears to hear, that doubts for a moment the general truth of the remark? This very element existing among us from the very nature of our government and social institutions, must and will force our people forward in the pursuit of immediate wealth, and consequent expansion of credits. This puts the experience of the past at defiance, and could we look into the future movements of capital, impelled by credit, we could calculate our monetary eclipses with all the certainty the astronomer predicts those of the sun and moon.

Again, the discovery of gold in California, while it stimulated us in extravagance and expenditure, also gave a very natural acceleration to our credit system; and while we hailed with joyful hearts and greedy hands the treasure-freighted steamship from California, and based our business and consequent extension of credits upon its receipts; we forgot that it only liquidated our foreign instead of our domestic debts, and quietly left our wharves in a Liverpool steamship, to pay for the silks, the diamonds and other adornments of our persons and our houses. The receipt of gold from California has been a

delusion instead of a warning to us. Its arrival was heralded as an evidence of increased prosperity, while its departure was hardly noticed. It was like the stimulus given a patient with a deadly and fatal disease; the postponement of it produced a corresponding acceleration to the end of the drama. Who does not remember how quick the fearful sacrifice of life was forgotten in the anxious inquiry as to the amount of treasure lost in the ill-fated Central America?

Again, see the immense amount of credit obtained and demanded by corporations, and at what rates of interest. Their bonds were pronounced by men, whose reputation for integrity and sagacity were second to none, to be perfect security. Capital was seduced from its legitimate investment and employment, and the merchant and business man entered into a contest in the arena of Mammon, with corporations in the hands of men, as soulless as the things they represented. Is it astonishing that commercial credit became crippled, that money became scarce in Wall street, and that merchants began to fail, with such competitors in the money market? The operation and effect of the "Act to prohibit corporations from interposing the defence of usury to any action," passed April 6th, 1850, have been more disastrous to both capital and credit than any other single cause; and the Superintendent believes it to have been one of the main foundations of the immense superstructure of credits that finally overpowered capital. The title of the act, judging from its practical effect, should have been "An act authorizing railroads and other corporations to pay usury." The act simply meant to prevent the commission of legal frauds by corporations upon parties lending them money. Desperate speculators have used it to put forward desperate enterprises; and the capital of really valuable investments has become comparatively worthless under the sacrifices (permitted by this act) made to obtain money to complete them. Stockholders themselves have been tempted to invest in this class of corporate securities at the large rate of interest they proposed to pay, offered as it was by directors of their own choice. Results have proven, in many instances, that it would have been wisdom to have submitted to the original loss, rather than to have raised money at such frightful sacrifices.

Again, the increase of the number of banks, both in the city and country, steadily reduced the average time of their circulation, particularly of the country banks, whose capacity to discount lay mainly in their circulation. The interior banks had been for several months sustaining a steady reduction in their deposit line. This resulted from a disposition of the inhabitants in the interior counties to purchase land in the far West. Whole neighborhoods were inoculated by the return of a person, fortunate in his location of either agricultural lands or lots in an embryo city. The most tempting offers were made and acceded to, in very large amounts, to raise money East for use in the West, by promising land security with interest at from 20 to 30 per cent. per annum. Men of capital not only used their own means, but were ready borrowers at our rate of interest for the purpose of investment there. A most pernicious practice also prevailed, not only in the country but also in the cities, of paying interest upon deposits by the banks. This practice accelerated the volume of currency, and curtailed the circulation of bank notes. Still more evil in its effect was the practice of the city banks paying interest upon country bank balances. This was stimulating the debt-creating process fearfully. The city bank



paying interest upon those balances is, of course, compelled to loan them, or suffer a direct loss upon them. The bank having a balance due in the city of New York, Brooklyn, Albany, or Troy, is allowed to tender a draft upon that balance in payment of a demand made at its counter. It (the balance) is counted as, and is, specie funds, and discounted upon, while its depository in either of the cities is lending money upon the strength of that balance. It is possible that the amount may be loaned upon call in Wall street to bull or bear the stock market.

This operation of paying interest for balances between the banks themselves, constantly promotes an increase of bank credits beyond those required by a healthy trade and commerce. It does not inflate the currency, it only accelerates its movements, but creates an unhealthy, unnatural, and speculative increase of credits, which endanger the stability of bank capital. While the immediate causes that produced the suspension of 1837 and 1857 are materially different, it is perhaps well to look at the actual condition of the banks of the State at those periods, derived from their last annual and quarterly reports. The immediate liabilities, payable upon demand on the 1st of January, 1837, say four and a half months before the suspension, were:

For circulation .....	\$24,198,000
Due Canal Commissioners and United States deposits .....	14,559,000
Due depositors .....	19,342,000
Difference, in due to and from banks .....	1,630,000
	<hr/>
	\$59,729,000
The notes of solvent banks held by each other should be deducted as an exchange, reducing the circulation that amount.....	\$12,487,000
Also, checks and cash items .....	3,268,000
	<hr/>
	15,755,000
	<hr/>
Total immediate liabilities.....	\$43,974,000

The total amount of specie held by all the banks of the State on the day above mentioned, was \$6,557,000, or one dollar in coin to pay six dollars and seventy cents of immediate and pressing demand loans. Let us now look at their condition on the 6th of June, 1857, four months and seven days before the late suspension. Immediate liabilities payable on that day, were:

Circulation .....	\$32,895,000
Due individuals and corporations other than banks and the Treasurer of the State of New York .....	4,264,000
Add difference due to and from banks.....	15,676,000
Due depositors .....	104,350,000
Amount due not included in either of the above, (this amount probably savings deposits) .....	1,754,000
	<hr/>
	\$158,439,000
The notes of solvent banks on hand should be deducted as an exchange reducing the circulation .....	\$3,098,000
Also checks and cash items.....	23,737,000
Allowing the amount due from brokers as cash assets.....	3,906,000
	<hr/>
	30,736,000
	<hr/>
Total immediate liabilities.....	\$127,703,000

The total amount of specie held by all the banks in the State on the day above mentioned, was \$14,370,000, or one dollar in coin to pay eight dollars and eighty-nine cents of immediate and pressing demand loans. The allowance of the checks and cash items to the immense amount of \$23,737,000, as immediate means, certainly presents the position of the banks in as favorable a light as the facts will admit, to say nothing as to the doubtful propriety of calling "loans to brokers" immediate assets. The operation of the banks of this State had shown unusual steadiness from the December, 1856, quarterly report to the June, 1857 report, increasing their loans and discounts from \$183,557,000, in December, to \$100,808,000 in June; also increasing their coin from \$11,393,000 to \$14,370,000 during the same period. The only weakness, (if I may use the term,) shown by their June statement, was an increased liability to their depositors; that line rising from \$94,000,000 to \$104,000,000, while their circulation fell about \$1,000,000 during the same time.

The position of the banks in June did not and could not excite the fears of the most astute and timorous banker in the State. Foreign exchange ruled rather in favor of New York. That had always been the barometer by which the banker sailed his bark. He could remember, perhaps, when he was driven to the wall by a foreign demand for coin; but he little dreamed of a mutiny in his own ship, with the very earth teeming with agricultural wealth. Their position on the sixth of June, we see now, was one of great danger. Experience, for the first time, has shown the bankers of New York that there is such a thing as suspending specie payments from an internal demand for coin. The months of June, July, and August passed without alarm, although a steady and increasing stringency was observable in the money market. It was felt in both city and country; shown to the country bankers by the increasing amount of their bank note redemptions—to the city banker by increased offerings for discount and the rise of interest in Wall street. The failure of the Ohio Life and Trust Company, with large business connections in New York, and of good credit, was the first distinct muttering of the storm so soon to overtake us. This was followed by that of the Mechanics' Banking Association of New York, one of the oldest free banks in the State. The suspension of the Pennsylvania and Maryland banks followed. Two or three of our incorporated banks stopped, and went into the hands of receivers. Still, but little or no panic had seized depositors or note-holders. The faith of the people of the State remained unshaken in their banks and currency. No bank went to protest until the 4th of September, and that only for \$250, by a broker. On the 12th another, and another on the 15th, all for small sums.

While there was a quiet demand for specie in small sums on most all of our banks, nothing like panic seemed to prevail; and although occasional runs were made upon the savings banks, they subsided in a day or two. As September drew towards its close, the pressure upon the country banks, to redeem their circulation at the Metropolitan and American Exchange Banks, was beyond precedent. Those banks began to throw out the notes of some that might possibly be called the weaker ones. A portion of the interior banks and bankers began, about the 20th of September, to return their circulating notes, and withdraw such amounts of stocks as the construction given by this department to the acts of 1840 and 1844 permitted.

In other words, to reduce their securities to \$100,000 if an association, and \$50,000 if an individual banker. It soon became evident that some of the country banks, particularly those whose capital was mainly in their securities in the Bank Department, for which they had received circulating notes, could not sustain this accelerated redemption of their notes at the Metropolitan and American Exchange Banks.

An effort was made to convince the Superintendent that it was within his jurisdiction so to construe the 5th section of the act of 1838 as to permit the withdrawal of securities on the return of circulating notes, below \$100,000 for an association, and \$50,000 for an individual banker, these amounts being required by the acts of 1840 and 1844 to be placed in his hands before commencing the business of banking. This he declined to accede to, believing it to be against the spirit and intent of the statute, and also of doubtful expediency as a measure of ultimate financial relief. It was a fair matter for judicial construction, and he consented to make a case for such a decision. The Supreme Court of the third judicial district decided the question against his convictions and the practice of the department from the passage of those acts of 1840 and 1844. The Superintendent acquiesced in the decision, it having the force of a full bench at general term. From the moment that decision was announced, the beginning of the end was clearly seen in this department. As fast as an interior bank could master its circulation, either in large or small amounts, it was enabled to procure a portion of its stocks to meet its engagements in New York city. This, while it temporarily relieved them, fearfully depleted the deposits of those of the city; and this, too, of that sleepy and quiet kind, the most desirable and reliable in their possession. This continued from the 1st to the 13th of October, inclusive.

The amount of stocks returned to the interior banks from the 1st to the 13th of October inclusive was.....	\$1,848,826 42
The amount of bonds and mortgages.....	387,929 00
Stocks returned to banks in New York and Brooklyn.....	404,667 00
	<hr/>
Total amount surrendered.....	\$2,641,422 42
From the 26th to the 30th of September, inclusive, the former day being the one on which the quarterly report was made, the banks of the interior received from this office	
Stocks.....	\$356,200 00
Bonds and mortgages.....	126,665 00
Stocks surrendered to New York and Brooklyn banks.....	73,812 00
	<hr/>
	\$556,677 00
	<hr/>
Total amount surrendered from September 26th to October 13th, inclusive.....	\$3,198,099 42
The amount of stocks surrendered the interior banks more than that placed in the Department, from June 6th to September 26th, the dates of the two last reports, was.....	\$587,898 82
Bonds and mortgages.....	116,899 66
	<hr/>
Total.....	\$704,298 48

These figures show the gradual but increasing pressure, particularly upon the interior banks, during June, July, August and September. From the 1st of October, when the decision of the Court permitting banks to reduce their securities below \$100,000, by return of their circulating notes, and individual bankers below \$50,000, upon the same terms, the transac-

tions of the banks and bankers with the department evinced, on the part of those located in the interior of the State, a strong disposition not to suspend payments until the New York banks set the example. The interior banks, with but few exceptions, succeeded in having the honor of striking their flag, after those of the city of New York. Whether the glory will cover the loss, remains for them to learn after examining their profit and loss account. The Superintendent believes that in producing this result, the cost to the interior banks was at least half a million of dollars in positive loss, and depreciation of their remaining securities; and that its only effect was, to prolong the actual suspension, perhaps a week at the farthest. The immediate cause, or rather the one that tended mainly towards suspension about the 1st of October, was the redemption of bank notes at one quarter of one per cent. in the city of New York.

That the notes of the free banks and bankers in this State possessed a strength with the public beyond any in the world, is fully confirmed by the fact that they, with those of the incorporated banks that stood through the ordeal of October, until the 13th, instantly after the suspension, became the basis of settling balances between the New York banks, in the Clearing-house in that city. Still, up to the 13th October this currency was thrown out without hesitation by the Metropolitan and American Exchange Banks, when the account of the bank issuing it was not good for the full amount presented for redemption; and when thus thrown out, the bank was immediately posted in all the newspapers in the State as failed. In making these remarks, the Superintendent does not blame or intend any censure upon either of those banks. The suspension was preceded by a desperate struggle between all the banks themselves, and distrust and fear of currency was more apparent among them than with the public generally. The Superintendent feels that the immediate liabilities of the banks of this State had been carried up during the preceding summer to the very verge of prudence. Still, they were able to meet all ordinary demands, but their means were utterly inadequate to meet a foreign demand for coin, or a panic among their depositors and bill-holders.

The fact that about the 1st of October a list of more than thirty failed banks located in this State was to be seen daily in our newspapers, began to tell fearfully among the public generally. The merchant, the mechanic, the grocer, and the butcher, began business in the morning by examining what broken banks had been added to the list of yesterday; and their customers found that the bank note that passed freely yesterday was rejected this morning. It is not to be wondered at that a feeling of distrust and alarm began to prevail throughout the State in relation to our banks. Still with a large majority of our currency secured by deposit in this department, a general suspension could not and would not have taken place upon currency alone. The currency had been largely contracted during the month preceding the actual suspension, and it could not have been withdrawn from its necessary and actual use in quantities sufficient to produce such a result. A more fearful and mightier power lay dormant, as yet, behind this disturbed currency; the depositors in our banks, usually quiet, stable and reliable. The scarcity of money in the city of New York among the merchants and business men continued to increase steadily and surely during September; the rate of interest also steadily advanced. This tended to reduce deposits, and after a few spasmodic attempts at expansion of loans

and discounts by the banks in that city, a steady and fearful contraction was begun.

In New York city it became a question of the suspension of the banks or the merchants as a body. Capital in the shape of deposits, for the first time in the history of this country, and I think I may say in the world, sided with the business men and against the banks. The great concentrated *call loan* was demanded, and in such amounts that a single day's struggle ended the battle, and the banks went down before a storm they could not postpone or resist. This result has demonstrated, and that, too, in tones that cannot be mistaken, and should not be forgotten, that a basis of one dollar of coin to nearly nine of immediate liabilities, will produce a home panic of bank creditors, and a home demand for coin. As before remarked, this suspension stands alone, without precedent. The teachings of experience could not avail the bankers. No state of things like the present had ever before been approximated. The most sagacious banker in his most apprehensive mood, never for a moment deemed it possible to have a general suspension in this State from a home demand for coin, while coin itself was at little or no premium with the brokers. This result sets at defiance the experimental knowledge of the oldest and most successful bankers in the State. What should both the banker and the public learn from our late suspension? In the opinion of the Superintendent, the simple lesson, that a system of paper credits may be so enlarged as to render the position of our banks one of imminent peril, even with a contracted currency. That the greatest danger to the banker, as well as to the public, lies in the large amount of his deposits, and the least in the currency he issues.

This is heresy as compared with opinions heretofore entertained upon this question by men of experience. To show that bank notes were considered in former times the liability which was supposed to be dangerous to the public, and consequently to the banker, the legislature, in the last section of the act of 1838, "Authorizing the business of banking," compelled each association to keep twelve and one-half per cent. of its circulation in specie. It was soon repealed, and is given only as an evidence of the then belief of the public.

The idea that deposits were a dangerous element to the banker, six months ago would have stamped its promulgator as a tyro in banking. The lesson that this suspension has taught, cannot and will not be lost upon bank officers and directors who feel the responsibility of the trust committed to them. The test of successful banking hereafter will be, (as it should,) not in the large amount of dividends declared, but in the ultimate safety of the capital invested in the business. With a secured currency like that issued by the free banks of this State, no suspension of specie payments, arising from an excess of paper money, ever will or can take place. The element of weakness in banking lies in what has heretofore been considered its strength, its deposits. This has been cherished and concentrated by the pernicious system before referred to, of paying interest upon individual deposits, as well as for balances between banks themselves. This practice, particularly in individual accounts, has been instrumental in changing the very basis of banking, or rather the liabilities of the banker himself; and this too in so quiet a way that, however vigilant he may have been, his experience furnished no warning of his position.

To illustrate this, look at the liabilities of our banks in 1837, immediately previous to the suspension.

Circulation.....	\$24,198,000
Due individual depositors.....	19,342,000

Look at the same items in June of the present year :

Circulation.....	\$32,395,000
Due individual depositors.....	104,350,000

The effect of this practice is to take from its usual channels a large amount of capital and turn our mutual indebtedness into bank paper at short dates. It forces up bank liabilities and turns the entire business of the country into the banks. It reverses the whole system of sound banking, by making banks borrowers as well as lenders of money. It increases the tendency of speculation, by enabling the capitalist to have his money at command for that purpose, with but a very slight loss of interest. It prevents the loaning of money upon bonds and mortgages or other securities, upon the heretofore usual length of time. It curtails the circulation of bank notes, by the inducement offered in the shape of interest for their return to the borrowing bank, and thence for redemption to the issuing one. The payment of interest on deposits in particular localities may have proved somewhat profitable, but as a general rule it is not the fact. The difference in the rate paid and received, is hardly sufficient to guarantee even bank receivables. As before said, it unnaturally forces the mass of our credits into short paper, and swells the liabilities of the banks without corresponding profits for the double risk of the operation. While the regular deposits without interest (the amount depending upon the locality and business connections, and influence of the banks' managers,) are comparatively reliable, exactly the reverse are those upon which interest is paid. They lie there waiting the chance of better investment, and a fall in the value placed upon property reduces them, while a rise of the same swells their volume. The Superintendent is old-fashioned enough to believe that any attempt on the part of a bank to increase its deposits by the payment of interest upon general account, or upon daily balances, is wrong in principle and pernicious in its consequences.

To this it may be answered, that these deposits so far beyond currency, furnish proof of the increase of wealth or capital. This is true; but to suppose that capitalists allowed over \$100,000,000 to be idle in the hands of the banks, is simply absurd. A moiety of that sum had been placed there as a temporary investment upon interest. Experience must and will now correct this fundamental error, heretofore so prevalent with our bankers. The remedy lies with them; its correction is beyond legal enactment. It may be asked, and with great force, of the Superintendent, "why dwell upon the causes that produced a suspension of specie payments by our banks?" They have resumed practically throughout the State. The suspension, as before stated in this report, is without precedent, and the resumption is of the same character. That the banks of this State should suspend specie payments on the 13th of October last, with foreign exchange below par, with abundant crops, with specie at one quarter to one half per cent. premium, is a phenomenon only equalled by their resumption on the 11th of December following. The wreck of corporate capital and of pri-

vate fortunes during the past year, not caused by the suspension of our banks, but intimately connected with it, must form the excuse of the Superintendent for the time and space devoted to what he deems the causes of such suspension.

The first step in the direction of a resumption of specie payments by the banks of this State, was the adoption, on the 7th of November last, of a series of resolutions by the New York Clearing-house, requiring the country banks to resume on the 20th of the same month their usual daily redemptions at the Metropolitan Bank of that city, at the legal rate of one quarter of one per cent. discount. The city banks holding in sealed packages of \$5,000 each, nearly \$7,000,000 of the currency issued by the banks of the interior. Also requiring those banks to resume the payment of these notes at the rate of 20 per cent. monthly, commencing on the 1st of January, 1858; and requiring interest to be paid at the rate of six per cent. per annum, from the 1st of December, upon the notes thus sealed up, and in use by the city banks. That these terms were liberal on the part of the city banks, no one will question.

The practical effect of this process was simply to force the banks of the interior to an actual resumption of specie payments upon all their outstanding liabilities, except upon such of their notes as were sealed up in the Metropolitan Bank. This balance being required to be paid in monthly instalments of 20 per cent., commencing on the 1st of January, places that portion of their debt in the condition of a special loan from the city banks. This arrangement will undoubtedly lead to the winding up of several of the interior banks. Of this effect, no cause of complaint can reasonably exist. The terms, as before stated, are liberal, and a bank that cannot recover itself under this arrangement had better, for the interest of both its stockholders and creditors, go into liquidation. Still, the Superintendent may be permitted to say, that he is far from being satisfied that this arrangement of the city banks will be beneficial to the business of the interior of the State. The amount of country currency under seal in New York has steadily decreased since the 1st of December, as fast as the interior banks could retire the same. The fact that the amount is placed upon interest at 6 per cent. per annum, will make them use every possible exertion to retire it, they receiving but 7 per cent. upon their discounted debt, the margin is so insignificant that every prudent interior banker will curtail his line of discounted paper, to master his circulation as fast as possible.

The line of discount maintained by the interior banker rests mainly upon his circulation. The interruption of business at present must naturally curtail the circulation of country bank notes. They must be paid upon the conditions of the resolution of the 7th of November; and they will be, from a reduction of the line of discounts of the country banks, or by the securities lodged in this department. These are briefly the reasons why the Superintendent believes the operation of the resolution will not act beneficially upon the business interests of the State. Others might be added, and perhaps of greater force.

Let us look at the effect produced upon the city banks by their own action. The resolution of the 7th of November involved the necessity of a sudden return to specie payments by the New York city banks. Two reasons are apparent for this result; the resolution forced them to this posi-

tion, and that, too, whether they were ready for such action or not. The first, was the compulsory retiring of the country bank notes which had been used in the Clearing-house for the settlement of balances between the New York city banks. These had been used instead of coin for that purpose. When retired, that settlement could only be made in coin, of course. Another, was the fact that the notes were to bear interest at six per cent. per annum. If money became plenty, every evidence existing that such would be the case, what banker would pay his balance in the Clearing-house in country bank note certificates, with a surplus of specie in his vaults? If he did, the loss was at the rate of six per cent. per annum upon that balance, they being secured by deposit in the Bank Department, and guaranteed by the banks themselves; he refusing by that act to hold the best possible paper at six per cent. As before remarked, it forced a resumption upon the city banks by the first of February, at the farthest. They by that resolution deprived themselves of the standard of value (next to coin), they erected immediately after the suspension, and of necessity went back to coin in their settlements, or balanced their accounts by their mutual promises to each other. It required but little sagacity to see the effect of the action of the New York Clearing-house on the 7th of November last.

A suspension of specie payments is looked upon by the world as an unmitigated evil, and is always supposed to be followed by an unlimited expansion of paper money. That this has been its usual result is fully admitted. This suspension has produced no such result; it has been followed by a steady and certain contraction of our currency. The Bank of England virtually suspends specie payments for the purpose of enlarging her circulation. The wisdom of the action of that bank, and of the bankers of New York city, is to be shown by the respective dates of their several resumptions, or rather on the part of the Bank of England when she returns to the legitimate provisions of her charter. The effect of either course of action upon the business relations of their respective countries, the Superintendent is not desirous of discussing.

While the Superintendent admires the courage that prompted the bankers to a return of specie payments, and at a time when all Europe is in a monetary convulsion, he cannot refrain from saying that it is rather a fearful experiment to make at this present moment. It would hardly appear to him that the paper credits of our country had approached sufficiently near to its capital, by settlements and liquidation of our mutual indebtedness, for a resumption of specie payments. The divergence of these two elements led directly to the suspension; and time alone can place capital and credit in such approximation as to produce a healthy trade and commerce. Another, and I may say, the great element of liquidating our indebtedness to each other, particularly that of the country to the city, is the bountiful crop our country is blessed with, not a tithe of which has been moved from the granary or corn-crib towards the seaboard. While a return to specie payments is always desirable, as a general principle, and the Superintendent congratulates the bankers of the State upon such a result—he cannot but express the opinion, that a resumption, although entirely successful, may cripple, or at least embarrass the business interests of our citizens at the present time.

It appears to him that the process of payment and liquidation of our



indebtedness to each other, must be far short of bringing capital and credit into such a relative position, as to enable the business of our citizens to resume an energetic and healthful action. This is merely an individual opinion, and has no basis derived from past experience. He hopes the results to the business of our State may be as beneficial, as the motives were honest, that prompted this sudden resumption. A general suspension of our banks, followed by a resumption in sixty days, is an enigma that time alone can solve. It confounds all calculation as to its ultimate results, and defies all experience of the past. It teaches one great lesson, that credit may be so cherished and stimulated among us, even with a contracted currency, as to endanger capital, however safely it may have entrenched itself; and places upon record for future use and warning the fact, that the banks, with only one dollar in coin to nine of immediate liabilities, were broken by our own citizens as a measure of protection to themselves. And that while expanding a line of loans and discounts is agreeable, easy, and apparently profitable to the banker, the consequent contraction that must necessarily follow an imprudence in expansion, is a process dangerous both to himself, as well as his customers.

The preventive for a future suspension of specie payments, can only be drawn from past experience. Without returning to the peculiar causes that produced such a result in October last, it appears to the Superintendent, that a categorical answer to the plain question, Why did the banks suspend specie payments? will teach what is necessary to prevent its repetition. That answer is, they did not have coin enough to pay the demands made upon them. If the truth of the answer be admitted, the remedy for the future is clearly apparent. In other words, it is not safe for bank capital or the public, to permit the banks of this State to owe, say eight or nine dollars of demand loans, to one dollar of specie in their vaults. The Superintendent feels that he will be met at once, in assuming this position, by the assertion that the solvency of a bank does not depend upon the specie in its vault. In other words, that a bank may be perfectly solvent with but little specie, or insolvent with a large amount on hand. This is abstractly true. The folly of the assertion is, in its application to bank indebtedness. The real solvency, speaking practically, of a bank, is its immediate capacity to pay the demands upon it, not in its ultimate power to pay those demands. To illustrate the difference between the remark as applied to bank indebtedness, and of individual credit, the one proposes to pay upon demand, the other at specific times. The answer of a bank officer to a depositor or a bill-holder, on demanding pay, that the bank was perfectly solvent, and that he would pay him in sixty or ninety days, would be hardly satisfactory, even if they knew the bank to be entirely solvent. The taking of the note and the making of the deposit, were both based upon their convertibility at pleasure. The bill-holder and depositor might both starve while waiting for the ultimate solvency of the banks.

The basis of a bank's credit rests solely upon the convertibility of the evidences of its indebtedness. It is idle to talk of the ultimate solvency of a bank to a creditor whose necessities require immediate payment: The same principle lies against the receipt of bonds and mortgages by this department as security for circulating notes. They are ultimately perfectly good. The condition and use of currency is such, and I may add, of deposits in bank, that immediate convertibility is the true test

of practical and useful solvency in any bank. The first step towards establishing by statute what amount of coin a bank shall keep, as compared with its immediate liabilities, must be to look at the operation of the law compelling the redemption of bank notes, at one-quarter of one per cent. in the city of New York, Brooklyn, Albany, or Troy. The balance due an interior bank in those cities is equal to coin, to say the least. It represents coin for the use of the interior banker, though only a credit, and it would be unfair to require a certain home specie basis of a banker, whom the law compelled to redeem his notes in one of those cities.

The true method for the enforcement of the quarter per cent. act would be for the interior banks to organize a Clearing-house of their own in the city of New York or Albany. The action of the Metropolitan and American Exchange Banks has literally produced a country Clearing-house for bank notes in New York, and its operation has been any thing but beneficial to the interior banks. The distinction between the New York Clearing-house and the country one (made by those banks) lies simply in this: In the one, if A was debtor and B creditor, their locality was such that they could meet, and B could lend A if he chose. The debtor and creditor bank meet face to face in the city Clearing-house, and adjust their balances. Exactly the reverse is the condition of the country banker in his Clearing-house. While A was a creditor to a large amount, B was posted as a suspended bank, and simply for the reason that the parties were so isolated they did not, nor could not, avail themselves of their aggregate credit balances.

To present the actual condition of the banks in this State on the 26th of September last, as shown by their verified returns, in connection with the position of the interior banks and those of the redeeming cities, the Superintendent has prepared the following table:—

The reports of the banks in the city of Troy, show the fact that there was	
due them from banks.....	\$379,716
Due to banks.....	818,130
	\$438,414

The city of Albany presents an aspect exactly the reverse:—

Due from banks.....	\$2,229,916
Due to banks.....	2,058,369
	171,547

The condition of the Brooklyn banks at the same date was—

Due from banks.....	\$269,509
Due to banks.....	98,851
	\$170,658

The New York banks presented a very weak position in their items of due to and due from banks, perhaps a necessity of their location at the commercial head of the whole country.

There was due to banks from them.....	\$13,894,055
Due from banks.....	6,785,049
	\$7,159,006

The condition of all the interior banks out of the four cities before mentioned, was—

Due from banks .....	\$4,151,835
Due to banks .....	2,397,858
	<hr/>
Balance due interior banks.....	\$1,753,977
The balance due to banks by the four cities inclusive, was.....	\$7,855,215
Deduct due country banks.....	1,753,977
	<hr/>
Balance due to each other, and to foreign banks.....	\$5,601,238

This would appear to be a sufficiently large balance due from them to foreign banks and to each other; and there is but little or no doubt upon an examination of the general position of the country banks' accounts, and those of the different cities, that the redeeming banks in the city of New York, making a liberal allowance for a very large balance due foreign banks, were debtors to the interior ones, as a body, over \$1,000,000; while a portion were posted daily in that city under the quarter per cent. system, as failed or suspended.

Allow the banks of the interior to concentrate their creditor balances, to be used for mutual benefit, at a common centre of redemption, and under an organization which can prevent individual loss to each, and it would hereafter be unnecessary to have bonfires of bank notes in the Bank Department, to enable country bankers to redeem their notes in the cities before mentioned, by a ruinous sale of their securities deposited in this office. The Superintendent commends to their consideration the old fable of the bundle of sticks; separated they are weak; tied together by a string of their own making (a clearing-house for country bank notes), strong and impregnable.

The necessary use of currency in the daily demands for its use, not connected with large mercantile transactions, it being secured dollar for dollar by the very next property to coin in permanent value, prevents its concentration in such amounts as to endanger a suspension of specie payments by the banks of this State, upon their circulating notes alone. The convenience of the currency is such that its safety only is desired by the public. As an evidence of the stability of our currency, the Superintendent may be permitted to say, that as soon as business enabled him to leave his office, after the suspension, the securities of the only then failed free bank (the Island City Bank of New York), whose securities he had the right to sell, for the redemption of its notes, were sold within ten days after the suspension, and the notes promptly redeemed by his agent, the Bank of the Manhattan Company in New York, at par. It is proper to say these notes were secured by the stocks of this State alone.

This brings the Superintendent to a statement of what he deems necessary to the stability of bank capital, and the security of the public, both as debtors and creditors of those institutions. In using the words debtor and creditor in juxtaposition, the Superintendent means that their interests are in a measure identical. An error in expansion of loans and discounts is followed by a more complicated one in the necessary attempt at a consequent contraction. The carrying of what may be called a spasmodic line of loans and discounts, implies any thing but capacity in banking, and is dangerous not only to the debtor and creditor, but also to the stockholders.

The maintaining under adverse circumstances a steady line, is evidence that it was not carried beyond what prudence dictated, even in prosperous times. Apply this principle to bank statements, and it does not require much sagacity to learn where the borrower, the depositor, and the stockholder should do their business and invest their money.

The *first* proposition of the Superintendent is a country clearing-house, to be voluntarily established in the city of New York or Albany, by the interior banks. Abundant power exists for that purpose in section 8, chapter 202, of the laws of 1840.

*Second.* To amend the general bank law, preventing hereafter the receiving of bonds and mortgages as security for circulating notes, in the Bank Department.

*Third.* To compel, by law, all Safety Fund or incorporated banks to have, on the 1st of July next, one-third of their actual circulation in secured notes; one-third more by the 1st of January, 1859; and all on the 1st of July, 1859.

In using the term, actual circulation, the Superintendent means, after deducting the amount in their vaults of their own notes, from that they are entitled to use or have received from this office. It may be objected to this measure, and with some force, that those banks, paying as they do one-half of one per cent. per annum for the redemption of the bank fund stock, they should enjoy their present privilege of circulation without depositing security in the bank department. The answer to this is, they are paying an old debt incurred as partners in a system that did not secure the creditors of those that failed long ago. The legislature, instead of compelling immediate payment or abolishing the system, allowed the debt to be funded, thus making the final payment comparatively easy, and continued the special privileges of that class of banks. It is hardly necessary to say, that since their mutual debt was funded, one of that class of banks (the Lewis County Bank) has failed, and its bills will be without doubt a total loss, unless the legislature devote to their payment whatever remnant there may be of the bank fund after paying its present liabilities. Three others have failed during the present financial difficulties: the Reciprocity, [late Sackett's Harbor], the Yates County, and the Bank of Orleans. While the Superintendent hopes that their notes may be paid from their assets, including the personal liability resting upon their stockholders, he cannot conceal from himself that the process will be so slow that a heavy loss will be sustained by the owners of those notes, from the necessity of their realizing upon them, and thus put them into the hands of the brokers at a heavy discount.

*Fourth.* To compel every bank, banking association, or individual banker, in this State, doing business under special charters or articles of association, or under certificates filed in this office, to maintain a specie reserve in its vaults of 20 per cent. upon the amount due its depositors. Allowing those banks located out of the city of New York to return, as specie, any balance to their credit in a solvent bank in either the city of New York, Albany, or Troy. The first impression that would strike the mind of a New York banker may be, that this was making an unfair distinction between the banks of that city and those located in other parts of the State.

Let us examine if this is so in fact: New York city being the great

commercial centre, not only of this State, but of the United States, towards which, as a common nucleus, tend all values, whether the products of agriculture, mechanics, the sea, or the mines of the earth. From it in return is radiated another class of values: the manufactured goods or articles of luxury that enter into the consumption of the people of the interior of the whole country. She is the great entrepot of our foreign commerce, and the great point to which the concentrated business and wealth of this continent directly tend. Her natural position is such that her inhabitants must of necessity devote themselves to commercial and trading pursuits. She is literally not only the Gibraltar of this State, but of the entire country, against a suspension of specie payments, whether the demand for payment arises from our foreign credits, or our accumulated domestic debt, leading to distrust and panic among our own people.

Whatever demand for coin in unusual quantities may be made in this State or elsewhere, New York city must furnish it, either through the banks or citizens located within her borders. Upon no other point in this State can come a demand that can lead to a general suspension; and by a necessity that knows no law, the suspension of that city is followed throughout this State and the Union. The demand for specie upon interior banks, having but comparatively small deposits amounts to nothing, as their great debt is for currency, so scattered and of such pressing daily use it can never be concentrated to produce a demand endangering their general stability. Admit that it may for a moment. It becomes a demand upon New York at once, and she is compelled from her locality, and the fact that values, as before stated, tend directly towards her, to furnish the coin. Again, the country banks should be allowed to state as a part of what may be called their specie reserve funds, the balances due them from banks in good standing in the cities above referred to. That balance is better for the payment of country bank debts than coin in their vaults; and I think I may say, that thousands of dollars of their indebtedness is paid by draft upon such balances, where one dollar is paid in coin.

It may be objected to this entire proposition, that it relates only to deposits. True, and why? A secured note is based upon a credit second only to coin; and to show its effective use to the interior banker in time of pressure, I need only refer to the fact, that upon return of notes, there has been delivered of securities held by this department, nearly \$1,500,000 a week, for two weeks in succession, to redeem his circulating notes, which is the great debt of the country banker. This occurred immediately before the suspension, and was stopped by that event. A continuance of the same demand upon this Department for eight times as long, or say sixteen weeks, would have returned to this office every dollar of the circulation of all the banking associations and individual bankers, city and country, and left it without a dollar of its registered notes in circulation, or a penny of securities in its vaults.

The Superintendent does not mean by this to say, that the currency should not be redeemed in specie, but intends to place the specie basis upon the very element that can only lead to a suspension of specie payments in this State, the deposits in bank, and also to place the specie basis at the very point where the attack must of necessity be first made. To show that the specie reserve should be at least 20 per cent. upon the deposits in the New York banks, and that it will not be onerous, or cripple their

usual operations, the following movement of those banks since 1853, is presented: The first fifty-two weekly statements, commencing with the act of 1853, compelling these statements to be published, show the average of specie from the 6th of August, 1853, to and including the 29th of July, 1854, to have been \$11,477,186; and average deposits, \$61,534,623, or nearly 19 per cent. Average loans and discounts during same period, \$90,195,805. The following year, ending July 28th, 1855, averaging again the fifty-two published statements, shows the specie to have been \$14,144,527, and average deposits, \$72,602,679, within the smallest fraction of 20 per cent. Average loans and discounts same period, \$90,059,561. The following year, ending on July 26, 1856, laid the foundation of the suspension, in connection with the causes heretofore referred to in this report. The weekly averages, as published, show that while the specie reserve was reduced to \$13,390,192, the deposits averaged during the same time, \$84,634,249. A loss of nearly a million in the specie reserve, an increase of deposits of over \$12,000,000, and a corresponding increase of loans of over 10,000,000; thus reducing the specie reserve to less than 10 per cent.

The year ending July 25th, 1857, the fifty-two weekly statements show, that the same process was pursued with increased vigor, not to say recklessness. The specie rest fell off to \$11,885,646, while deposits rose to \$92,499,444. The former decreasing nearly \$1,500,000; the latter increasing nearly \$8,000,000. Loans and discounts rising to \$111,174,665. Average specie rest less than 13 per cent. From this point, the weekly average of the 1st of August, shows an increase of loans and discounts from the preceding week, of towards 2,000,000. Same time specie reserve fell off slightly, and deposits rose nearly \$1,000,000.

On the 8th, loans and discounts again rose nearly \$1,500,000. Specie fell off over \$1,000,000. Deposits rose \$500,000. From this day it would seem that both banker and depositor commenced a mutual onslaught; the one upon his line of loans and discounts, the other upon his bank deposits. The banks succeeded in reducing their line by the 10th of October, say nine weeks, over \$20,000,000 the other in reducing their deposits over \$31,000,000. The banks holding their specie reserve quite steady, with occasional slight fluctuations, until the 13th ended by the banks suspending specie payments. One of the strange peculiarities of this whole proceeding is, during this whole time, from August, 1853, to the suspension, the circulation of the city banks scarcely fluctuated \$1,500,000. This fact would seem to clearly demonstrate, that whatever may lead to a suspension, either by a foreign or domestic demand for coin, the currency of our banks, properly secured, is not an element in its production. This proposition of the Superintendent, to compel the banks in the city of New York to maintain an average of 20 per cent. of specie upon their weekly balance, is returning to the point of action voluntarily assumed and sustained by them for two years, from the 6th of August, 1853, to July 28th, 1855. We all remember those years passed prosperously; not only with the people of the State, but with the banks also.

Look at the figures during that period, as presented in the averages of the banks of the city of New York:

Date.	Loans & Discounts.	Specie.	Circulation.	Deposits.
1853 & 1854,	\$90,195,805	\$11,477,186	\$9,228,388	\$61,534,623
1854 & 1855,	90,059,561	14,144,527	7,738,840	72,602,670

The banks of the city of New York during those years were the great balance wheel that steadied the trade and commerce of the country. They must occupy that position. Nature settled this fact when she created Manhattan island, and the harbor with which it is surrounded. In presenting his views to the Legislature of what should be the basis of banking in that city, the Superintendent but acknowledges the fact, that upon the system there adopted rests the entire success of banking in this State. However novel and strange his views may appear upon extending our specie basis upon deposits alone, they are his honest convictions, derived from a careful examination of the whole difficulties that now surround the monetary affairs of our State. They are presented with the full knowledge that they are to be examined and commented upon by bankers of experience and sagacity far beyond his own. He also admits that they are probably antagonistic to orthodox banking, as heretofore understood by bankers in this State. He would himself have pronounced them heterodox in banking sixty days before the suspension. As before stated, they are honest convictions, from as careful an examination of the whole subject as his capacities and position will admit. They are presented to the Legislature only from a sense of duty from which he could not escape, and for its neglect no apology could be made for him while Superintendent of the Banking Department of the State of New York.

Table No. 1 shows the increase of the number of banks, their respective capitals, their circulation, and the kind and description of the securities deposited by them in this office; also, the actual condition of the department on the 30th of September, 1857. A comparison of the present table with the one of similar character in the report of the Superintendent last year, exhibits some facts that are worthy of attention. During the fiscal year ending 30th of September, 1856, twenty-five associations and three individual bankers commenced business with capitals, as shown by certificates filed in this office, of \$7,550,000; actual paid up capital, \$7,227,879. During the present fiscal year, ending 30th September, 1857, but nine associations and three individual bankers have commenced business, with a capital, as shown by certificates, of \$6,275,000; actual paid up capital \$4,364,937.

The twenty-five associations and three individual bankers deposited in securities required by law in this office	-	\$2,572,194
They received circulating notes	-	2,069,263
The nine associations and three individual bankers deposited securities, as before mentioned, in this office	-	560,320
They received circulating notes	-	383,585

Still more worthy of attention is the fact that of the twenty-five associations that began business in 1856, but two were continuations of banks whose charters had expired, while five out of the nine commencing business in 1857 were of that description. The contrast is a lesson to be heeded by capitalists; but four associations commencing business in 1857, and one of them declining to take circulating notes, against twenty-five in 1856. Has the general law reached the goal of all our general laws for associating capital? We know that our general railroad, plankroad, insurance, and manufacturing laws stimulated associations for the prosecution of those interests to such a degree, to use a common but expressive phrase, the business was *overdone*.

It appears to the Superintendent that we have nearly, if not quite, arrived at the same result in banking, by the multiplication of the number of banks and the smallness of their capitals. The passion for bank stock has received a check, the recovery from which will be very gradual, if ever entire. One of the errors of the interior banks is, in endeavoring to bank upon circulation alone. In other words, placing nearly, if not all, their capital in this Department. Every dollar of circulation received by any bank whatever under the general bank law, should be backed by at least a dollar of actual capital in the hands of the banker. While the sky is bright and the monetary sea undisturbed, with a reasonable amount of deposits, he may sail gaily and prosperously along; but he is entirely unfitted to meet the periodical storms that must and will overtake him, under the peculiar organization of the business affairs of the country. The system of banking upon circulation alone is unsafe and unsound for the banker, unless favored by circumstances not usually the fortune of bankers, as a class, in the interior of the State. In saying this, the Superintendent does not mean to invoke legislation on this subject. If attempted, it will be futile, and only add another monument to former efforts of this description, in other general laws.

The fact that men can create themselves corporators by complying with certain provisions of law, name the locality and the amount of capital they propose to employ in the business of banking, and retaining that capital in their own hands, leaves the question of the amount of capital they actually employ within their own bosoms, which no legal enactment can control. This question being one upon which great difference of opinion exists, the Superintendent will try to illustrate by an example. The general bank law admits *any number* of persons to associate for the purpose of banking. Suppose the minimum capital of the persons so associated to be \$300,000, and the associates ten, if you please; they place \$100,000 in this department, in securities required by law. This is no evidence of ownership of the capital, it is only possession. This is the nearest point upon the question of capital you can reach by legislation, as it divests the associates of it. If it is theirs, well; if not, their creditors must look to it. They make the usual affidavit of paid up capital; admit it is actually paid up in money and owned *bona fide* by the associates. They commence the business of banking. They choose to employ but the circulating notes, \$100,000, received from this office, in the business. What, let me ask, is to prevent their loaning themselves from their own money, the \$200,000 of the capital of their bank? Nothing but a law to prevent the loaning of money by every bank to any and all of its stockholders. The application of this provision to the directors, alone, of the banks of this State, would reduce the discount line of our banks over \$10,000,000.

Fortunately, there is a *higher law* than legislatures can frame upon this subject—that of experience—teaching the necessity of connecting capital with circulation, as necessary to the prosecution, successfully and profitably, of the business of banking. The teachings of the last few months to the bankers of the interior upon this mooted point will not be forgotten, and will be acted upon promptly, when the present storm in our monetary affairs passes away.

As before remarked, it is futile to legislate upon this question of capi-



tal. The decision of the Court in relation to this department, in regard to the amount of securities associations and individual bankers shall have in the custody of the Superintendent, places the whole question of the proportion of capital to currency, at the option of the banker himself. True, he places \$100,000 in securities in the hands of the Superintendent, if an association, and demands and receives \$20,000, or a less amount, in notes if he chooses, withdraws the \$80,000, and discounts the notes of his associates, or returns it to the parties from whom it was borrowed, and commences the business of banking according to the judicial construction of our present bank laws. The only possible way to connect capital as to amount employed in banking, is, in divesting the corporators of it by placing it in the hands of the Superintendent as security for circulating notes.

The true theory of our general bank law (and the practice should correspond with it) is the entire security of our currency. This is no new opinion of the present Superintendent, and he is not prepared to say that any bank or banker under certain restrictions should be compelled to deposit securities for an amount of circulating notes, beyond what he necessarily uses in the business of banking. The only real difficulty in this construction of the acts of 1840 and 1844, virtually repealing them, is practically the tendency given by it to increase the number of banks by allowing a smaller amount than \$100,000 of securities by an association, and \$50,000 by an individual banker, to be deposited, or rather continued, in this Department, as security for circulating notes. This would be, in a great measure, overcome by confining the securities hereafter to be deposited entirely to United States and New York State stocks. If mortgages are hereafter to form part of the basis of banking in this State, the Superintendent does not hesitate a moment to recommend the enactment of a law requiring a deposit and continuance of \$100,000 by an association, and \$50,000 by an individual banker, in this Department; and that, too, in language that shall not leave the question open to judicial decisions.

The reason is obvious; it requires but \$50,000 in real capital, *money*, to purchase stock sufficient, with mortgages of like amount, to create a banking association. The mortgages can be made by the associates, using the ownership of their lands as capital. With the past year's experience, the business of banking, particularly in the interior of the State, has lost its prestige. There would be less danger in trying the experiment the coming year than any since the passage of the act of 1838. As before remarked, the only danger to be apprehended is in the multiplication of banks of mere issue. If the Legislature apprehend such a result from leaving the law in its present position, amending it by requiring all individual bankers and banking associations, now or hereafter to be organized, to deposit and continue with the Superintendent \$50,000 of securities for the redemption of their circulating notes, and confining all future deposits to stocks of this State or the United States, those banks would not be so multiplied as to endanger the safety of our currency. The subject is commended to the wisdom of the Legislature.

Table No. 2. presents the condition of the Bank Fund and its future prospects. Table No. 3 presents the receipts and disbursements of the Department during the fiscal year beginning on the 1st of October, 1856, and ending the 30th of September, 1857. The advance by the treasury will be paid during the month of January, 1853. Table No. 4 exhibits the

names and compensation of the persons employed in this Department. It is but just to say that the labor of the Department during the last fall was without precedent since its formation. Their respective duties have been performed promptly and efficiently, and to my entire satisfaction. Table A exhibits the names of the incorporated banks, with a statement of their capital, amount of notes they are entitled to circulate, notes in circulation, and the date at which their respective charters expire. Table B gives a statement of the incorporated banks whose charters have expired, the time of expiration, the amount of their circulation at the expiration of their respective charters, and that outstanding on the 30th September, 1857. Table C shows the names of all the banks which have given the two years' notice required by chap. 68, Laws of 1851, whose notes are redeemed for the Superintendent at par by the several banks set opposite to each, and the date of the expiration of the notice of such redemption. Table D shows the names of the several insolvent banks and the rate at which their notes are redeemed by the Superintendent at his office, and also the time the notice for such redemption will expire. Table E exhibits the aggregate debts and liabilities and the means and resources of all the banks, banking associations, and individual bankers doing business in this State, on the 27th December, 1856, 14th March, 1857, 6th June, 1857, and 26th September, 1857, compiled from their quarterly reports made to this Department, at those respective dates, according to the provisions of chapter 164 of the Laws of 1851. Table F shows the names of banks for which receivers have been appointed by order of the courts, and the dates at which such orders and appointments were received in this Department.

It will be observed from the note at the foot of this table that the Chemung County Bank and Medina Bank are individual bankers. The power of the court to appoint receivers in the case of an individual banker, especially when he is without partners, is a question of great doubt. The law upon this subject is not well defined; and the Superintendent understands the principle is soon to be settled by a more formal decision, than the mere appointment of a receiver by a single judge.

The policy of the act of 1838, was clearly to treat each individual obtaining circulating notes from this Department as an individual, (protecting him from suits at law upon his circulating notes only,) and not affecting his liability upon all other debts and contracts. This point should be firmly settled by our courts or the Legislature, to relieve this Department from the embarrassment arising from the uncertainty, whether it is proper for it to recognize a receiver of an individual banker.

Table G gives a list of such banks as have closed their business with this Department, withdrawn their securities, given bonds for the redemption of their notes if presented within six years from the date of their respective bonds with the names of the owners or principals and their residences, and of their sureties, and the time when their obligation to redeem their outstanding circulation will expire. Table H gives a statement of the number of mutilated notes, their denominations, and the amount returned to this office and cancelled by burning, during the year ending on the 30th of September, 1857. Table I exhibits the number of bank note plates destroyed under section 5, chapter 189 of the laws of 1857, with the names of the banks, the denomination of the notes upon each, and the date of their destruction. Table J presents in detail the securities held in trust for each

banking association and individual banker, and the amount of circulating notes issued and outstanding on the 30th of September, 1857. Also, the capital of the banking associations and individual bankers, respectively, as shown by their quarterly reports of September 26th, 1857. Table K presents the names of all the banking associations and individual bankers closing business, which have redeemed ninety per cent. of their circulation, with the amount of cash and securities on deposit with the Superintendent, and the outstanding circulation of each on the 30th of September, 1857. Tables L, M, N and O, present in detail the condition of every incorporated bank, banking association and individual banker, doing business in this State on the 27th December, 1856, 14th March, 1857, 6th June, 1857, and 26th September, 1857. Table P presents the increase of bank capital in this State from 1848 to 1857, both inclusive. Also, the increase and decrease of the amount of notes issued by this Department to incorporated banks, banking associations and individual bankers, at the respective dates stated in the table. Table Q presents an aggregation of the debts and liabilities, and also the means and resources, of all the incorporated banks, banking associations and individual bankers doing business in this State, compiled from their June reports, from 1848 to 1857, both years inclusive.

The amount of securities surrendered the various associations and individual bankers, from the first of April last to the 1st of October, 1857, was :

Stocks.....	\$1,882,919 87
Bonds and mortgages.....	472,282 66
<b>Total.....</b>	<b>\$2,355,202 53</b>

On the 1st of April last, chapter 103 of the Laws of 1857 took effect in relation to future transfers of securities by the Superintendent from this department. It is a wholesome check upon all transfers by this office, and while it delays the transactions of the Department somewhat, it amply compensates for this slight difficulty by the security it affords the banks of this State, in relation to their property deposited in the Bank Department. The new process was put to a severe test during October last, and fully answered the expectations of the Superintendent by the steadiness and certainty of its operations during a continued period of excessive pressure upon the Department.

In closing this report, the Superintendent may be permitted to sum up the condition of our banks on the 20th of December, at which time his report goes to press, under the peculiar provisions of the act to "Organize a Bank Department," which compels him to have his report printed and distributed to the Legislature on the first day of its meeting.

The banks of this State, as far as the currency is concerned, (with the exception of a single free bank and the three Safety Fund Banks which have failed,) are, in the opinion of the Superintendent, in the main sound. The receivers of the broken free banks are rapidly returning the notes of their banks. There are no notes under protest; but two of them have neglected to take up their notes promptly when protested and sent to this office. The notes of one, the Island City Bank, are redeemed at par by the Bank of the Manhattan Company, in New York, as before stated in this report. The other, the Hamilton Exchange Bank, has its securities

now advertised for sale the 21st and 22d of December. The amount of outstanding circulation of this bank on the day of sale was \$36,439, for the redemption of which the following securities were sold, viz :

New York State stock.....	\$28,000 00
Bonds and mortgages.....	10,000 00
	<hr/>
	\$38,000 00
The total amount received for stocks.....	\$29,577 50
Do. bonds and mortgages.....	1,000 00
	<hr/>
	\$30,577 50

The total loss to the people of this State upon their free bank circulation during the past three years has been only \$5,830 24, and this too with a general suspension of specie payments occurring during the present year. It appears that a system that has passed the ordeal of the last year, inflicting a loss so trifling, should recommend itself to the entire people of the State. Assuming, as the Superintendent does, that we are to have a paper currency, (its convenience alone will continue its existence in some shape,) where is to be found one that excels in safety the one we have at present? The loss of actual money by the people of the State, by the failure of free bankers, is not a tithe of what it would have been if coin had been used in the place of bank notes, by its abrasion alone. This, with a gold currency, is said to be between one quarter and one-half per cent. per annum, by actual experiment. Upon silver it is comparatively slight, from the superior hardness of the metal. That the late suspension will develop theoretical plans and projects in relation to our bank laws, is beyond a doubt, and they will be pressed upon this Legislature. The Superintendent may be pardoned for quoting a single remark from his report of last year. The present situation of our banks, the uneasiness existing in the public mind as to the action of the Legislature upon the subject of banking, adds peculiar force to the following words from last year's report: "He feels it an imperative duty to say, that no subject of legislation should be entered upon with greater care and deliberation, than changing our laws in regard to banking." The acts of last winter in relation to the operations of the Bank Department have placed it upon a footing, both as to efficiency and security, that requires no additional legislation. All that is desirable, in the opinion of the Superintendent, to perfect our present system, is embraced in the following propositions, all of which have been noted in the report :

*First.* Allow no more mortgages to be taken hereafter as security for circulating notes.

*Second.* Compel every incorporated bank to gradually replace its present circulation by notes secured in the same manner as the free bank notes.

*Third.* Compel all banks located in the city of New York to keep 20 per cent. of their average weekly deposits of all descriptions, in coin, special deposits of coin not to form a part of the statement; and every bank out of that city to keep 20 per cent. upon its quarterly average of its deposits, either in coin or a balance to its credit in some solvent bank, either in the city of New York, Brooklyn, Albany, or Troy.

*Fourth.* Allow every banking association or individual banker to commence the business of banking upon the deposit of \$50,000, in stocks of the United States or State of New York. But if bonds and mortgages are to be received as at present, the Superintendent respectfully recommends

the enactment of the acts of 1840 and 1844, relative to bank capital, in such language as shall place their construction beyond the reach of judicial decisions.

These amendments to our present general bank law, are all the Superintendent deems necessary for the protection of both the public and the banks. Beyond this, there is danger of materially disturbing the general interest of our citizens. Any sudden or violent change in our banking system would be sensibly felt in all the business pursuits of our people. The interests of the merchant, the manufacturer, the mechanic and the farmer, are identical with the banker. The proof of the fact lies before us in the general prostration of all these pursuits at the present moment. They all fell together, and so interwoven are their respective interests with each other, they must rise together to their usual healthy operations. There is no single resurrection for them. The resuscitation of all these interests must be gradual to be certain. The causes that produced the late suspension of specie payments by our banks, and the consequent temporary prostration of the business of our citizens, cannot be remedied by legislation. Something may possibly be done for their prevention in future; and in even attempting to do this, great care should be exercised, or our preventives for future disasters may aggravate our present evils. All of which is respectfully submitted.

JAMES M. COOK, *Superintendent.*

The following table exhibits the total amount of outstanding circulation issued to banking associations and individual bankers; and the amount and character of the securities deposited for its redemption, on the 30th day of September, 1857.

Outstanding circulation.....\$28,429,522

SECURITIES.

Bonds and mortgages.....			\$7,856,231 59
New York State stock, 4½ per ct.,.....	\$361,700 00		
do do 5 do .....	8,024,690 64		
do do 5½ do .....	1,150,000 00		
do do 6 do .....	11,463,011 92	20,999,402 56	
United States stock, 5 do .....	9,000 00		
do do 6 do .....	300,300 00	309,300 00	
Arkansas State stock, 6 do .....		211,000 00	
Illinois State stock, 6 do .....		592,029 40	
Michigan State stock, 6 do .....		172,000 00	
Cash.....		63,668 53	
Total.....			\$30,203,632 07
Aggregate Sept. 30th, 1856.....	\$30,026,910 40		
Increase for the year, 1857.....	176,721 67	\$30,203,632 07	
Amount of circulation outstanding Sept. 30, 1857.....		\$28,429,522 00	
do do do 1856.....		28,319,311 00	
Increase for the year ending Sept. 30th, 1857.....		\$110,211 00	

## INCORPORATED BANKS OF THE STATE OF NEW YORK.

The following table exhibits the names of Incorporated Banks of this State, with a statement of their capital, amount authorized to circulate, amount of circulation, and times when charters expire.

<i>Names of Banks and Locality.</i>	<i>Capital.</i>	<i>Authorized to circulate.</i>	<i>In Circulation and on hand.</i>	<i>Charter will expire.</i>
Albany City Bank, Albany.....	\$500,000	\$350,000	\$350,000	Jan'y 1, 1864
Atlantic Bank, Brooklyn.....	500,000	350,000	350,000	do 1, 1866
Bank of Orange County.....	105,660	178,000	178,000	do 1, 1862
Bank of Owego, Owego.....	200,000	200,000	200,000	do 1, 1866
Bank of Poughkeepsie.....	100,000	150,000	150,000	do 1, 1858
Bank of Rome, Rome.....	100,000	150,000	150,000	do 1, 1862
Bank of Salina, Salina.....	150,000	175,000	145,492	do 1, 1862
Bank of the State of New York.....	2,000,000	1,200,000	1,199,263	do 1, 1866
Bank of Whitehall, Whitehall.....	100,000	150,000	149,806	June 14, 1859
Brooklyn Bank.....	150,000	175,000	175,000	Jan'y 1, 1860
Cayuga County Bank, Auburn.....	250,000	240,000	239,598	do 1, 1863
Chautauque County Bank.....	100,000	150,000	150,000	do 1, 1860
Chemung Canal Bank, Elmira.....	200,000	200,000	200,000	do 1, 1863
Essex County Bank, Keeseville.....	100,000	150,000	150,000	do 1, 1862
Farmers' and Manuf. P'keepsie.....	300,000	250,000	250,000	do 1, 1864
Herkimer County B'k, Little Falls..	200,000	200,000	199,979	do 1, 1863
Highland Bank, Newburgh.....	200,000	200,000	198,019	do 1, 1864
Kingston Bank, Kingston.....	200,000	200,000	200,000	do 1, 1866
Leather Manufacturers' Bank, N Y....	600,000	450,000	399,560	June 1, 1862
Madison County Bank, Cazenovia....	100,000	150,000	119,298	Jan'y 1, 1858
Manhattan Company, New York....	2,050,000	1,200,000	934,861	Unlimited.
New York Dry Dock Com. N. Y.....	200,000	200,000	190,000	do
Ogdensburgh Bank.....	100,000	150,000	150,000	Jan'y 1, 1859
Oneida Bank, Utica.....	400,000	300,000	300,000	do 1, 1866
Rochester City Bank, Rochester....	400,000	300,000	300,000	do 1, 1866
Schenectady Bank, Schenectady....	150,000	175,000	175,000	do 1, 1862
Seneca County Bank, Waterloo.....	200,000	200,000	199,919	do 1, 1863
Seventh Ward Bank, New York.....	500,000	850,000	350,000	do 1, 1863
Steuben County Bank, Bath.....	150,000	175,000	175,000	do 1, 1862
Tanners' Bank, Catskill.....	100,000	150,000	150,000	do 1, 1860
Tompkins County Bank, Ithaca.....	250,000	225,000	224,671	do 1, 1866
Troy City Bank, Troy.....	300,000	250,000	250,000	do 1, 1863
Ulster County Bank, Kingston.....	100,000	150,000	150,000	June 1, 1861
Westchester Co. Bank, Peekskill....	200,000	200,000	198,964	Jan'y 1, 1863
	<u>\$11,235,660</u>	<u>\$9,293,000</u>	<u>\$8,901,930</u>	

*The following Incorporated Banks are in the hands of receivers.*

Bank of Orleans, Albion.....	200,000	200,000	200,000	Jan'y 1, 1864
Reciprocity Bank, Buffalo.....	200,000	200,000	136,091	do 1, 1865
Yates County Bank, Penn Yan.....	100,000	150,000	148,958	do 1, 1859

## BANKS OF THE UNITED STATES.

POPULATION, NUMBER OF BANKS, BANK CAPITAL, BANK CIRCULATION, BANK SPECIE OF EACH STATE, AT THE CLOSE OF 1887.

*Those marked (\*) are estimated.*

	<i>Population.</i>	<i>No. of Banks.</i>	<i>Bank Capital.</i>	<i>Bank Circulation.</i>	<i>Bank Specie.</i>
Maine.....	650,000	69	7,536,900	5,000,000	660,000
New Hampshire.....	340,000	51	4,956,000	2,500,000	300,000
Vermont.....	330,000	41	3,335,000	3,900,000	200,000
Massachusetts.....	1,180,000	174	60,986,000	16,000,000	5,300,000
Rhode Island.....	174,000	92	20,086,900	8,300,000	330,000
Connecticut.....	410,000	75	20,701,000	9,540,000	1,000,000
New York.....	3,513,000	297	109,646,900	30,000,000	25,000,000
New Jersey.....	567,000	47	7,223,600	3,700,000	850,000
Delaware.....	100,000	12	1,740,000	1,000,000	250,000
Maryland.....	660,000	29	18,013,000	4,700,000	2,700,000
District of Columbia.....	53,000	5	1,282,000	*350,000	*300,000
Virginia.....	1,540,000	66	15,522,000	*12,000,000	*4,000,000
North Carolina.....	947,000	29	6,591,000	*4,500,000	*1,500,000
South Carolina.....	718,000	20	14,956,000	6,300,000	1,000,000
Georgia.....	1,050,000	33	10,711,090	*5,000,000	*1,500,000
Alabama.....	890,000	6	3,300,000	*4,000,000	*2,000,000
Illinois.....	1,100,000	45	6,198,000	6,198,000	635,000
Indiana.....	1,190,000	43	3,555,000	3,600,000	1,329,000
Kentucky.....	1,120,000	39	12,930,000	*13,500,000	*5,000,000
Louisiana.....	627,000	13	16,557,000	4,000,000	10,000,000
Michigan.....	500,000	5	1,200,000	*1,000,000	*350,000
Mississippi.....	756,000	4	886,000	*1,000,000	*50,000
Missouri.....	830,000	14	4,700,000	1,300,000	1,500,000
Nebraska.....	100,000	6	200,000	*200,000	*50,000
Ohio.....	2,300,000	54	5,418,006	6,400,000	1,269,000
Tennessee.....	1,118,000	51	10,574,000	*6,000,000	*2,000,000
Texas.....	300,000	1	322,000	*300,000	*100,000
Wisconsin.....	600,000	73	5,665,000	3,000,000	530,000
Pennsylvania.....	2,700,000	73	26,542,000	10,450,000	6,000,000
Florida.....	110,000	..	....	....	....
Arkansas.....	300,000	..	....	....	....
Iowa.....	600,000	..	....	....	....
California.....	300,000	..	....	....	....
Minnesota.....	300,000	..	....	....	....
New Mexico.....	100,000	..	....	....	....
<b>TOTAL.....</b>	<b>23,453,000</b>	<b>..</b>	<b>\$396,673,000</b>	<b>\$167,833,000</b>	<b>\$75,608,000</b>

In some of the above aggregates we assume the amounts, according to the best information in our possession. In the New England States, New York, New Jersey, Pennsylvania, Ohio, South Carolina, Illinois, Indiana, Wisconsin, Louisiana, there are condensed monthly, quarterly, or annual statements made, showing the condition of the banks. But in Delaware, Maryland, Virginia, North Carolina, Georgia, Alabama, Kentucky, Tennessee, Missouri, Michigan and Mississippi, there are no such complete returns published that we are aware of, although they are necessary to a full understanding of the financial condition of the States.

COMMERCE AND FINANCES OF NEW YORK FOR THE YEAR 1857.

Months.	Receipts of Gold from California.	Exports of Specie via Boston.	Exports of Specie from New York.	Exports of Merchandise from New York.	Total Exports from New York.	Imports of Merchandise at New York.	Imports of Specie at New York.	Total Imports at New York.
January	\$2,485,689	256,000	1,807,946	4,684,170	6,192,116	18,130,228	886,509	19,006,738
February	2,868,943	800,000	1,881,726	5,838,786	7,770,513	24,500,774	1,022,718	25,524,493
March	2,150,934	804,000	3,174,945	9,015,691	11,190,856	30,078,671	1,061,838	31,185,504
April	2,718,293	600,000	3,854,305	5,673,145	9,028,960	30,279,100	989,318	31,318,318
May	3,866,599	1,251,000	5,789,266	6,510,988	12,800,199	37,684,423	1,070,888	13,705,255
June	3,778,248	2,436,000	7,939,855	6,689,788	14,579,144	44,909,325	869,901	15,839,156
July	2,979,719	962,500	3,696,604	5,268,453	8,960,066	33,294,908	505,298	33,800,306
August	1,245,505	1,250,000	6,271,717	5,337,449	11,609,166	19,969,179	17,819	19,986,998
September	1,693,557	5,500	990,476	5,202,680	6,193,106	16,042,075	505,285	16,547,390
October	2,962,985	2,500	367,850	7,510,021	7,877,571	11,980,674	2,509,198	14,489,667
November	4,266,370	182,500	3,239,231	6,526,489	10,065,718	10,890,187	3,027,508	13,417,960
December	4,809,770	2,515,900	7,535,062	4,562,407	12,097,459	8,515,688	681,128	9,196,811
<b>TOTAL for the Year.</b>	<b>\$84,176,911</b>	<b>10,895,900</b>	<b>44,496,093</b>	<b>73,364,155</b>	<b>117,862,848</b>	<b>217,720,096</b>	<b>12,898,088</b>	<b>230,618,129</b>
<b>First Quarter</b>	<b>\$4,950,615</b>	<b>860,000</b>	<b>5,814,637</b>	<b>19,888,947</b>	<b>25,158,484</b>	<b>63,694,663</b>	<b>2,972,060</b>	<b>66,666,723</b>
<b>Second Quarter</b>	<b>9,857,140</b>	<b>4,617,000</b>	<b>17,083,426</b>	<b>18,622,867</b>	<b>35,906,293</b>	<b>52,832,747</b>	<b>2,379,953</b>	<b>55,286,246</b>
<b>Third Quarter</b>	<b>5,819,081</b>	<b>2,218,000</b>	<b>10,858,797</b>	<b>16,808,531</b>	<b>28,762,328</b>	<b>71,806,163</b>	<b>1,837,903</b>	<b>73,604,064</b>
<b>Fourth Quarter</b>	<b>11,690,075</b>	<b>2,700,900</b>	<b>11,141,863</b>	<b>18,868,910</b>	<b>30,040,748</b>	<b>30,386,519</b>	<b>6,213,119</b>	<b>37,064,668</b>
<b>Total in 1857.</b>	<b>\$4,176,911</b>	<b>10,895,900</b>	<b>44,496,093</b>	<b>73,364,155</b>	<b>117,862,848</b>	<b>217,720,096</b>	<b>12,898,088</b>	<b>230,618,129</b>
<b>Total in 1856.</b>	<b>40,642,281</b>	<b>12,894,567</b>	<b>37,105,814</b>	<b>88,750,482</b>	<b>120,886,396</b>	<b>211,743,294</b>	<b>1,814,425</b>	<b>213,556,649</b>
<b>Total in 1855.</b>	<b>39,899,293</b>	<b>14,859,470</b>	<b>37,625,740</b>	<b>73,846,262</b>	<b>96,972,802</b>	<b>157,004,607</b>	<b>865,681</b>	<b>157,840,288</b>



## COMMERCE AND FINANCES IN NEW YORK FOR THE YEAR 1857.—Continued.

MONTHS.	Average of the Bank Statement in each Month.				Exchanges at Clearing House.
	Discounts.	Specie.	Circulation.	Deposits.	
January .....	110,607,907	11,608,681	8,176,809	92,140,500	677,458,758
February .....	112,127,700	10,679,673	8,210,991	93,142,212	665,518,944
March .....	112,870,888	11,350,546	8,471,551	94,777,624	750,850,291
April .....	114,549,675	11,578,118	8,776,517	96,894,963	7,65,263,295
May .....	114,539,275	12,501,469	8,911,872	98,079,063	770,535,259
June .....	115,221,581	12,300,235	8,657,332	95,754,165	719,553,197
July .....	116,821,598	13,012,738	8,643,204	95,892,397	725,690,246
August.....	120,128,855	11,070,916	8,798,449	91,083,193	668,752,261
September .....	109,692,947	12,323,375	8,226,904	76,242,019	481,851,327
October.....	99,202,033	10,503,004	7,347,329	60,638,802	805,579,407
November .....	95,863,262	20,823,808	6,874,291	75,062,453	821,436,501
December .....	97,304,730	27,158,016	6,409,310	77,015,090	837,221,227
Average for the Year..	\$109,869,199	\$13,759,706	\$8,083,699	\$87,143,190	7,196,090,638

	Average.	Average.	Average.	Average.	
First Quarter.....	111,863,815	11,212,949	8,286,298	93,855,445	2,092,827,919
Second Quarter.....	114,770,177	12,093,239	8,732,007	96,742,781	2,255,681,751
Third Quarter.....	115,543,131	12,135,976	8,556,136	87,572,518	1,879,293,834
Fourth Quarter.....	97,289,675	19,596,609	6,710,810	70,903,791	967,237,135
TOTAL in 1857.....	109,869,199	13,759,706	8,083,699	87,143,190	7,196,090,638
TOTAL in 1856.....	105,311,805	13,325,469	8,849,800	88,917,917	7,297,554,390
TOTAL in 1855.....	93,896,719	14,197,825	7,505,983	77,294,778	5,673,673,365

## RECAPITULATION OF SPECIE IN SUB-TREASURY AND CURRENT QUOTATIONS OF MONEY—EACH MONTH 1857.

MONTHS.	Specie in New York Sub-Treasury, close of Month.	Specie in United States Treasury, Branches included.	Value of Money, First-class Paper, per cent.	Exchanges on London.
January.....	12,914,498	21,496,882	8 a 10	106½ a 108½
February.....	15,167,160	24,781,568	8 a 10	108 a 108½
March.....	15,471,426	24,722,821	8 a 10	108 a 108½
April.....	14,539,192	23,262,127	8 a 10	103½ a 108½
May.....	13,041,371	23,333,246	7 a 9	109½ a 109½
June.....	10,260,086	20,159,011	7 a 9	109½ a 109½
July.....	11,996,667	18,639,896	8 a 10	109½ a 109½
August.....	12,316,401	19,983,121	8 a 15	109½ a 108½
September.....	8,759,670	17,181,464	15 a 86	109 a 104
October.....	5,408,096	9,056,181	24 a 88	100½ a 96 & 100 a 107½
November.....	4,255,139	7,328,471	9 a 18	107 a 109
December.....	3,758,332	5,651,677	7 a 10	108 a 109½

COMPARATIVE TABLE OF LIABILITIES AND RESOURCES OF NEW YORK  
BANKS, 1849—1867.

LIABILITIES.	June, 1848.	June, 1849.	June, 1850.	June, 1851.	June, 1852.
Capital.....	\$48,755,089	\$44,929,505	\$47,779,727	\$55,580,181	\$59,705,688
Circulation.....	20,888,077	21,912,616	24,214,841	27,511,787	27,940,947
Profits.....	6,554,846	7,097,660	8,118,064	9,232,478	10,469,087
Due Banks.....	14,100,859	20,994,078	22,961,789	23,859,185	25,229,167
Due other than Banks and Depositors.....	702,251	640,296	921,865	1,188,916	1,454,573
Due Treasurer State of N. York.....	2,805,999	3,835,968	1,478,901	1,225,127	1,592,608
Due Depositors.....	27,554,820	85,604,999	46,691,465	54,467,682	65,084,604
Due to others.....	862,416	1,611,389	1,858,318	1,688,737	1,461,798
	<b>\$116,723,857</b>	<b>106,626,506</b>	<b>158,408,970</b>	<b>174,699,028</b>	<b>192,908,454</b>
	June, 1853.	June, 1854.	June, 1855.	June, 1856.	June, 1857.
Capital.....	78,183,251	81,559,239	85,032,621	92,334,173	108,954,777
Circulation.....	30,065,559	31,266,908	28,562,395	30,705,084	32,895,899
Profits.....	10,262,728	11,324,058	10,863,572	12,945,901	13,949,080
Due Banks.....	31,389,129	22,266,908	24,009,323	22,780,686	27,819,817
Due other than Banks and Depositors.....	1,674,138	1,376,700	1,010,614	1,081,641	1,010,575
Due Treasurer State of N. York.....	1,610,197	1,280,393	2,817,160	3,254,421	3,254,877
Due Depositors.....	79,996,323	82,637,018	83,587,767	94,267,287	104,350,426
Due to others.....	3,886,415	3,191,599	2,772,537	2,134,393	1,754,394
	<b>\$232,517,935</b>	<b>234,932,818</b>	<b>238,606,898</b>	<b>268,438,585</b>	<b>287,990,230</b>
	June, 1848.	June, 1849.	June, 1850.	June, 1851.	June, 1852.
Loans and Discounts.....	73,497,187	85,835,338	93,480,781	115,677,239	127,245,569
Overdrafts.....	219,319	164,343	203,504	279,994	274,577
Due from Banks.....	8,376,597	12,022,486	11,255,625	10,005,060	11,200,861
Real Estate.....	3,453,948	3,514,487	3,344,514	3,765,392	4,183,970
Specie.....	6,381,668	10,571,517	11,653,389	9,978,918	13,304,366
Cash Items.....	5,923,444	6,497,329	9,181,481	18,516,584	12,871,410
Stocks and Promissory Notes.....	12,007,344	12,822,069	12,774,670	15,206,601	15,509,500
Bonds and Mortgages.....	3,100,051	2,663,825	3,069,168	3,969,243	4,548,430
Bills of Banks.....	2,705,448	2,691,426	3,077,020	3,833,611	3,246,296
Loss and Expense Account.....	553,118	511,615	513,019	579,403	677,004
	<b>\$116,723,367</b>	<b>136,795,068</b>	<b>153,563,114</b>	<b>174,812,145</b>	<b>193,062,103</b>
	June, 1853.	June, 1854.	June, 1855.	June, 1856.	June, 1857.
Loans and Discounts.....	151,206,982	158,875,986	165,106,907	174,141,775	190,308,832
Overdrafts.....	412,349	425,752	283,935	438,978	507,187
Due from Banks.....	13,636,754	10,907,898	12,720,300	12,255,098	11,648,830
Real Estate.....	5,006,769	5,556,571	5,726,027	6,724,163	7,423,015
Specie.....	13,884,410	10,792,429	15,921,467	18,510,835	14,379,434
Cash Items.....	17,893,543	20,551,709	16,962,480	30,158,835	23,737,436
Stocks and Promissory Notes.....	19,973,149	20,793,669	20,156,516	23,511,223	25,747,472
Bonds and Mortgages.....	5,922,079	7,815,753	7,888,065	8,851,501	9,399,704
Bills of Banks.....	4,372,926	3,592,730	3,243,933	3,067,102	3,094,236
Loss and Expense Account.....	918,340	1,122,502	1,123,567	1,191,994	1,362,638
	<b>\$231,604,101</b>	<b>234,839,997</b>	<b>243,312,796</b>	<b>263,461,004</b>	<b>287,994,868</b>

**LIABILITIES AND RESOURCES  
OF THE BANKS OF THE STATE OF NEW YORK.**

*Aggregate Liabilities and Resources, and the Means and Resources of all the Banks, Banking Associations, and Individual Bankers doing business in the State of New York, on the 27th December, 1856, March 14th, 1857, June 6th, 1857, and September 26th, 1857, compiled from their Quarterly Reports.*

<i>Liabilities.</i>	<i>Dec. 27, 1856.</i>	<i>Mar. 14, 1857.</i>	<i>June 6, 1857.</i>	<i>Sept. 26, 1857.</i>
Capital, .....	\$100,025,798	\$102,505,550	\$108,954,777	\$107,507,659
Circulation, .....	83,590,497	82,510,291	82,895,992	27,122,904
Profits, .....	14,191,284	12,102,471	18,949,080	18,037,429
Due to banks, .....	27,491,667	29,030,666	27,319,817	19,267,263
Due other than banks and depositors,...	1,153,995	946,497	1,010,575	1,187,845
Due Treasurer of the State of N. Y. ....	4,493,377	4,551,386	8,254,877	8,445,866
Due Depositors, .....	94,862,202	100,641,356	104,350,426	83,539,894
Miscellaneous, .....	2,298,363	2,068,655	1,754,886	1,758,791
<b>Total Liabilities, .....</b>	<b>*\$276,106,188</b>	<b>*\$284,356,872</b>	<b>*\$287,990,280</b>	<b>*\$256,917,151</b>
<i>Resources.</i>				
Loans, .....	\$158,557,128	\$158,088,984	\$190,808,832	\$170,546,774
Overdrafts, .....	521,236	460,892	507,187	506,483
Due from banks, .....	13,745,809	18,561,454	11,643,830	18,766,025
Real estate, .....	7,075,049	7,269,973	7,423,015	7,874,811
Specie, .....	11,393,802	11,978,987	14,370,434	14,321,599
Cash items, .....	22,279,016	24,699,893	28,737,486	14,224,345
Stocks and promissory notes, .....	25,557,127	25,283,933	25,747,472	23,508,377
Bonds and mortgages, .....	9,127,782	9,096,419	9,299,794	8,781,463
Bills of banks, .....	8,168,241	2,882,574	8,094,293	2,564,513
Loss and Expense account, .....	1,651,629	1,088,275	1,362,623	1,023,179
<b>Total Resources, .....</b>	<b>*\$276,106,764</b>	<b>*\$284,355,886</b>	<b>*\$287,994,866</b>	<b>*\$256,917,560</b>

*Insolvent Banks of New York, whose Securities have been disposed of for the Redemption of their Circulation, Rates of Redemption, and when Time for Redemption will Expire.*

<i>Names.</i>	<i>What Notes.</i>	<i>Rate.</i>	<i>Time for redemption will expire.</i>
Eighth Avenue Bank, .....	All, .....	94 cts., ..	May 21, 1861.
Farmers' Bank of Onondaga, .....	" .....	85 cts., ..	Nov. 12, 1859.
Island City Bank, .....	" .....	Par .....	Apr. 23, 1864.
James Bank, .....	" .....	91 cts., ..	June 17, 1858.
Merchants' and Mechanics' Bank, Oswego, ..	" .....	77 cts., ..	Sept. 28, 1860.
New Rochelle, Bank of, .....	Stock and notes, .....	Par .....	June 17, 1858.
do do, .....	Stock and estate notes, ..	81 cts., ..	June 17, 1858.
State Bank at Sackett's Harbor, .....	All, .....	Par .....	Nov. 11, 1862.

\* These footings are copied from the official Report of the Bank Department; but are essentially erroneous.

## BANK CAPITAL OF TOWNS AND CITIES IN THE UNITED STATES.

COMPILED FROM THE LATEST RETURNS.

JANUARY, 1858.

MAINE.			Town or City. No. of Banks. Capital.		
Town or City.	No. of Banks.	Capital.	Town or City.	No. of Banks.	Capital.
Alfred.....	1	\$50,000	Laconia.....	1	80,000
Anburn.....	1	75,000	Lebanon.....	1	100,000
Augusta.....	4	363,000	Manchester.....	4	625,000
Bangor.....	9	925,000	Milford.....	1	100,000
Bath.....	5	701,200	Nashua.....	3	325,000
Belfast.....	2	175,000	New Ipswich.....	1	100,000
Biddeford.....	2	200,000	New Market.....	1	60,000
Bowdoinham.....	1	50,000	Newport.....	1	50,000
Brunswick.....	3	197,500	Ossipee.....	1	50,000
Bucksport.....	1	75,000	Peterboro.....	1	50,000
Calais.....	1	100,000	Pittsfield.....	1	50,000
Damariscotta.....	1	50,000	Portsmouth.....	4	691,000
Eastport.....	1	75,000	Rochester.....	2	180,000
Farmington.....	1	50,000	Rollinsford.....	1	50,000
Gardiner.....	3	250,000	Sanbornton.....	1	50,000
Hallowell.....	2	200,000	Sandwich.....	1	50,000
Kennebunk.....	1	200,000	Somersworth.....	2	250,000
Lewiston.....	1	100,000	Warner.....	1	50,000
Newcastle.....	1	50,000	Winchester.....	1	100,000
Old Town.....	1	50,000	Wolfboro.....	1	75,000
Orono.....	1	50,000	TOTAL.....	51	\$4,956,000
Portland.....	7	2,075,000	VERMONT.		
Richmond.....	1	75,000	Bellows' Falls.....	1	100,000
Rockland.....	8	300,000	Bennington.....	1	80,000
Saco.....	2	200,000	Bethel.....	1	75,000
Searsport.....	1	50,000	Bradford.....	1	100,000
Skowhegan.....	2	125,000	Brandon.....	1	75,000
South Berwick.....	1	100,000	Brattleboro.....	2	250,000
Thomaston.....	2	100,000	Burlington.....	4	600,000
Waldoboro.....	2	100,000	Castleton.....	1	100,000
Waterville.....	3	800,000	Chelsea.....	1	50,000
Winthrop.....	1	75,000	Danby.....	1	75,000
Wiscasset.....	1	50,000	Danville.....	1	50,000
TOTAL.....	69	\$7,536,700	Derby Line.....	1	50,000
NEW HAMPSHIRE.			Hyde Park.....	1	50,000
Claremont.....	1	100,000	Irasburg.....	1	50,000
Charlestown.....	1	100,000	Jamaica.....	1	50,000
Concord.....	4	380,000	Lyndon.....	1	75,000
Derry.....	1	60,000	Manchester.....	1	75,000
Dover.....	4	420,000	Middlebury.....	1	100,000
East Jaffrey.....	1	50,000	Montpelier.....	2	200,000
Epping.....	1	50,000	Northfield.....	1	100,000
Exeter.....	2	125,000	Orwell.....	1	100,000
Farmington.....	1	75,000	Poultney.....	1	50,000
Francistown.....	1	60,000	Proctorsville.....	1	50,000
Keene.....	3	300,000	Royalton.....	1	100,000
Lancaster.....	1	50,000	Rutland.....	1	300,000
			Springfield.....	1	50,000

Town or City.	No. of Banks.	Capital.
St. Albans.....	2	250,000
St. Johnsbury.....	1	100,000
Sheldon.....	1	100,000
Swanton Falls.....	1	75,000
Vergennes.....	1	150,000
Waterbury.....	1	80,000
Wells River.....	1	75,000
Windsor.....	1	50,000
Woodstock.....	1	50,000
<b>TOTAL.....</b>	<b>41</b>	<b>\$3,835,000</b>

## MASSACHUSETTS.

Boston.....	37	32,460,000
Abington.....	1	150,000
Andover.....	1	250,000
Athol.....	1	150,000
Attleborough.....	1	100,000
Beverly.....	2	225,000
Blackstone.....	1	100,000
Brighton.....	1	500,000
Cambridge.....	4	450,000
Cambridgeport.....	1	100,000
Canton.....	1	100,000
Charlestown.....	2	450,000
Chelsea.....	1	150,000
Chicopee.....	1	150,000
Concord.....	1	100,000
Conway.....	1	150,000
Danvers.....	1	200,000
S. Danvers.....	2	400,000
Dedham.....	1	300,000
Dorchester.....	2	250,000
Edgartown.....	1	100,000
Fairhaven.....	1	300,000
Fall River.....	4	1,250,000
Falmouth.....	1	100,000
Fitchburg.....	2	500,000
Framingham.....	1	200,000
Gloucester.....	2	450,000
Grafton.....	1	100,000
Gt. Barrington.....	1	200,000
Greenfield.....	2	400,000
Harwich.....	1	150,000
Haverhill.....	4	680,000
Hingham.....	1	140,000
Holliston.....	1	100,000
Holyoke.....	1	200,000
Hopkinton.....	1	100,000
Lancaster.....	1	200,000
Lawrence.....	2	600,000
Lee.....	1	300,000
Leicester.....	1	200,000
Lowell.....	6	1,450,000
Lynn.....	3	550,000
Malden.....	1	100,000
Marblehead.....	2	220,000
Methuen.....	1	100,000
Millbury.....	1	100,000
Milford.....	1	250,000
Monson.....	1	150,000

Town or City.	No. of Banks.	Capital.
Nantucket.....	1	200,000
N. Bridgewater.....	1	100,000
Newburyport.....	3	560,000
New Bedford.....	4	2,400,000
Newton.....	1	150,000
Northampton.....	2	400,000
North Adams.....	1	350,000
Northboro.....	1	100,000
Oxford.....	1	100,000
Pittsfield.....	2	700,000
Plymouth.....	2	336,000
Provincetown.....	1	100,000
Quincy.....	2	300,000
Randolph.....	1	150,000
Rockport.....	1	150,000
Roxbury.....	2	300,000
Salem.....	7	1,865,000
Salisbury.....	1	100,000
Shelburne.....	1	100,000
Springfield.....	6	1,400,000
Southbridge.....	1	150,000
S. Reading.....	1	100,000
Stockbridge.....	1	200,000
Taunton.....	3	950,000
Townsend.....	1	100,000
Uxbridge.....	1	100,000
Waltham.....	1	200,000
Ware.....	1	350,000
Wareham.....	1	100,000
Westfield.....	2	300,000
Weymouth.....	1	150,000
Woburn.....	1	150,000
Worcester.....	6	1,800,000
Wrentham.....	1	150,000
Yarmouth Port.....	1	350,000
<b>TOTAL.....</b>	<b>174</b>	<b>\$60,936,000</b>

## RHODE ISLAND.

Athol.....	1	50,000
Ashaway.....	1	75,000
Bristol.....	4	317,500
Burrillville.....	1	60,000
Carolina Mills.....	1	50,000
Chepachet.....	1	50,000
Cranston.....	2	113,725
Coventry.....	2	150,000
Cumberland.....	1	56,900
East Greenwich.....	2	110,000
Exeter.....	1	29,900
Fall River.....	2	400,000
Newport.....	8	820,000
N. Kingstown.....	2	125,000
S. Kingstown.....	3	325,000
N. Providence.....	4	611,750
Phenix.....	1	50,000
Scituate.....	1	53,325
Smithfield.....	2	200,000
Warren.....	3	401,300
Warwick.....	2	125,000
Westerly.....	3	500,000

Town or City.	No. of Banks.	Capital.
Woonsocket .....	6	818,500
Providence .....	38	14,544,050
<b>TOTAL.....</b>	<b>92</b>	<b>\$20,036,950</b>

## CONNECTICUT.

Bethel.....	1	100,000
Birmingham.....	1	305,800
Bridgeport.....	5	1,165,640
Brooklyn.....	1	104,000
Clinton.....	1	100,000
Colchester.....	1	100,000
Danbury.....	2	574,800
Deep River.....	1	158,900
East Haddam.....	2	201,400
Essex.....	1	93,600
Fall's Village.....	1	206,000
Hartford.....	10	6,399,500
Jewett City.....	1	62,100
Litchfield.....	1	50,500
Meriden.....	1	305,000
Middletown.....	3	868,000
Mystic.....	2	152,950
New Haven.....	8	3,751,100
New London.....	4	664,625
New Milford.....	1	125,000
Norfolk.....	1	50,500
Norwalk.....	2	592,000
Norwich.....	6	1,769,660
Rockville.....	1	300,000
Seymour.....	1	150,000
Southport.....	1	103,000
Stafford Springs.....	1	155,000
Stamford.....	1	201,000
Stonington.....	3	235,000
Thompson.....	1	70,000
Tolland.....	1	86,800
Waterbury.....	2	702,600
W. Meriden.....	1	152,000
Westport.....	1	175,000
W. Winsted.....	2	355,700
Windham.....	1	116,300
Woodbury.....	1	100,000
<b>TOTAL.....</b>	<b>75</b>	<b>\$20,701,475</b>

## NEW YORK.

Attica.....	1	54,533
Adams.....	1	125,000
Addison.....	1	50,000
Albany.....	11	5,276,100
Albion.....	1	100,000
Amsterdam.....	1	117,500
Auburn.....	4	850,000
Ballston Spa.....	1	125,000
Batavia.....	2	230,000
Bath.....	2	230,000
Binghamton.....	3	400,000
Brockport.....	1	50,000
Brooklyn.....	6	1,850,000

Town or City.	No. of Banks.	Capital.
Buffalo.....	9	2,646,400
Canajoharie.....	2	225,000
Canandaigua.....	1	25,000
Canastota.....	1	110,000
Carmel.....	1	62,820
Catskill.....	2	228,965
Cazenovia.....	2	220,000
Cherry Valley.....	1	200,000
Chester.....	1	125,500
Chittenango.....	1	150,000
Clyde.....	2	119,250
Cooperstown.....	3	450,000
Corning.....	2	154,500
Cortlandt.....	1	50,000
Coxsackie.....	1	142,000
Crescent.....	1	200,000
Cuba.....	1	100,000
Dover Plains.....	1	50,000
Dansville.....	1	150,250
Delhi.....	1	150,000
Deposit.....	1	125,000
Dundee.....	1	50,000
Dunkirk.....	1	69,800
Elmira.....	3	500,000
Fayetteville.....	1	115,400
Fishkill.....	1	150,000
Fonda.....	1	100,000
Fort Edward.....	2	350,000
Fort Plain.....	1	150,000
Frankfort.....	1	105,000
Fredonia.....	2	150,000
Fulton.....	2	280,400
Genesee.....	1	150,000
Geneva.....	1	205,000
Gloversville.....	1	150,000
Glen's Falls.....	2	248,400
Goshen.....	2	215,660
Greenwich.....	1	200,000
Hamilton.....	1	110,000
Havana.....	1	50,000
Hudson.....	2	550,000
Ilion.....	1	100,000
Ithaca.....	2	330,000
Jamestown.....	3	198,635
Johnstown.....	1	100,000
Keesville.....	1	100,000
Kinderhook.....	2	450,000
Kingston.....	3	425,000
Lancaster.....	1	50,000
Lansingburgh.....	3	521,300
Leonardsville.....	1	100,000
Le Roy.....	1	200,000
Little Falls.....	1	200,000
Lockport.....	2	250,000
Lowville.....	1	
Ludingtonville.....	1	111,940
Lyons.....	1	48,600
Mahopac.....	1	56,050
Malone.....	1	145,800
Medina.....	1	50,000
Middletown.....	2	250,000

Town or City.	No. of Banks.	Capital.
Mohawk.....	1	150,000
Monticello.....	1	150,000
Mt. Morris.....	1	130,000
Newark.....	1	100,000
Newburgh.....	4	800,000
New Paltz.....	1	125,000
N. Wh. Creek.....	1	139,392
Norwich.....	2	245,000
Ogdensburgh.....	3	422,000
Oncida Depot.....	1	105,000
Oswego.....	4	1,036,000
Owego.....	2	300,000
Painted Post.....	1	10,000
Palmyra.....	1	100,000
Pawling.....	1	175,000
Peekskill.....	1	200,000
Perry.....	1	50,000
Pine Plains.....	1	100,000
Plattsburgh.....	2	150,000
Port Jervis.....	1	130,000
Potsdam.....	1	100,000
Poughkeepsie.....	4	750,000
Pulaski.....	1	100,000
Rhinebeck.....	1	125,000
Rochester.....	10	2,588,100
Rome.....	4	500,000
Rondout.....	1	150,000
Sag Harbor.....	1	20,000
Salem.....	1	139,536
Saratoga Spr.....	2	225,000
Saugerties.....	1	150,000
Schenectady.....	2	350,000
Schoharie.....	1	100,000
Schuylerville.....	1	104,163
Seneca Falls.....	1	100,000
Silver Creek.....	1	100,800
Sing Sing.....	1	150,000
Somers.....	1	111,150
South East.....	1	134,000
Syracuse.....	10	1,609,600
Tonawanda.....	1	104,000
Troy.....	11	3,129,450
Utica.....	4	1,325,000
Unadilla.....	1	130,000
Vernon.....	1	100,000
Warsaw.....	1	60,000
Waterford.....	1	147,225
Waterloo.....	1	200,000
Watertown.....	6	735,679
Waterville.....	1	120,000
Waverly.....	1	106,100
Weedsport.....	1	100,000
Westfield.....	2	115,000
West Troy.....	1	250,000
West Winfield.....	1	100,000
Whitehall.....	2	208,200
Whitestown.....	1	120,000
Williamsburg.....	3	918,250
Yonkers.....	1	150,000
New York City.....	50	66,273,500
<b>TOTAL.....</b>	<b>297</b>	<b>\$109,646,948</b>

## NEW JERSEY.

Town or City.	No. of Banks.	Capital.
Belvidere.....	1	\$176,650
Bordentown.....	1	50,125
Bridgeton.....	1	102,400
Burlington.....	2	100,000
Camden.....	2	410,000
Clinton.....	1	80,000
Deckertown.....	1	75,000
Dover.....	1	100,000
Elizabeth.....	1	350,000
Flemington.....	1	100,000
Frehold.....	1	100,000
Frenchtown.....	1	75,000
Hackettstown.....	1	100,700
Hightstown.....	1	150,000
Hoboken.....	1	50,000
Jersey City.....	3	630,400
Lambertville.....	1	37,000
Medford.....	1	70,000
Melville.....	1	40,000
Morristown.....	1	90,500
Mount Holly.....	2	125,000
Middletown Point.....	1	100,000
Newark.....	4	1,858,650
New Brunswick.....	2	500,000
Newton.....	1	135,000
Orange.....	1	221,500
Paterson.....	2	70,000
Perth Amboy.....	1	25,000
Phillipsburg.....	1	146,000
Princeton.....	1	100,000
Rahway.....	1	200,000
Rockaway.....	1	50,000
Salem.....	1	75,000
Somerville.....	1	100,000
Trenton.....	2	530,000
Woodbury.....	1	100,000
<b>TOTAL.....</b>	<b>47</b>	<b>\$7,223,625</b>

## PENNSYLVANIA.

Allegheny.....	1	252,000
Allentown.....	1	140,000
Bristol.....	1	92,220
Brownsville.....	1	200,000
Carlisle.....	1	872,000
Chambersburg.....	1	256,838
Catasauqua.....	1	100,000
Chester.....	1	200,000
Coatsville.....	1	75,000
Columbia.....	1	322,600
Danville.....	1	200,000
Doylestown.....	1	105,000
Easton.....	2	680,000
Gettysburg.....	1	138,195
Hanover.....	1	50,000
Harrisburg.....	3	400,000
Hollidaysburgh.....	1	
Honesdale.....	1	150,000
Kittaning.....	1	100,000
Lancaster.....	3	667,945
Lebanon.....	1	180,000

Town or City.	No. of Banks.	Capital.
Lewisburg .....	1	150,000
Lockhaven.....	1	200,000
Mauch Chunk .....	1	100,000
Middletown .....	1	200,000
New Brighton.....	1	75,000
Newcastle .....	1	100,000
Norristown.....	1	393,170
Northumberland .....	1	200,000
Pittsburgh .....	8	3,992,700
Pottstown.....	1	50,000
Pottsville .....	2	586,320
Reading.....	3	610,000
Shrewsbury.....	1	12,300
Tamaqua .....	1	72,380
Warren .....	1	100,000
Washington .....	1	150,000
Waynesburg .....	1	100,000
Westchester.....	1	225,000
Wellsboro .....	1	100,000
Wilkesbarre.....	1	150,000
Williamsport.....	1	100,000
York .....	2	600,000
Philadelphia .....	19	12,993,600
<b>TOTAL.....</b>	<b>78</b>	<b>\$26,542,268</b>

DELAWARE.

Delaware City.....	1	50,000
Dover .....	1	186,000
Georgetown .....	1	120,000
Newcastle .....	1	138,000
Newark .....	1	50,000
Odessa .....	1	50,000
Smyrna .....	1	100,000
Wilmington.....	5	1,046,000
<b>TOTAL.....</b>	<b>12</b>	<b>\$1,740,000</b>

MARYLAND.

Annapolis .....	1	251,700
Chestertown.....	1	100,000
Cumberland.....	2	164,498
Easton.....	1	200,000
Frederick.....	3	475,430
Hagerstown .....	2	250,000
Port Deposit .....	1	100,000
Westminster.....	2	157,112
Williamsport.....	1	150,000
Baltimore.....	15	11,164,260
<b>TOTAL.....</b>	<b>29</b>	<b>\$13,013,000</b>

DISTRICT OF COLUMBIA.

Georgetown .....	2	400,000
Washington .....	3	882,300
<b>TOTAL.....</b>	<b>5</b>	<b>\$1,282,300</b>

VIRGINIA.

Abingdon.....	1	150,000
Alexandria.....	3	947,900

Town or City.	No. of Banks.	Capital.
Blacksburg .....	1	100,000
Buchanan.....	1	125,000
Charleston .....	1	150,000
Charlestown .....	1	160,000
Charlottesville .....	2	316,000
Christiansburg.....	1	150,000
Clarkeville .....	1	800,000
Danville .....	2	245,000
Fairmont .....	1	57,700
Farmville .....	1	153,100
Fincastle.....	1	100,000
Fredericksburg.....	3	753,000
Harrisonburg.....	1	217,300
Howardsville.....	1	150,000
Jeffersonville.....	2	340,800
Leesburg.....	1	150,000
Lewisburg.....	1	100,000
Lexington .....	1	100,000
Lynchburg.....	4	1,500,400
Malden.....	1	300,000
Martinsburg.....	1	100,000
Moorfield.....	1	125,000
Morgantown .....	1	100,000
Norfolk.....	3	890,900
Parkersburg.....	1	103,100
Pearisburg.....	1	100,000
Petersburg .....	3	1,187,100
Philippi .....	1	100,000
Point Pleasant.....	1	200,000
Portsmouth.....	1	225,000
Richmond .....	3	2,413,550
Romney.....	1	130,000
Salem.....	1	101,500
Scottsville .....	1	77,000
Staunton.....	2	462,200
Union.....	1	100,000
Weston .....	1	150,000
Wellsburg .....	1	140,000
Wheeling .....	4	1,278,000
Winchester .....	3	773,000
Wytheville.....	2	200,000
<b>TOTAL.....</b>	<b>66</b>	<b>\$15,522,550</b>

NORTH CAROLINA.

Asheville.....	1	125,000
Charlotte .....	2	425,000
Elizabeth City.....	2	425,000
Fayetteville.....	4	1,255,000
Greensboro.....	2	220,000
Milton.....	1	125,000
Morganton .....	1	75,000
Newbern.....	2	325,000
Raleigh .....	2	450,000
Salem .....	1	150,000
Salisbury.....	1	125,000
Tarboro .....	1	150,000
Wadesboro .....	1	300,000
Washington .....	2	550,000
Wilmington .....	4	1,591,000



Town or City.	No. of Banks.	Capital.
Windsor.....	1	100,000
Yanceyville.....	1	200,000
<b>TOTAL.....</b>	<b>29</b>	<b>\$6,591,000</b>

## SOUTH CAROLINA.

Camden.....	2	400,000
Charleston.....	9	11,256,735
Chester.....	1	300,000
Cheraw.....	1	400,000
Columbia.....	3	1,300,000
Georgetown.....	1	200,000
Hamburg.....	1	500,000
Newberry.....	1	300,000
Winnboro.....	1	300,000
<b>TOTAL.....</b>	<b>20</b>	<b>\$14,956,735</b>

## GEORGIA.

Albany.....	3	.....
Americus.....	2	.....
Atlanta.....	3	178,000
Athens.....	2	200,000
Augusta.....	7	3,400,000
Bainbridge.....	1	100,000
Brunswick.....	1	100,000
Cartersville.....	1	.....
Columbus.....	6	250,000
Dalton.....	2	375,000
Dublin.....	1	.....
Eatonton.....	1	100,000
Forsyth.....	1	.....
Greensboro.....	2	100,000
Griffin.....	4	100,000
La Grange.....	2	150,000
Macon.....	7	450,000
Madison.....	1	.....
Milledgeville.....	1	.....
Newnan.....	1	.....
Ringgold.....	2	100,000
Rome.....	4	100,000
Sandersville.....	1	.....
Savannah.....	8	4,908,190
Sparta.....	1	.....
Thomasville.....	1	.....
Washington.....	1	100,000
<b>TOTAL.....</b>	<b>67</b>	<b>\$10,711,190</b>

## ALABAMA.

Huntsville.....	1	200,000
Mobile.....	2	2,000,000
Montgomery.....	2	800,000
Selma.....	1	300,000
<b>TOTAL.....</b>	<b>6</b>	<b>\$3,300,000</b>

## ILLINOIS.

Alton.....	1	60,000
Aurora.....	1	260,000

Town or City.	No. of Banks.	Capital.
Belleville.....	1	230,000
Belvidere.....	1	23,000
Benton.....	1	50,000
Bloomington.....	2	110,000
Bolton.....	1	292,000
Charleston.....	1	156,000
Chester.....	1	55,000
Chicago.....	3	256,000
Decatur.....	1	91,000
Elgin.....	1	75,000
Equality.....	1	80,000
Fairfield.....	1	260,000
Galena.....	1	66,000
Galesburg.....	1	50,000
Grayville.....	2	577,000
Griggsville.....	1	144,000
Hutsonville.....	1	100,000
Jacksonville.....	1	78,000
Joliet.....	1	137,000
Marion.....	1	69,000
McLeansboro.....	3	810,000
Monmouth.....	1	64,000
Naperville.....	1	48,000
Ottawa.....	1	16,000
Oxford.....	1	100,000
Paris.....	1	75,000
Peoria.....	1	94,000
Peru.....	1	53,000
Quincy.....	1	65,000
Raleigh.....	3	549,000
Robinson.....	1	100,000
Rushville.....	1	32,000
Shawneetown.....	1	750,000
Urbana.....	1	80,000
Washington.....	1	70,000
Wankegan.....	1	53,000
W. Urbana.....	1	50,000
<b>TOTAL.....</b>	<b>47</b>	<b>\$6,198,000</b>

## INDIANA.

Bloomington.....	1	50,000
Bedford.....	1	100,000
Cambridge.....	1	81,000
Columbus.....	1	50,000
Connersville.....	1	100,000
Evansville.....	3	271,000
Franklin.....	1	90,000
Fort Wayne.....	1	100,000
Goshen.....	2	75,000
Gosport.....	1	100,000
Greencastle.....	1	50,000
Indianapolis.....	2	200,000
Jeffersonville.....	1	100,000
Lima.....	2	160,000
Lafayette.....	1	100,000
Laporte.....	1	100,000
Lawrenceburg.....	1	100,000
Logansport.....	1	100,000
Madison.....	2	223,500
Michigan City.....	1	50,000

Town or City.	No. of Banks.	Capital.
Mount Vernon.....	1	23,000
Muncie .....	1	100,000
New Albany.....	2	175,000
Paoli .....	1	50,000
Plymouth.....	1	100,000
Rockville.....	1	86,000
Richmond.....	1	100,000
Rushville.....	1	100,000
Salem .....	1	50,000
South Bend.....	1	100,000
Terre Haute.....	3	241,700
Vincennes.....	1	100,000
Wabash .....	1	53,000
Westfield.....	1	70,000
<b>TOTAL.....</b>	<b>43</b>	<b>\$3,555,200</b>

## KENTUCKY.

Ashland.....	1	400,000
Bowling Green.....	1	175,000
Barbourville.....	1	100,000
Covington.....	2	800,000
Carrollton.....	1	200,000
Danville .....	1	220,000
Frankfort .....	2	650,000
Flemingsburg.....	1	100,000
Greensburg.....	1	125,000
Georgetown.....	1	200,000
Hopkinsville.....	1	250,000
Harrodsburg.....	1	150,000
Henderson.....	1	250,000
Hickman .....	1	150,000
Louisville.....	7	4,260,000
Lexington.....	2	1,280,000
Maysville.....	2	850,000
Mount Sterling.....	1	200,000
Owensboro.....	1	300,000
Paducah.....	2	350,000
Princeton.....	1	300,000
Paris.....	1	370,000
Richmond.....	1	150,000
Russellville.....	1	400,000
Shelbyville.....	1	200,000
Somerset.....	1	100,000
Smithland.....	1	300,000
Versailles.....	1	100,000
<b>TOTAL.....</b>	<b>39</b>	<b>\$12,980,000</b>

## LOUISIANA.

Baton Rouge.....	1	.....
New Orleans.....	12	16,557,000
<b>TOTAL.....</b>	<b>13</b>	<b>\$16,557,000</b>

## MICHIGAN.

Detroit.....	3	950,000
Mount Clemens.....	1	100,000
Tecumseh.....	1	150,000
<b>TOTAL.....</b>	<b>5</b>	<b>\$1,200,000</b>

## MISSISSIPPI.

Town or City.	No. of Banks.	Capital.
Aberdeen.....	1	.....
Columbus.....	1	836,000
Holly Springs.....	1	200,000
Yazoo City.....	1	300,000
<b>TOTAL.....</b>	<b>4</b>	<b>\$836,000</b>

## MISSOURI.

Cape Girardeau.....	1	200,000
Chillicothe.....	1	200,000
Fayette.....	1	200,000
Jefferson City.....	1	200,000
Louisiana.....	1	200,000
Lexington.....	1	200,000
Springfield.....	1	200,000
St. Louis.....	7	3,800,000
<b>TOTAL.....</b>	<b>14</b>	<b>\$4,700,000</b>

## NEBRASKA.

De Soto.....	1	.....
Florence.....	1	100,000
Nebraska City.....	1	.....
Omaha City.....	3	100,000
<b>TOTAL.....</b>	<b>6</b>	<b>\$200,000</b>

## OHIO.

Ashtabula.....	1	100,000
Athens.....	1	100,000
Bridgeport.....	1	100,000
Cadiz.....	1	100,000
Canton.....	1	25,000
Chillicothe.....	2	400,000
Cincinnati.....	1	50,000
Circleville.....	1	103,550
Cleveland.....	5	550,000
Columbus.....	3	450,000
Cuyahoga Falls.....	1	100,000
Dayton.....	2	207,000
Delaware.....	1	94,500
Eaton.....	1	100,000
Elyria.....	1	75,000
Franklin Mills.....	1	94,600
Ironton.....	1	65,350
Lancaster.....	1	100,000
Logan.....	1	100,000
Mansfield.....	1	100,000
Marietta.....	1	100,000
Marion.....	1	50,000
Massillon.....	2	150,000
Mt. Pleasant.....	1	100,000
Mt. Vernon.....	1	100,000
Norwalk.....	1	125,000
Painesville.....	1	50,000
Piqua.....	1	100,000
Portsmouth.....	1	100,000
Ravenna.....	1	103,000
Ripley.....	1	100,000

Town or City.	No. of Banks.	Capital.
Salem .....	1	100,000
Springfield .....	2	150,746
Steubenville .....	1	100,000
Toledo.....	1	150,000
Troy.....	1	120,000
Urbana.....	1	26,000
Warren .....	1	75,000
Washington .....	1	100,000
Wooster.....	1	150,000
Xenia .....	1	100,000
Youngstown .....	1	50,000
Zanesville .....	2	200,000
<b>TOTAL.....</b>	<b>54</b>	<b>\$5,413,746</b>

## TENNESSEE.

Athens.....	2	399,150
Brownsville .....	1	100,000
Chattanooga .....	2	312,000
Clarksville .....	4	850,000
Cleveland .....	1	130,000
Columbia .....	2	340,000
Dandridge .....	2	150,000
Dresden .....	1	100,000
Franklin.....	1	100,000
Jackson .....	1	100,000
Knoxville .....	3	250,000
Lawrenceburg .....	1	95,000
Lebanon .....	1	50,000
McMinnsville .....	1	50,000
Memphis .....	8	700,000
Murfreesboro'.....	1	100,000
Nashville .....	7	5,050,000
Paris .....	1	50,000
Pulaski .....	1	150,000
Rogersville .....	2	350,000
Shelbyville.....	2	275,000
Somerville .....	1	250,000
Sparta .....	1	225,000
Tazewell.....	2	100,000
Trenton.....	2	300,000
<b>TOTAL.....</b>	<b>51</b>	<b>\$10,576,150</b>

## TEXAS.

Galveston.....	1	322,000
<b>TOTAL.....</b>	<b>1</b>	<b>\$322,000</b>

WISCONSIN.		
Town or City.	No. of Banks.	Capital.
Baraboo .....	1	50,000
Beaver Dam.....	3	125,000
Beloit .....	2	110,000
Berlin.....	1	50,000
Black River Falls.....	1	50,000
Brinkerhoff .....	1	150,000
Columbus.....	1	50,000
Conterelle.....	1	200,000
Delavan .....	1	50,000
De Pere.....	1	25,000
Eagle Point.....	1	50,000
Eau Claire.....	1	50,000
Elkhorn .....	1	25,000
Fond du Lac.....	3	175,000
Fox Lake .....	1	50,000
Green Bay.....	2	75,000
Hudson .....	2	75,000
Janesville .....	5	325,000
Kenosha .....	2	150,000
La Crosse .....	2	75,000
Madison.....	5	300,000
Maranett.....	1	35,000
Milwaukie .....	8	1,850,000
Montello .....	1	25,000
Monroe.....	1	25,000
Neenah.....	1	25,000
North Pepin.....	1	60,000
Oshkosh .....	2	100,000
Pepin .....	1	50,000
Platteville .....	1	50,000
Portage City.....	1	50,000
Prairie du Chien.....	1	50,000
Racine.....	4	400,000
Richland.....	1	50,000
Ripon .....	1	25,000
Sheboygan.....	2	150,000
Stevens' Point.....	1	60,000
St. Croix.....	1	50,000
Watertown.....	2	175,000
Waukesha .....	2	150,000
Waupun .....	2	75,000
<b>TOTAL.....</b>	<b>73</b>	<b>\$5,665,000</b>

MANUFACTURED JEWELRY.—The manufacture of gold and silver was commenced in Providence, says the *Journal* of that city, more than a century ago, and from very small beginnings has grown up to rival in magnitude and extent that of any other place in the country; the value of its annual products being not much short of three million dollars. By the recent contraction of business, nearly twelve hundred and ninety-five workmen employed in this business have been thrown out of employment, while of the three hundred that remain, many are apprentices, whilst the others are working on short time, and at a reduced rate of compensation.

## BANK STATISTICS.

## I.—BANKS IN PHILADELPHIA.

AVERAGE CONDITION OF THE BANKS IN PHILADELPHIA FOR THE WEEK PRECEDING MONDAY, JANUARY 13, 1858.

<i>Banks.</i>	<i>Cap. Stock.</i>	<i>Loans and Discounts.</i>	<i>Specie in Banks.</i>	<i>Deposits.</i>	<i>Circulation.</i>
Philadelphia .....	1,800,000	3,261,830	572,076	1,273,950	163,660
North America .....	1,000,000	2,596,313	693,953	1,412,005	81,323
Farm. & Mech. ....	2,000,000	3,669,000	772,000	2,270,000	135,000
Commercial .....	841,400	1,356,300	211,500	742,800	51,676
Mechanics .....	800,000	1,330,214	209,333	729,393	30,463
N. Liberties .....	500,000	1,254,000	151,000	836,000	37,500
Southwark .....	250,000	663,556	209,499	486,738	29,045
Kensington .....	250,000	637,596	100,511	361,414	85,900
Penn. Township .....	350,000	547,304	137,735	385,276	17,175
Western .....	418,600	1,220,346	209,465	815,501	25,300
Manufacturers' and Mechanics' ..	544,375	963,371	110,678	361,570	87,335
Commerce .....	250,000	633,093	100,093	475,470	88,520
Girard .....	1,850,000	1,363,769	174,113	557,608	61,375
Tradesmen's .....	150,000	440,813	115,119	340,190	39,339
Consolidation .....	293,370	345,154	46,575	163,384	19,280
City .....	441,150	623,554	95,780	243,965	33,045
Commonwealth .....	155,790	152,129	40,320	44,043	9,910
January 18. ....	11,299,885	21,068,659	4,018,295	11,512,765	1,046,545
January 11. ....	11,294,095	21,302,374	3,770,701	11,465,253	1,011,033

## II.—BALTIMORE BANKS.

CONDENSED STATEMENT OF THE CONDITION OF THE BALTIMORE BANKS.

<i>Banks.</i>	<i>Capital.</i>	<i>Discounts.</i>	<i>Specie.</i>	<i>Circulation.</i>	<i>Deposits.</i>
Mechanics' .....	1,500,000.00	1,969,713.79	333,599.31	354,155	752,466.88
Union .....	1,258,200.00	2,153,687.20	203,941.46	1293,115	542,804.77
Baltimore .....	1,202,200.00	1,871,666.44	240,072.94	220,280	622,952.99
Farmers and Planters' ..	800,000.00	1,426,369.82	210,426.38	350,347	518,093.81
Farmers & Merchants' ..	718,200.00	1,052,778.37	101,631.43	170,367	218,429.66
Commercial & Farmers' ..	512,560.00	952,621.78	180,866.13	158,632	375,760.75
Western .....	600,000.00	961,748.71	150,833.76	180,213	222,792.02
Franklin .....	600,000.00	951,757.51	117,114.21	130,667	299,969.62
Marine .....	307,900.00	566,438.94	53,058.71	57,842	219,417.10
Mechanics' .....	600,000.00	1,407,785.85	162,184.60	361,606	634,163.64
Citizens' .....	500,000.00	1,136,174.21	160,005.44	339,310	511,223.63
Chesapeake .....	364,473.00	572,100.63	74,050.99	127,610	299,677.91
Commerce .....	600,000.00	892,338.40	124,075.75	203,105	367,326.60
Howard .....	160,800.00	235,320.47	32,886.73	38,355	76,416.19
Fell's Point Savings .....	350,012.00	642,203.50	34,719.85	72,840	268,512.09
January 4, 1858. ....	10,160,345.00	17,802,693.62	2,169,517.69	3,058,643	6,082,007.66
January 5, 1857. ....	9,777,602.00	18,704,951.63	2,998,876.27	3,395,643	7,765,866.85
January 7, 1856. ....	9,065,934.50	16,397,869.76	2,832,762.56	3,388,430	6,425,332.90
January 1, 1855. ....	8,576,583.00	14,279,363.69	2,484,946.18	2,682,708	5,858,628.67
January 2, 1854. ....	7,592,380.50	14,969,213.11	2,848,708.63	2,956,532	6,962,939.06
January 3, 1853. ....	7,291,415.00	14,291,221.15	2,991,910.44	3,328,058	6,021,707.04
January 5, 1852. ....	7,141,461.00	11,428,509.81	1,967,564.67	2,180,667	3,912,977.09
January 6, 1851. ....	6,101,056.00	11,783,716.59	2,330,174.31	2,281,918	4,322,966.36

It will be seen from the foregoing table that the

Increase in Capital is.....	\$382,748 00
"    Investments.....	39,051 10
And the decrease in Discounts is.....	902,256 01
"    "    Specie.....	829,353 58
"    "    Circulation.....	337,000 00
"    "    Deposits.....	1,683,861 18

It will be observed that the discounts did not decrease in proportion to the falling off in the deposits, and that the banks rendered in the way of discounts every facility in their power.

### III.—RHODE ISLAND.

The abstract of the semi-annual returns of the banks of Rhode Island, required to be made by law, exhibits some interesting facts in addition to those presented in the weekly returns to the Commissioners. Indeed, it may be said that the publication of the weekly returns has had a very good effect, keeping the condition of the banks constantly before the public. Heretofore, it is well known, that for several weeks previous to the time for making the annual return to the Legislature, every bank curtailed its business, in order to prepare itself for making a favorable report. It is evident, therefore, that the reports so made did not present a fair exhibit of their average condition.

The following is a comparative view of the condition of the banks in Rhode Island in May and in December, 1857 :

<i>Due from Banks.</i>	93 Banks Dec. 14.	98 Banks May 2.
Capital actually paid in.....	\$20,516,510 86	\$20,857,075 86
Bills in circulation.....	3,192,661 25	5,844,662 75
Deposits on interest.....	381,402 85	439,322 36
Deposits not on interest.....	2,452,327 75	3,045,571 81
Debts due to other Banks.....	1,661,204 05	1,484,358 08
Dividends unpaid.....	57,780 97	74,985 97
Net profits on hand.....	1,818,979 65	1,338,505 10
<b>Total Amount of Liabilities.....</b>	<b>\$29,615,867 38</b>	<b>\$32,584,482 33</b>
<i>Resources of the Banks.</i>		
Debts due from Directors.....	\$1,571,713 90	\$1,568,742 94
Debts from Stockholders.....	1,306,004 55	2,338,120 97
Debts from all others.....	22,945,438 65	25,136,935 74
Specie actually in Banks.....	570,850 78	329,734 07
Bills on other Banks.....	860,778 41	1,220,047 04
Deposits in other Banks.....	1,410,675 60	1,134,609 19
Its own held by the Bank.....	226,783 00	83,472 32
Amount and description of Stock in other Banks, and of other Stocks owned by the Bank.....	145,129 57	127,839 44
Real Estate.....	527,787 00	505,705 36
Other property.....	50,760 92	89,162 59
<b>Total Amount of Resources.....</b>	<b>\$29,615,867 38</b>	<b>\$32,584,482 33</b>
Increase of capital since last return.....	201,500 00	458,429 22
Amount of last dividend.....	727,121 16	782,949 09
Reserved profits at the time of last dividend.....	834,438 60	903,341 04
Debts due and not paid.....	1,387,425 25	585,152 17

Amount of suspended paper considered bad or doubtful.....	\$304,450 68	\$86,056 92
Amount loaned on pledges of stock in the Bank.....	892,550 07	665,698 71
Amounts of bills in circulation under five dollars.....	710,975 00	1,146,217 00

Among the facts exhibited by this report are, that in May last the circulation of all the banks was \$5,344,662, when they then held \$329,724 in specie, or about 6 per cent. By the report made in December, the circulation was \$3,192,661, with \$570,850 in specie, or a proportion of 18 per cent. of the circulation. The loans in this time have been reduced \$3,271,847. A fact in connection with this must be stated: that the May report embraced the returns of five more banks, with an aggregate of about \$300,000 capital, than are given in the latter report. Four of these banks have gone into liquidation, and one did not make its report in season to be included in the abstract.

Another item which will be looked at, is the amount "of paper lying over," or "debts due and not paid;" and "suspended paper considered bad or doubtful."

The debts due and not paid amount to.....	\$1,387,425
Suspended paper, bad or doubtful.....	304,450
<b>Total.....</b>	<b>\$1,691,875</b>
Against this item should be placed the amount of net profits on hand.....	1,808,979

#### IV. — OHIO.

There are at present fifty-four Banks in the State of Ohio, with a diminished capital of \$4,125,000. Their condition in November, according to the quarterly report, was as follows, compared with February and August last.

	LIABILITIES.		
	Feb., 1857.	May, 1857.*	Nov., 1857.
	54 Banks.	52 Banks.	54 Banks.
Capital.....	\$5,398,805	\$3,919,500	\$4,125,246
Circulation.....	8,795,793	6,571,340	6,401,226
Safety Fund.....	1,096,780	592,163	664,455
Due other Banks.....	399,502	215,488	186,785
Individual deposits.....	5,749,120	2,874,460	1,846,694
Profits undivided.....	972,248	270,768	225,936
Bills payable.....	93,661	91,740	11,680
Interest account.....	302,337	209,826	4,730
Dividends unpaid.....	5,810	5,650	12,348
Miscellaneous.....	78,285	9,120	40,696
<b>Total Liabilities.....</b>	<b>\$22,861,793</b>	<b>\$14,759,553</b>	<b>\$18,519,746</b>

\* 6 Banks omitted their reports.

RESOURCES.			
	<i>Bank Loans.</i>	<i>Bank Capital.</i>	<i>Circulation.</i>
Loans .....	\$13,526,750	\$9,303,180	\$8,166,387
Specie .....	3,008,975	1,414,771	1,269,380
Notes of other Banks .....	1,125,444	512,183	494,326
Due from other Banks .....	1,026,060	786,532	877,544
Eastern deposits .....	1,591,470	1,223,841	703,677
Checks on other Banks .....	87,767	87,270	97,670
U. S. and Ohio State bonds .....	2,736,396	772,949	814,209
Real estate .....	365,903	304,042	529,627
Miscellaneous .....	393,027	354,784	566,926
<b>Total Resources .....</b>	<b>\$22,861,793</b>	<b>\$14,759,553</b>	<b>\$13,519,746</b>

The policy of Ohio for some years past has been to exclude capital from the State by means of a continuous and burdensome system of taxation. Not satisfied with taxing banking capital, the Legislature went further, and taxed the loans of the banks to such an extent that capitalists were driven into Indiana, Illinois, Iowa, &c. where legislation was more impartial. The State of Ohio, with a population of 2,300,000 (assuming the increase from 1840 to 1850 as a criterion of the increase from 1850 to 1857), has a bank capital of about four millions [less than one-third that of Providence, Rhode Island], and bank circulation of about \$6,000,000, while Massachusetts with half the population has a bank capital of sixty millions, and circulation \$24,000,000. This contrast is daily becoming greater. Ohio has waged a war of extermination against banks and capital, and the few moneyed institutions in the State are every year becoming fewer.

## COMPARATIVE TABLE OF OHIO BANKS.

	<i>Bank Loans.</i>	<i>Bank Capital.</i>	<i>Circulation.</i>
May, 1847.....	\$10,936,000	\$5,071,000	\$7,281,000
May, 1848.....	13,678,000	6,654,000	9,166,000
August, 1849.....	14,448,000	7,029,000	9,863,000
May, 1850.....	16,329,000	7,324,000	10,184,000
May, 1853.....	18,758,000	7,137,000	11,245,000
February, 1856.....	14,921,000	5,500,000	9,080,000
February, 1857.....	13,526,000	5,398,000	8,795,000
November, 1857.....	8,166,000	4,125,000	6,400,000

## V.—INDIANA.

## REPORT OF THE BANK OF THE STATE FOR 1857.

OFFICE OF THE BANK OF THE STATE OF INDIANA,  
INDIANAPOLIS, Dec. 21, 1857.

*His Excellency, A. P. WILLARD, Governor :*

SIR: The Charter of the Bank of the State of Indiana only requires that reports of the condition of the Institution should be made to the Legislature of the State, but inasmuch as annual reports have always been made by the State Bank of Indiana, and no Legislature being now in session, I feel it due to the people of the State to present, through you, a report of the condition of this bank, which is herewith submitted, being a copy of our semi-monthly statement of the 30th ultimo, comprising the first seven months of its business, and is as follows :

## Statement of the Bank of the State of Indiana, Nov. 30, 1857.

## MEANS.

Notes discounted.....	\$ 152,166 22	
Bills of Exchange.....	3,267,731 42	
Suspended debt.....	88,098 32	
		<hr/>
		\$3,507,995 96
Banking houses.....		67,252 12
Due from Eastern banking institutions.....		482,883 02
Due from banks other than Eastern.....	\$254,199 25	
Remittances and other items.....	133,083 51	
Notes of other banks.....	270,182 00	
		<hr/>
		\$657,464 76
Gold and silver.....		1,069,264 50
		<hr/>
		\$5,734,860 36

## LIABILITIES.

Capital stock paid in.....		\$2,114,691 44
Surplus fund.....	\$142,782 92	
Profit and loss.....	135,128 97	
		<hr/>
		\$277,911 89
Due to other banks.....	297,206 47	
Branch Balances and other items.....	71,341 79	
		<hr/>
		\$368,548 26
Individual deposits.....	585,937 46	
Certificates of Deposits.....	103,722 31	
		<hr/>
		\$689,659 77
Circulation.....	{	
	Notes under \$5.....	164,483 00
	\$5, and upwards.....	2,342,015 00
		<hr/>
		\$2,506,498 00
Less notes on hand.....		222,449 00
		<hr/>
		\$2,284,049 00
		<hr/>
		\$5,734,860 36

It will be seen that the Bank, with a circulation of only \$2,284,049 00, has, of gold and silver in her vaults, \$1,069,264 50, with \$432,885 Eastern exchange, besides her other resources.

This result, which has been attained by an institution so recently established, and which has been operated during a time when many institutions of greater age, commanding the confidence of the public, have failed to meet their liabilities, confirms in my mind the confident hope that the Bank of the State of Indiana will meet the best anticipations of the people of the State, and fully equal in safety and usefulness its predecessor, which is now engaged in closing up its business, as required by its charter. Respectfully submitted,

H. McCULLOCH, *President.*

INDIANA FREE BANKS.—The following Banks have complied with the amended law of 1855, and have securities deposited with the Treasurer



of State at their market value, to an amount not less than fifty thousand dollars, and ten per cent. in excess of their circulation :

Bank of Goshen, Goshen.	Farmers' Bank, Westfield.
Bank of Gosport, Gosport.	Indiana Bank, Madison.
Bank of Mount Vernon.	Indiana Farmers' Bank, Franklin.
Bank of Paoli, Paoli.	Kentucky Stock Bank, Columbus.
Bank of Rockville, Wabash.	Lagrange Bank, Lima.
Bank of Salem, New Albany.	Park County Bank, Rockville.
Bank of Salem, Salem.	Prairie City Bank, Terre Haute.
Bloomington Bank, Bloomington.	Salem Bank, Goshen.
Cambridge City Bank, Cambridge City.	Southern Bank of Indiana, Terre Haute.
Exchange Bank, Greencastle.	

The following Banks have complied with the amended law, but have since given notice of their intention to withdraw their circulation. Their notes are payable in coin :

Bank of Indiana, Michigan City.
Canal Bank, Evansville.
Central Bank, Indianapolis—redeemed by the Treasurer of State.
Crescent City Bank, Evansville.

The following banks gave notice of their intention to close prior to the first day of March, 1858, in preference to complying with the provisions of the amended law, requiring ten per cent. excess of securities. The notes are redeemed at par :

Bank of Elkhart, redeemed at the Bank.
Brookville Bank, " "
Hoosier Bank, " "
Huntington County Bank, " "
Indiana Stock Bank, " "
Bank of Monticello, redeemed at Branch Bank, Lafayette.
Fayette County Bank, redeemed at Branch Bank, Connersville.
Merchants' and Mechanics' Bank, redeemed at Branch Bank, New Albany.
Bank of Syracuse, redeemed at Branch Bank of Goshen.
Indian Reserve Bank, redeemed at Fletcher's Bank, Indianapolis.

SUSPENDED INDIANA FREE BANKS.—The notes of the following Banks are redeemed by the Auditor of State, viz.:

Agricultural Bank.....at par.	Farmers' Bank, Jasper.....at 91c.
Atlantic Bank.....at 80c.	Kalamazoo Bank.....at 90c.
Bank of Albany.....at 90c.	Laurel Bank.....at 82c.
Bank of Albion.....at par.	Northern Indiana Bank.....at 83c.
Bank of America.....at 87c.	N. Y. & Va. State Stock Bank..at par.
Bank of Attica.....at 89c.	Orange Bank.....at par.
Bank of Bridgeport.....at 88c.	State Stock Bank of Ind., Peru..at 85c.
Bank of Connersville.....at 87c.	State Stock Bank, Marion.....at 90c.
Bank of Perrysville.....at par.	Savings Bank of Indiana.....at 69c.
Bank of South Bend.....at par.	Traders' Bank, Nashville.....at 92c.
Bank of T. Wadsworth.....at 91c.	Wabash Valley Bank.....at 92c.
Bank of the Capitol.....at par.	Wayne Bank, Richmond.....at par.
Bank of N. America, Clinton...at 90c.	Wayne Bank, Logansport.....at par.
Bank of Rockport.....at par.	Bank of Warsaw is redeemed at the Bank.
Elkhart Co. Bank.....at 97c.	

The above list includes all Banks for which there are securities deposited.

JOHN W. DODD, *Auditor.*

OFFICE OF THE AUDITOR OF STATE,  
INDIANAPOLIS, Jan. 1, 1858.

## COMMERCIAL CORRUPTION IN EUROPE.

From the London Times.

THE public are astounded at the commercial disclosures on every side. Even those most conversant for years past with all the great operations of business, had no idea of the degree of corruption that at each turn was defeating the efforts of the honest trader. The question is, have they yet any adequate conception of the extent to which the system has been carried? Persons are disposed to comfort themselves by the conclusion that every case of delinquency appears in print and makes a great stir, while the multitude of ordinary transactions are carried on with regularity, day after day, and excite no notice. There could not be a greater delusion. On all hands, there is a combination to palliate and hush up the practices that have been prevalent, and no more difficult or dangerous duty could be undertaken than that of endeavoring to defeat it. Even if any class of observers happen to be aware of organized schemes of deception, or of the most objectionable and suspicious features in the management of companies or firms, they can do little to warn the community, until some open default has been committed, and the final explosion is consequently at hand. The forces that were drawn together at Glasgow, consisting of the aristocracy and wealth of Scotland, to beat down all who might attempt to question the position of the Western Bank, and to expose its vile career, furnished a specimen of the obstacles to be encountered; and it is a fact that, while that concern was applying for help to the other banks, even the statement that these banks wished to stipulate for a winding up of its affairs, was widely denounced as a malignant libel. In another case, a firm, whose position was understood, but which had contrived, through the help of the Western Bank, temporarily to arrest an exposure, induced a well-known legal house in London to protest against the damage "recklessly" inflicted on its credit by the mention of its name, although within a fortnight of that date it was shown to be disgracefully insolvent. When Mr. Oliver broke down at Liverpool, after a career of speculation, in the height of which he had been presented by his admiring townspeople with a service of plate, some of the leading merchants, including the chairman of the Borough Bank, and, it is believed, Mr. De Wolf, of the great firm of De Wolf & Co., which has just stopped for about £200,000, showing 2s. in the pound for its creditors, actually posted a notice on the Exchange, contradicting and stigmatizing the announcement as a wanton injury. If this is the experience in the most rotten and hopeless cases, what would have to be expected if a breath were uttered regarding any concern that might still, by possibility, be patched up so as to allow of its defying all imputations? The case of the North of Europe Steam Company, in which a warning to the public aggravated the injury it was intended to avert, since it drew forth an unqualified denial from the directors, which led many persons to increase their investments at high prices, will be fresh in recollection. The habit is universal, and is encouraged in all quarters. There is abundant sympathy for the speculator who has lived in good style for years, and whose position may at last be questioned; but none for the great mass of

the people, who, in consequence of his operations, have been paying higher prices for all the necessaries of life; none for those who have been tempted by high wages into over-stocked branches of labor, and who are suddenly thrown into destitution; and none for society in general, which will suffer through many future years from a generation of young men brought up to the belief that there is no such thing as honest trade, and that he is greatest who most excels in the adulteration of goods, the manufacture of accommodation bills, and the management of fraudulent suspensions. Such is ever the case. The offender in his distress is a tangible object of pity, while the community he has wronged and dishonored is only a shadowy conception; and government, in relieving him, even at the cost of violating a law, merely acts out the wishes of the majority. In these circumstances it will be easily understood that not one tithe of the delinquencies that now pervade every branch of trade are likely to come to light. There is no legal machinery to promote any such object, but a most extensive and almost resistless action on the other side. The legislature have always been too busy in meddling as to the nature of obligations which commercial men should be allowed to undertake, to be able to devote time to the introduction of laws to enforce, under swift and adequate penalties, the simple principle that every obligation once made must be faithfully fulfilled, and to bring to justice every one who has robbed another by false pretences. There was much display of business in this line last session, but it has apparently effected nothing. The prosecution of the British Bank directors was a wonderful effort to mark the inauguration of a new reign of virtue, but, it is understood, the experiment is never likely to be repeated, the costs and confusion having been awful. Notwithstanding all the notoriety of his case, it is easy to prophesy that Mr. Stephens, of the London and Eastern corporation, will escape, to enjoy the remainder of his life on the marriage settlement acquired from the funds of that establishment. From the first, the other directors have never even been threatened with prosecution. It is true, the daily journals are now filled with developments of cases of sequestration or bankruptcy, or of the winding up of fraudulent concerns; but these are all exceptional, and any one reading the proceedings will see that they merely relate to a few stragglers that have been caught out of a whole army of marauders. Every word uttered in the various examinations serves to show how the individual insolvent was but one of a constantly extending circle—how he was terrified into lending more money or granting further acceptances by creditors who threatened to fail and expose him, and how he in turn got more from some one else (in most cases the manager of a joint-stock bank) by pursuing a similar course. In one case now pending at Glasgow, a house is shown to have had seventy-five real or fictitious correspondents, all insolvent like itself, upon whom it had drawn to the amount of £380,000, the whole finally centring in the Western Bank. Is this a solitary specimen? Are there not hundreds of analogous but more adroit cases that might be developed on every side—often, apparently, without much difficulty, if any judgment may be formed from the leading figures lately presented in some of the London balance-sheets; and as soon as the present crisis is over, will not all these persons again go to work? In the present state of the law there is nothing to obstruct and every thing to encourage them. The belief is that, notwithstanding the recent wrecks and the lateness of the period to which the "relief" granted by the suspen-

sion of the Bank Charter Act was deferred, the accommodation paper still in circulation in London and throughout the kingdom, would present a total such as few persons not accustomed to reflect on such matters would be prepared to expect. The remedy, of course, would be to punish the drawers and acceptors for conspiracy to defraud. Every bill of exchange purports to have been for "value received." If two men conspire to manufacture such a document, and to pass it as genuine into the hands of a third, nothing can be more obvious than the nature of the transaction. But parliament, perhaps, would rather pass a whole session in discussing whether they could devise some new measures to interfere with the natural course of enterprise, and direct it into such channels as might be fashionable with them for the moment, than descend to so small a matter as this simple application of the criminal law.

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### BANKS OF LOUISIANA.

The New Orleans Bulletin exults that the banking system of Louisiana "is the best in the world," and that "experience and circumstance vindicate the assertion." It says:

"Our banks have encountered the most terrible ordeal ever experienced in the financial and commercial history of the world, and they have passed through the fiery furnace unscathed. The banks of every city on the Atlantic seaboard and throughout the interior of the country have suspended specie payments; nay, even the Bank of England, although it has not suspended, is issuing a currency irredeemable in specie; ours stand firm, impregnable as a rock, and are now in so defiant a position that any assault upon them from any source would be unavailable. Why, then, has a system of this kind, so thoroughly tested and approved, not been more generally imitated? Simply because its merits are not generally known. It is strange, but no less true than strange, that a system of banking based upon such philosophical, rational, and practical principles, should not be perfectly familiar to the entire public, so much interested in the maintenance of a sound and convertible currency."

The merits of the system of Louisiana are somewhat elaborately stated; but we gather from the article from which we quote that the chief features are, that the banks are prohibited from paying out at their counters any other than their own notes; that all their operations are limited to twice their capital; that each bank is required to separate its loans on capital paid in from its loans on deposits; that the loans on capital are secured by personal security or mortgages, and those on deposits and specie are restricted to paper payable in full at maturity, not exceeding a period of ninety days; that every party to commercial paper who suffers it to be protested is absolutely discredited, and the fact is notified to the Board of Currency and to the other banks; and that all paper offered for discount, not having more than ninety days to run, is considered *de facto* as payable in full at maturity.

The Board of Currency, created by law, are to supervise the faithful execution of the law, and of the charters and by-laws of all banks working under it; to examine the affairs of any bank whenever they may deem it expedient to do so, and at least quarterly; to require of the President and Cashier of each bank on Saturday of each week a statement, in a printed form, signed by them, giving the condition of the bank, its capital, amount of "dead weight," "movement" deposits and other cash liabilities, specie and cash assets.

No bank is permitted to purchase any shares of its capital stock. The suspension in 1837 led to the radical reforms which save the Louisiana banks in the present crisis. The act of 1842 provided for—

"The creation of a Board of Currency, with certain defined powers; the banks to have in their vaults at all times one-third of their liabilities in specie; each bank to settle all its balances weekly, and to pay or require to be paid in specie said balances; the protest of a notary public of any bank bill to constitute a forfeiture of charter. To these essential features are added the additional all-important one requiring the banks to have two-thirds of their liabilities represented by short paper, not having over ninety days to run, and payable at maturity."

The chief merit seems to be in confining the banks to their own issues; to operate only to an amount double their capital; to discount nothing but short paper, and to settle balances weekly in specie. Thus, their condition is at all times easily known and understood, and mismanagement promptly checked or entirely prevented.

**TENNESSEE.**—A Bill for the Relief of the People has been introduced into the Legislature of Tennessee, authorizing the Bank of that State to issue a million of dollars in post-notes, payable twelve months after date. The bill reads as follows;

Sec. 1. Be it enacted by the General Assembly of the State of Tennessee: That the Bank of Tennessee be, and is hereby authorized to issue for the relief of the people, one million of dollars in post-notes, payable twelve months after date, and that the said sum of one million of dollars shall be distributed and apportioned among the branches and the Parent Bank, according to the apportionment of capital, apportioned under the original charter of the bank; but, if any branch bank has lost a portion of its capital, there shall be deducted from such branch bank the sum equivalent to its loss. And said sum, thus deducted, shall be distributed among the other branches.

Sec. 2. 'Be it further enacted: That three-fourths of the issue thus authorized, shall be for the discount notes by the Parent Bank and branches, the remainder for the purchase of bills.

This might be more properly termed "a Bill to encourage Bank Suspension." There is no surer way to disturb the current of commercial affairs than by the creation of a fictitious paper currency—a currency based upon hopes of a better state of things in the future.

## PHILADELPHIA FINANCES.

The City Comptroller, in a very voluminous report just made public, showing the expenditures of all the Departments of the City Government, and the revenue from all sources, makes the following comprehensive exhibit of the funded debt:—

## 7. FUNDED DEBT OF THE CITY OF PHILADELPHIA, JAN. 1, 1858.

Year.	Five per cts.	Six per cts.	Total.	Year.	Five per cts.	Six per cts.	Total.
1853..	\$115,500 00	\$55,528 26	\$171,028 26	1877..	\$ 2,000 00	\$290,677 67	\$292,677 67
1859..	111,894 20	3,820 20	115,215 00	1878..	2,000 00	811,881 45	813,881 45
1860..	656,643 65	373,268 55	1,284,907 20	1879..	2,000 00	277,800 00	279,800 00
1861..	188,873 16	83,500 00	272,373 16	1880..	76,198 42	579,545 60	655,744 22
1862..	113,400 00	83,196 49	156,596 49	1881..	82,600 00	1,619,520 64	1,692,120 64
1863..	216,800 00	61,453 00	277,753 00	1882..	9,400 00	895,000 00	404,400 00
1864..	184,700 00	47,760 00	182,460 00	1883..	8,000 00	405,254 57	408,254 57
1865..	406,037 47	103,640 00	509,677 47	1884..	10,600 00	1,350,800 00	1,361,400 00
1866..	67,500 00	80,870 82	93,870 82	1885..	3,850 00	1,553,000 00	1,556,850 00
1867..	153,600 00	85,827 03	239,427 03	1886..	.....	2,300,000 00	2,300,000 00
1868..	124,454 04	103,527 89	227,981,43	1887..	.....	1,656,409 84	1,056,409 84
1869..	100,293 15	7,733 20	108,026 35	1888..	.....	225,000 00	225,000 00
1870..	122,800 00	176,982 19	299,782 19	1889..	.....	1,014,200 00	1,014,200 00
1871..	183,400 00	236,545 66	369,945 66	1890..	.....	750,000 00	750,000 00
1872..	97,600 00	133,550 00	231,150 00	1891..	.....	250,000 00	250,000 00
1873..	100,900 00	666,848 53	767,748 53	1892..	.....	925,000 00	925,000 00
1874..	58,900 00	113,161 70	167,061 70	1893..	.....	132,213 51	132,213 51
1875..	15,000 00	114,500 00	129,500 00	1894..	.....	30,000 00	30,000 00
1876..	9,400 00	617,753 90	627,153 90	1895..	.....	44,552 23	44,552 23

Total amount of Loans, as per preceding statement.....	\$19,588,816 83
To which add amount of Loans unpaid, and due prior to January, 1857.....	46,902 07
Balance of Loans due and unpaid, January 1st, 1853.....	73,065 71

Total funded debt.....	\$20,008,784 60
Amount of funded debt, as per last annual statement.....	\$19,471,177 43
To which add Loans made during the year 1857, as follows:—	
Sunbury and Erie Railroad.....	250,000 00
Philadelphia Gas Works.....	60,200 00
Road damages, Police and Fire Alarm Telegraph.....	23,300 00
Loan of \$300,000.....	388,100 00

\$20,142,777 43

From which deduct Loans paid during the year 1857, viz:—

Amount paid due 1845.....	1,000 00	
“ “ 1854.....	1,000 00	
“ “ 1855.....	7,276 00	
“ “ 1856.....	*8,290 99	
“ “ 1857.....	†116,425 84	
		188,992 83
1856, six per cents*.....	684 90	\$20,008,784 60
1856, five per cents.....	7,656 09	
		\$8,290 99
1857, six per cents.....	84,525 84	
1857, five per cents†.....	64,900 00	
		116,425 84

The Comptroller also presents the following statement, showing the Stocks held by the City of Philadelphia in various companies, under the care of the City Treasurer:—

Pennsylvania Railroad Company.....	\$5,000,000 00
North Pennsylvania Railroad Company.....	1,400,000 00
Northwestern Railroad Company.....	750,000 00
Hempfield Railroad Company.....	600,000 00
Schuylkill Railroad Company.....	4,000 00
Sunbury and Erie Railroad Company.....	2,250,000 00
Blockley and Marion Plank Road Company.....	10,000 00
Belmont Avenue Plank Road Company.....	10,000 00
Branchtown and Germantown Turnpike and Plank Road Co.....	100 00
West Philadelphia Canal Company—stock and loan.....	10,000 00
Schuylkill Permanent Bridge Company (394 shares) balance.....	1,536 00
Philadelphia Tow-boat Company.....	7,500 00
Moyamensing Gas Company.....	1,200 00
Delaware and Schuylkill Canal Co.....	.500 shares
Cairo City and Cairo Canal Co.....	10 "
Philadelphia and West Chester Turnpike Co.....	80 "
Delaware County Turnpike Co.....	20 "
Haverford Plank Road Co.....	80 "
Arbon Lands Co.....	10 "
<b>NOTE</b> —In addition to the foregoing, there has been issued to the Trustees of the Philadelphia Gas Works, on the loan authorized by City Councils, ordinance July 13, 1855.....	466,400 00

## STATE FINANCES.

I. MISSOURI. II. ALABAMA. III. GEORGIA. IV. TENNESSEE. V. VIRGINIA.  
VI. ILLINOIS. VII. KENTUCKY. VIII. MICHIGAN. IX. ARKANSAS.

I. MISSOURI.—The following statement will, we presume, interest those who are inquiring about the prospects of a payment of the interest on the Railroad debt of the State of Missouri:

The whole amount of bonds authorized to be issued to the railroads by existing acts, is \$24,950,000, distributed among the several roads as follow:—

	Authorized.	Issued.
Pacific, Main .....	\$7,000,000	\$6,380,000
Pacific, Southwest Branch.....	4,500,000	700,000
Hannibal and St. Joseph .....	3,000,000	3,000,000
North Missouri.....	5,500,000	3,150,000
Iron Mountain Road.....	3,600,000	2,600,000
Cairo and Fulton.....	650,000	100,000
Platte County .....	700,000	.....
		<u>\$15,930,000</u>

Of this amount authorized there had been issued at the date of Gov. Jackson's Message, October 13th, \$15,930,000, which amount, as we understand, has not been increased since.

By the recent act of the Legislature, of the balance not yet issued, authority is given to issue, at the discretion of the Governor, \$1,326,600 to be divided among the roads as follow :—

North Missouri.....	\$250,000
Iron Mountain.....	476,000
Pacific, Main.....	400,000
Pacific, S. W. Branch.....	200,000
Total .....	\$1,326,000

The same act authorizes a further issue of the bonds heretofore authorized to be issued, to the amount of \$1,950,000, as follow :—

North Missouri Road.....	\$750,000
Pacific, S. W. Branch .....	500,000
Platte County.....	700,000
Total.....	\$1,950,000

These last, with the exception of the grant to the Platte County Road, are to be issued upon condition that no sale is made of them at less than 90 cents on the dollar.

II. ALABAMA.—We have received a copy of the Inaugural Message of Gov. Andrew B. Moore of Alabama. We select a few paragraphs :

“The question of State aid to railroads, which has so much agitated the public mind, has been settled by the people at the ballot-box. It is manifestly their will that the State should not engage in building railroads, nor loan her money or credit to aid in their construction. The great depreciation of the stocks, and the embarrassed condition of those States that have engaged most extensively in works of this character, attest the wisdom of the decision of the people.

“The opinion has heretofore been expressed by me, that the notes of the late State Bank and Branches when returned to the Treasury, should be cancelled, and the affairs of those institutions settled as speedily and with as little expense, as may be consistent with the public interests.

“Not being one of those who believe ‘a public debt a public blessing,’ I would suggest that timely provision should be made for the payment of our outstanding State bonds as they mature. The public debt is comparatively small, and may be promptly paid without oppressing the taxpayers.

“The refusal of the Central and Commercial Banks to redeem their notes in specie presents a delicate and embarrassing question for the consideration of the Legislature. If the interest of these banks were alone involved, your duty would be plain; but the State and people being deeply interested as bill-holders, it is very difficult to ascertain what is the true policy to adopt in regard to them. It may be presumed, however, that the Representatives of the people, on any action they may take in regard to the matter, will look alone to the public good, and that whilst they will not be influenced by an undue sympathy for these institutions, they will be equally careful to do no act which may result in injury to the State and people, by depreciating the currency in their hands.”



III. GEORGIA.—The report of the State Treasurer of Georgia shows a balance in the treasury on the 20th of October, 1856, of \$355,365 33, and the amount received up to the same date in 1857 from all sources, \$594,051 73. The balance remaining in the treasury on the 20th October, 1857, is \$437,826 16, and the expenditures during the year \$5,111, 789,90, of which amount \$236,157 47 have been expended in payment of the public debt and interest. The State debt is now reduced to \$2,700,000, while the State road, the property of the State, is now fully and efficiently equipped with locomotive and passenger cars. During the past two years this road has paid into the treasury from its surplus earnings, \$143,600, of which amount \$108,500 was paid in the past year. The system of taxation in Georgia is an *ad valorem* one—this year it will be about 9 mills on the \$100—next year it will be reduced to about 8. The reduction is made on account of the large increase in value of all taxable property—the returns this year showing \$528,927,963, against \$495,478,045 in 1856. It appears by the Comptroller's report that he estimates that, independent of the increased valuation this year (\$33,449,04), his estimation is that there are 46,751 negroes, and 40,754,660 acres of land that have not been returned this year.

IV. TENNESSEE PUBLIC DEBT.—The following is a statement of the State Debt and finances of Tennessee in January, 1858 :

Old Improvement 5 per cents. 1868-'79.....	\$1,824,000
Old Improvement 5½ per cents. 1862.....	227,000
Union Bank 5 per cents. 1868.....	125,000
Bank of Tennessee 6 per cents. 1868 .....	1,000,000
State Capital 6 per cents, 1880.....	841,000
Hermitage Purchase 6 per cents .....	48,000
<b>Total direct debt.....</b>	<b>\$4,065,000</b>
Six per cents 1890-'95, lent railroads.....	6,149,000
<b>Total State debt .....</b>	<b>\$10,214,000</b>
Represented by—	
Bank stocks.....	\$1,650,000
Old Improvement Stocks.....	1,642,000
First mortgages, Railroads.....	6,149,000
<b>Together.....</b>	<b>\$9,441,000</b>
Add State taxables .....	280,319,000
<b>Total security.....</b>	<b>\$289,760,000</b>
Indirect liability by indorsements.....	\$2,550,000
<b>Total to which public faith is pledged.....</b>	<b>\$12,764,000</b>

The State Bonds lent to railways constitute what are known as the regular Tennessee State Sixes, due in 1890-'95, coupon stock, the half yearly interest January 1 to July 1.

The Nashville *Patriot* contains the following *resumé* of the report of the Railroad Commissioner of Tennessee:—

“There are twenty-one railroads projected and in process of construction, including those on which work has been commenced and temporarily suspended, of the aggregate length of 1,622 miles, and estimated cost of \$28,844,759. Six hundred and thirty-five miles have already been completed and are now in running order, leaving nearly a thousand miles to be

yet completed. The State has already issued its bonds in aid of these roads to the amount of \$6,149,000, and endorsed company's bonds to the amount of \$2,550,000 more, making the sum of \$8,699,000, for which the State is contingently liable. The total estimated liability of the State on account of aid extended, under existing laws, including the above, is \$19,096,000. The interest on the amount thus advanced has been promptly met in every instance by the companies receiving the bonds, so that the State, up to this time, has not actually paid out a single dollar for these improvements, only loaning her credit."

V. VIRGINIA PUBLIC DEBT.—The funded debt of Virginia is over 27 millions, all represented by public improvements, viz:—

Amount of certificates and bonds issued prior to 1852.....	\$11,112,588 80
Amount of debt created since to Sept. 30th, 1857 .....	16,370,227 38
Actual Debt .....	<u>\$27,482,915,63</u>

The amount of bonds, the principal and interest of which the commonwealth has guaranteed to pay up, is \$3,898,500. But of this sum, \$1,138,500 has never required the payment of interest by the State, although it may be thrown upon the Treasury at any time. Of bonds guaranteed for corporations, which have always been promptly met by them, there is an item of \$500,000 of bonds of the City of Wheeling, and now for the first time, that city has failed to pay the interest. They throw the responsibility upon the Board of Public Works, who were authorized to secure the payment of a sufficient amount from the North Western Railroad Company.

The amount due on State subscriptions and authorized to be paid.... \$3,737,026 93.

VI. THE STATE DEBT OF ILLINOIS.—The indebtedness of the State of Illinois is \$12,834,144 95—as follows:—

Internal Improvement debt.....	\$3,517,953 40	
Arrears of Interest and Interest Bonds..	3,807,350 86	\$7,325,303 85
Registered Canal debt.....	3,000,470 23	
Unregistered Canal debt.....	1,491,505 61	
Arrears of interest on unregistered bonds	1,016,865 27	
		<u>5,508,841 11</u>
Total debt on Jan. 1, 1858.....	\$12,834,144 95	

The interest on the registered debt is entirely paid up, and on the first of July last the Canal Trustees paid 10 per cent. of the principal out of the proceeds of the canal lands. There have been paid during the four years ending January 1, 1857, over and above accruing interest, \$4,584,840 40, and payment on account of principal must continue until the entire principal is paid, as the interest taxes levied to liquidate the debt realize over \$1,000,000 per annum, as the above statement shows; therefore, with the reduction of the debt, and the consequent decrease in the payment of interest, added to the increased receipts from the tax, there is a strong probability that the State will be able to liquidate its entire indebtedness in ten years. The arrears of interest have been funded into six per cent. bonds, interest to commence in 1860. The State cannot create any new debt.—*Allton Courier.*

VII. KENTUCKY.—The following is an extract from the Message of Gov. Morehead, of Ky., to the State Legislature:—On the 4th of November, 1857, the whole amount of the debt of the State, including the bonds for stock in the Southern Bank of Kentucky, the principal and interest on which the Bank is bound to pay, and the entire school debt, was \$5,574,244 03. If the school debt is deducted, the interest on which only is a perpetual charge on the Sinking Fund, and the \$600,000 to the Southern Bank is also deducted, the principal and interest of which have to be paid by the Bank, the unredeemed debt of the State on the 4th of November, 1857, will be \$3,592,412, viz., bonds bearing five per cent. interest, \$493,000; bonds bearing six per cent. interest, \$3,099,000, and \$412 of six years' bonds and railroad scrip now due, and not bearing interest, and which have probably been lost or destroyed. The annual interest on the sum amounts to \$210,590, to which add the interest on the school debt, \$70,317 22, and the whole annual interest chargeable to the Sinking Fund amounts to \$280,307 22. From this it will be seen that there will be a considerable fund, annually, to be applied to the extinguishment of the State debt, to which, by the constitution, the fund is sacredly dedicated. Of the bonds issued on the 1st of January, 1845, the holders of the Lexington and Ohio Railroad bonds, \$116,000 remain unredeemed. These may be paid by the State at the end of fifteen years from the date of their issue, which would be on the 1st of January, 1860. A sufficient fund will be reserved by the Commissioners for that purpose. The same privilege is given on the \$70,000 issue to contractors, of which a balance remains, unredeemed, of \$61,000, both of which sums may be advertised for redemption in two and three years. Our Sinking Fund, by the Constitution, cannot be diminished, but may be increased, and as the public debt is lessened, its resources are necessarily enlarged to the extent of the interest saved. It is far better for the State that our debt should be redeemed to the full extent of our means, than that the money should be loaned out to individuals, however unquestionable the security. Hitherto, however, it has been found impracticable to purchase our bonds as rapidly as our resources are realized, and to suffer the money to lie in the treasury, without interest, with a constitutional interdiction to its appropriations to any other objects, would enhance the cost of the bonds, virtually, to the extent of the interest lost. Our whole public debt is in a manageable form, and may be redeemed, with the income alone of the Sinking Fund, in a few years, provided the bonds can be purchased. We then have \$2,020,500 of stock in the banks of the State, all of which is even now above par; \$2,694,239 98 of stock in turnpike roads; \$901,932 70 in locks and dams on the Kentucky River; \$859,126 79 in locks and dams on Green River; \$181,500 of stock in the Lexington and Frankfort Railroad, and an annuity of six per cent. on \$74,519 50 from the Louisville and Frankfort Railroad Company. The Constitution prohibits the creation of any new debt, unless provision be made at the same time to lay and collect an annual tax sufficient to pay the interest stipulated, and to discharge the debt within thirty years, with the further provision that the law be submitted to the people, at a general election, for their adoption or rejection. With this Constitutional prohibition, there can be no large expenditure by you for new schemes of public improvements.

VIII. MICHIGAN.—Michigan State six per cent. bonds sold to-day at 93. This State has never recovered fully from the stain of repudiation. Its present debt, according to the annual report of the Treasurer, is \$2,269,467, having been reduced \$147,000 in the years 1855, 1856, 1857. The annual expenses of the State government are about \$600,000.

IX. ARKANSAS.—The following unblushing paragraph has been going the rounds of the Democratic papers recently:—"We have a brilliant example of prosperity reported in Arkansas. The Little Rock *Democrat* says that the treasury of Arkansas is overflowing with gold and silver. The various funds are enumerated that have their hundreds of thousands of the hard. The treasury has no bank notes; nothing but specie in Arkansas; except a small old bank debt, does not owe one cent, and has in her strong box more gold and silver than will keep the Government for two years without any further taxation. There are no banks in Arkansas, and the taxes are paid in gold and silver, and the State pays out nothing but that kind of currency." This may be considered as mere *bunkum*, and thrown out as a blind to those members of the party who don't read or cannot understand. The truth is that Arkansas owed a funded debt of three and a half millions of dollars seventeen years ago, on which no interest has been paid. A portion of the Smithsonian Fund and a portion of the Indian Annuity Fund were by Democratic Secretaries of the Treasury invested in Arkansas State bonds, which thus far have proved a *total loss*. As to banks and bank capital in the Democratic States of Arkansas, Mississippi and Florida, there are none now; nor will there be until a better tone of commercial morals prevails than for some years past. The Arkansas debt, with its accumulated interest, is fully nine millions of dollars!

A few days since the Democratic papers were boasting of an overflowing Treasury in Arkansas. Yet her debt is nearly four millions, principal, and as much more in arrears of interest. We copy from the Little Rock *State Gazette*, (of Nov., 1854,) the following commentary on the management of public credit in that State:—"It is, perhaps, not known to all of our readers, that a suit against the State of Arkansas for the interest on fifty-three State Bonds, given for the Real Estate Bank, was decided at the last term of our Circuit Court, in which suit it was not only decided that the State is liable for the interest, as it accrues on her bonds, *but for interest on that interest*, for every day it is detained by the State after it becomes due. Within the last week we have conversed on this subject with some of the first legal gentlemen in the State, and they all concur in the correctness of Judge Field's decision. The interest on these fifty-three bonds, as recovered against the State, is very nearly \$53,000, or nearly \$1,000 on each bond. Before the debt is paid it will be more. The obligations of the State for interest on her bonds, *are due, and have been due, and unpaid, for thirteen years*. Those obligations for interest now amount, on each bond, to at least a sum equal to the original amount of the principal. If not paid soon, the amount will be far greater than the principal.

## TREASURY NOTES.

We have before us several specimens of the new Treasury notes issued by order of Congress, engraved and printed by Messrs. Rawdon, Wright, Hatch & Edson, bank-note engravers of this city. As specimens of art they are very beautiful. The notes for one thousand dollars have the American eagle with expanded wings for the principal vignette, with the portrait of the President of the United States on the right, and a figure of Justice on the left. The notes for five hundred dollars have, for the principal device, two figures, representing Agriculture and Manufactures; on the left is a portrait of the Secretary of the Treasury, and on the right are the Eagle and the Shield, containing the arms of the Union, with emblems of Commerce and Peace. These notes are printed in *two indestructible inks* (black and green) as a protection against photographic counterfeits and alterations. The portrait of the Secretary of the Treasury has been engraved expressly for these notes, and is a perfect likeness. These notes will be in demand, notwithstanding the extremely low rate of interest allowed. Our Banks would do well to take one or two millions, for two reasons: In the first instance to replace idle capital in their vaults; and, secondly, for the convenience of merchants having cash payments to make at the custom-house. It would be well, indeed, if the whole fiscal operations of the Treasury were made in Treasury notes as a substitute for coin, provided the coin be held (or at least fifty cents per dollar) as the basis of issue. The Secretary of the Treasury has issued a circular to collectors, &c., in which he says: "Should Treasury notes, bearing interest, be sent to disbursing officers or agents of the United States, for payment to public creditors, such officers or agents will be directed to date their endorsements. The date so endorsed by an officer or agent of the United States, is legally regarded as the true date of the issue of such notes, from which the interest thereon is to be computed."

The principle adopted by the engravers in the preparation of these notes is likely to be adopted generally by Banking institutions. We allude to the use of an indestructible green ink. About twenty banks have already their issues in the new mode. Among these we name the Bank of the Interior, Albany; Merchants' Bank, South Carolina; Housatonic Bank, Massachusetts; Union Bank and New York Dry Dock Bank, New York City; Georgia Railroad and Banking Company; Merchants' Bank, Baltimore. If this improvement in bank-note printing can be fully substantiated, it will undoubtedly work a most desirable reform in the bank issues of the country.

The new Treasury notes of the denomination of one hundred dollars have been furnished to the Department by Messrs. Toppan, Carpenter & Co., of Philadelphia. In the centre of the top is the national eagle; beneath it, a group representing the apotheosis of Washington; in the lower left-hand corner, a feminine figure, typical of the Union; and in the right, that of a boy personifying Young America. The engraving of these vignettes is exquisitely delicate, and the mechanical work of the plate correspondingly fine. To render a counterfeit impossible, even by photography, the note is printed in three colors, black, red, and blue. The distribution of the several tints is so managed as to produce an effect artistically harmonious, and, at the same time, novel for its special purpose.

## LONDON STOCK MARKET, 1857.

HIGHEST and LOWEST PRICES of the Principal Funds, from November 1856 to October 1857.

	Bank Stock.	3 per Cent. Red.	3 per Cent. Cons.	New 3 per Cent.	Long Ann. 1860.	India Stock.	Exchequer Bills.
1856.							
November .....	217	93 $\frac{3}{8}$	94 $\frac{1}{4}$	94 $\frac{1}{8}$	2 $\frac{1}{8}$ $\frac{5}{8}$	227	5 prem.
“ .....	213	91 $\frac{1}{8}$	92	91 $\frac{5}{8}$	2 $\frac{1}{8}$ $\frac{3}{8}$	225	5 disc.
December .....	218	94 $\frac{1}{8}$	94 $\frac{1}{4}$	94 $\frac{3}{8}$	2 $\frac{1}{8}$ $\frac{5}{8}$	227	8 prem.
“ .....	215 $\frac{1}{4}$	93	94 $\frac{1}{4}$	93 $\frac{3}{8}$	2 $\frac{1}{8}$ $\frac{3}{8}$	225	2 disc.
1857.							
January .....	218	94 $\frac{3}{8}$	94 $\frac{1}{8}$	94 $\frac{1}{2}$	2 $\frac{1}{8}$ $\frac{5}{8}$	222	4 prem.
“ .....	216	93 $\frac{1}{8}$	9 $\frac{3}{4}$	93 $\frac{1}{4}$	2 $\frac{1}{8}$	218 $\frac{3}{4}$	3 disc.
February .....	220	94 $\frac{1}{8}$	93 $\frac{1}{4}$	94 $\frac{3}{8}$	2 $\frac{1}{8}$ $\frac{5}{8}$	222	4 prem.
“ .....	216 $\frac{1}{2}$	9 $\frac{1}{8}$ $\frac{1}{8}$	92 $\frac{7}{8}$	93 $\frac{3}{8}$	2 $\frac{1}{8}$	219	3 disc.
March .....	222	94	93 $\frac{3}{8}$	94 $\frac{1}{8}$	2 $\frac{1}{8}$ $\frac{5}{8}$	224	4 prem.
“ .....	220	93 $\frac{3}{8}$	93	93 $\frac{3}{8}$	2 $\frac{1}{8}$ $\frac{1}{8}$	221	2 disc.
April .....	217 $\frac{1}{2}$	92	93 $\frac{1}{4}$	92 $\frac{1}{4}$	2 $\frac{1}{2}$	224	3 prem.
“ .....	213	91 $\frac{1}{8}$	92 $\frac{1}{2}$	91 $\frac{1}{4}$	2 $\frac{3}{8}$	220	7 disc.
May .....	214	92 $\frac{5}{8}$	94	92 $\frac{3}{8}$	2 $\frac{7}{8}$	223	7 prem.
“ .....	212	91 $\frac{1}{2}$	92 $\frac{3}{8}$	91 $\frac{5}{8}$	2 $\frac{7}{8}$ $\frac{1}{8}$	220	2 disc.
June .....	214	92 $\frac{1}{4}$	94	93	2 $\frac{7}{8}$ $\frac{1}{8}$	223	6 prem.
“ .....	212	92 $\frac{1}{8}$	93 $\frac{1}{2}$	92 $\frac{3}{8}$	2 $\frac{7}{8}$ $\frac{1}{8}$	221 $\frac{1}{2}$	8 disc.
July .....	217	92 $\frac{7}{8}$	92 $\frac{3}{4}$	92 $\frac{5}{8}$	2 $\frac{1}{2}$	217 $\frac{1}{2}$	3 “
“ .....	213	90 $\frac{7}{8}$	90 $\frac{1}{4}$	91	2 $\frac{1}{2}$	214	2 “
August .....	217	91	91 $\frac{3}{8}$	91 $\frac{1}{4}$	2 $\frac{1}{2}$	215	par.
“ .....	214 $\frac{1}{2}$	90 $\frac{1}{8}$	89 $\frac{1}{4}$	70 $\frac{3}{4}$	2 $\frac{1}{2}$	210 $\frac{1}{2}$	11 disc.
September .....	215 $\frac{1}{2}$	91 $\frac{1}{4}$	91	91 $\frac{3}{8}$	shut	213	2 “
“ .....	shut.	shut.	89 $\frac{3}{8}$	91	shut.	209	10 “
October .....	213 $\frac{1}{2}$	88 $\frac{3}{8}$	90 $\frac{1}{4}$	88 $\frac{1}{2}$	2	211	4 “
“ .....	210	86 $\frac{3}{8}$	87 $\frac{3}{8}$	86 $\frac{3}{8}$	2	207	18 “

THE MINT.—It is again proposed to establish a Branch Mint in this city. Mr. Letcher, of Virginia, has introduced a bill to establish a branch of the Mint of the United States at the city of New York; which was read a first and second time, and referred to the Committee of Ways and Means. A petition has been presented in the United States Senate from Edward N. Kent, of the U. S. Assay Office of New York, representing that he is the inventor of a useful apparatus for separating gold from foreign substances, the exclusive right of which has been secured to him by letters patent. This invention is now in use for washing sweeps at the United States Mint, at the Assay Office at New York, and at the Branch Mints at New Orleans and San Francisco. From the evidence accompanying the memorial it is seen that the saving to the Government effected by the use of this invention at the mint, where silver is principally worked, is \$1,600 per year, and at the Assay Office, where gold is principally worked, is \$7,000 per year. A this rate the saving at the Branch Mints at New Orleans and San Francisco will doubtless be as much more, making a total of \$240,000. For this great saving effected, the inventor has received no compensation or reward from the General Government, and asks that the small sum of \$20,000 be awarded to him for the perpetual use of his invention in all mining establishments of the United States.

## STATISTICS OF BANKRUPTCY.

The origin and progress of the *Mercantile Agency System* in this country has been shown in a late number of the Bankers' Magazine, The system is extended now not only to sixteen large cities of the United States, but to Montreal and London. The late revulsion would seem to require fresh scrutiny into the ability and standing of merchants of the interior. The returns furnished to Messrs. B. Douglas & Co. (proprietors of the "Mercantile Agency") for the year, show extraordinary results.

Messrs. B. D. & Co. have issued a circular to their customers and correspondents, giving the results of the inquiries of the firm into the number of failures, the amount of losses, &c., during the year. We take occasion to make the following extracts from the circular, and refer our readers, for further information, to the gentlemen who have shown so much liberality and enterprise in collecting and condensing the information.

	Number of Stores.	FAILURES.		ORDINARY FAILURES.		How many have arranged with creditors, and at what average.
		Number.	Liabilities.	Number.	Liabilities.	
New York City, N. Y.*.....	13,854	915	\$135,129,000	600	\$83,951,000	218 av. 51 cts.
Albany.....	721	35	838,000	18	480,000	10 av. 42 cts.
Buffalo.....	793	72	4,224,000	53	2,796,000	13 av. 43 cts.
Oswego.....	204	13	161,000	12	156,000	
Rochester.....	408	31	850,000	27	707,000	8 av. 48 cts.
Syracuse.....	805	29	436,000	22	268,000	4 av. 31 cts.
Troy.....	391	24	1,607,000	12	682,000	3 av. 48 cts.
Utica.....	298	20	583,000	9	376,000	5 av. 47 cts.
Balance of the State.....	15,875	447	6,789,000	378	5,585,000	
Boston, Mass.....	4,874	253	41,010,000	212	32,255,000	182 av. 48 cts.
Balance of the State.....	10,257	230	2,611,000	202	1,711,000	
Philadelphia, Pa.....	7,404	280	32,954,000	155	16,995,000	63 av. 54 cts.
Pittsburgh.....	1,374	28	1,183,000	22	918,000	23 av. 47 cts.
Balance of the State.....	13,526	226	2,283,000	204	2,005,000	
Chicago, Ill.....	1,350	117	6,572,000	82	4,571,000	11 av. 54 cts.
Balance of the State.....	11,459	199	2,766,000	149	2,093,000	
Cincinnati, Ohio.....	2,513	96	3,898,000	69	2,387,000	54 av. 48 cts.
Cleveland.....	550	30	613,000	24	390,000	10 av. 47 cts.
Balance of the State.....	15,746	220	2,357,000	178	1,742,000	
New Orleans, La.....	2,230	58	6,285,000	36	4,388,000	8 av. 55 cts.
Balance of the State.....	1,667	5	246,000	2	26,000	1 am. \$18,000, pays 50c.
St. Louis, Mo.....	1,580	49	5,522,000	25	3,585,000	4 av. 50 cts.
Balance of the State.....	4,851	29	433,000	17	247,000	
Providence, R. I.....	1,100	35	4,564,000	22	2,136,000	12 av. 40 cts.
Balance of the State.....	566	4	105,000	3	60,000	
Baltimore, Md.....	1,970	58	3,206,000	39	2,472,000	17 av. 44 cts.
Balance of the State.....	3,368	41	725,000	37	708,500	
Detroit, Mich.....	649	34	1,514,000	24	1,189,000	13 av. 41 cts.
Balance of the State.....	3,706	98	1,004,000	71	722,000	
Dubuque, Iowa.....	403	36	735,000	21	463,000	4 av. 44 cts.

\* Includes Brooklyn and Williamsburgh.

	Number of Stores.	FAILURES.		ORDINARY FAILURES.		How many have arranged with creditors, and at what average.
		Number.	Liabilities.	Number.	Liabilities.	
Balance of the State.....	4,308	108	1,333,000	79	1,059,000	
Louisville, Ky.....	1,080	19	757,000	12	412,000	
Balance of the State.....	5,715	31	1,007,000	24	496,000	
Charleston, S. C.....	900	31	922,000	23	812,000	8 av. 42 cts.
Balance of the State.....	2,538	24	305,000	20	245,000	
Territories.....	1,697	63	1,705,000	46	1,302,000	
Indiana.....	7,337	139	1,636,000	114	1,411,000	15 av. 49 cts.
Richmond, Va.....	1,583	30	781,000	22	694,000	3 av. 58 cts.
Balance of the State.....	7,781	90	982,000	70	749,000	
Milwaukie, Wis.....	633	19	380,000	14	312,000	3 av. 73 cts.
Balance of the State.....	3,737	101	1,244,000	92	1,150,000	
North Carolina.....	3,233	62	1,171,000	42	668,000	
New Jersey.....	4,433	86	1,142,000	72	836,000	
Connecticut.....	4,209	61	1,129,000	50	995,000	
Maine.....	4,912	81	1,060,000	71	832,000	
New Hampshire.....	2,700	70	928,000	60	775,000	
Vermont.....	1,962	57	473,000	49	382,000	
Georgia.....	5,339	32	925,000	21	681,000	
Delaware and Dis. of Col... 2,727	2,727	20	261,000	18	258,000	
Arkansas.....	1,179	7	309,000	5	285,000	1 amountg. to over \$100,000 will pay nearly all.
Alabama.....	2,694	16	295,000	14	265,000	
Mississippi.....	2,235	11	445,000	10	435,000	2 av. 50 cts.
Tennessee.....	4,387	40	712,000	28	618,000	
Florida.....	783	7	250,000	5	220,000	2 av. 52 cts.
Texas.....	2,447	15	393,000	12	353,000	
Total United States.....	204,061	4,937	291,750,000	3,703	192,306,5000	
Toronto, Canada West.....	389	25	2,714,000	17	1,270,000	3 av. 58 cts.
Balance of Canada W.....	3,444	109	2,172,000	73	1,631,000	8 av. 45 cts.
Montreal, Canada East.....	909	15	523,000	12	445,000	4 av. 52 cts.
Balance of Canada E.....	1,764	15	1,267,000	13	66,000	3 av. 35 cts.
Nova Scotia & N. B'wick.....	1,797	22	1,375,000	21	1,363,000	3 av. 50 cts.
Total British Provinces.....	8,303	186	8,051,000	136	4,775,000	
Total U. S. & Brit. Prov... 212,364	212,364	5,123	\$299,801,000	3,839	\$197,060,500	

THE BANK PANIC AT GLASGOW.—One gentleman, during the heat of the excitement, went into the Union Bank and presented a check for £500. The teller asked him if he wished gold. "Gold!" replied he, "no; give me notes, and let the fools who are frightened get the gold." Another gentleman rushed into the same bank in a great state of excitement, with a check for £1,400. On being asked if he wished gold, he replied, "Yes." "Well," said the teller, "there is £1,000 in that bag, and £400 in this one." The gentleman was so flurried by the readiness with which the demand was granted that he lifted up the bag with the £400 only, and walked off, leaving the £1,000 on the counter. The teller on discovering the bag, laid it aside for the time. Later in the day the gentleman returned to the bank in great distress, stating he had lost the bag with the £1,000, and could not tell whether he had dropped it in the crowd or left it behind him on leaving the bank. "Oh, you left it on the counter," said the teller, quietly, "and if you will call to-morrow you will get your £1,000."—*Glasgow Bulletin*.



## NEW PUBLICATIONS.

1. *The American Almanac and Repository of Useful Knowledge for the Year 1858.*  
Boston: CROSBY, NICHOLS & Co. New York: C. S. FRANCIS & Co. 12mo.  
pp. 376.

This is the twenty-ninth volume of the series. The work has been long since a standard one, and a highly useful *vade mecum* for the counting-room, for the editor's room, and, indeed, useful to all classes of readers. Ninety-two pages of the present volume are occupied with astronomical and meteorological details, followed by an elaborate essay on Terrestrial Magnetism, by Professor Lovering, of Harvard University. The second part contains full lists of the officers of the General Government, including the Executive Departments at Washington, Army, Navy, Light House Board, Marine Corps, Marine and Circuit Courts, Foreign Ministers to and from the United States, Abstract of Laws passed by Congress, 1856-'57, Postmasters of the principal Towns, Abstract of Post-office Regulations and Postage, the individual States, their Finances, Courts, &c., Population, Coinage, Banks, Public Lands, Census, &c. All this information is compiled every year from authentic sources, furnishing the reader a brief view of the condition of the Union and of each State. The concluding part is occupied with Tabular details of European Governments, Chronicles of Leading Events, 1857; Obituary for 1857, American and Foreign.

[The publisher of the Bankers' Magazine will forward, gratis, a copy of the above Almanac, or of the Bankers' Register of 1858, to any present subscriber of the Bankers' Magazine, who will procure a new subscription to the latter work.]

LONDON BANKERS.—The London correspondent of the *Commercial Advertiser* writes: At the close of the year Mr. David Barclay Chapman retired from the celebrated bill-discounting firm of Overend, Gurney & Co., of which, since the death of Mr. Samuel Gurney, he had been the senior partner. This is an event of some importance in the London money market, the transactions of that house during the recent crisis having led to much public criticism. Mr. Chapman, it is considered, has all along been too regardless of the character of the persons to whom he made advances, the allegation being that he looked only to the security of his own firm, and to the certainty of being able, in conjunction with other houses, to bring about a suspension of the Bank charter act in case of a pressure for money that might at any time threaten to bring them into peril. At the height of the recent crisis, when the resources of the Bank were most severely tried, this firm found itself compelled to seek assistance in the shape of a temporary advance on bills they had discounted to the amount of \$4,500,000 on a single day, and it was from the fact that they had so managed or mismanaged their business as to have been brought into this position, that the chief alarm arose which led to the issue of the Government letter authorizing the Bank to put out notes beyond the limits prescribed by the charter. Although the house has probably not escaped so well on this as on former occasions of panic, especially those of 1837 and 1847, it is said that the sum in cash which falls to Mr. Chapman on his withdrawal is \$2,500,000.

The end of the year has also seen the retirement from business of Mr. Horsley Palmer, whose name is one of the most honorable among the entire body of British merchants. His partner next in years, Mr. McKillop, likewise withdraws, and the firm will henceforth be Deut, Palmer & Co., the second name being that of the eldest son of Mr. Horsley Palmer. Mr. Palmer visited New York in 1842, upon the attempt to repudiate the claims of the English holders of the bonds of the North American Trust Company, and the recent judgment, which, after fifteen years litigation, has resulted in the defeat of that movement, must have proved a most happy event to him. He is now about seventy-nine, apparently almost as vigorous as ever, but sensible, nevertheless, of the infirmities of that period of life.

GEORGE PEABODY, Esq.—We are informed upon reliable authority, that the eminent house in London of which this gentleman is the head, Messrs. George Peabody & Co., has passed through the late financial crisis with losses that will not exceed five per centum upon their large capital, and that the means and resources of the house have proved to be such that but a small portion of the discount granted by the Bank of England has been required for their business.—*Phil. Ledger*.

## BANK ITEMS.

NEW YORK.—According to the Annual Report of the Bank Department, the following table shows the names of banks for which receivers have been appointed by order of the court, and the date at which such orders and appointments were received at the Bank Department.

Names of Banks.	Receivers.	Residence.	Appointment.
Agricultural Bank of Herkimer.....	Enoch B. Talcott.....	Oswego.....	October 1.
Bowery Bank, N. Y. City.....	John A. Stewart.....	New York.....	November 2.
Chester County Bank, Horseheads.....	Thomas S. Spaulding.....	Elmira.....	do. 10.
Dairymen's Bank, Newport.....	Enoch B. Talcott.....	Oswego.....	October 1.
East River Bank, New York.....	David Banks.....	New York.....	November 9.
Hollister Bank of Buffalo.....	Alanson Robinson.....	Buffalo.....	Sept'r 12.
*Huguenot Bank of New Paltz.....	John S. Sleight.....	Poughkeepsie.....	do. 25.
Island City Bank, New York.....	John F. Butterworth.....	New York.....	October 29.
Mechanics' Banking Association, N. York.....	Andrew Carrigan.....	do.....	Sept'r 11.
*Medina Bank.....	Isaac K. Burroughs.....	Medina.....	Nov'r 16.
North River Bank, New York.....	Aaron B. Hays.....	New York.....	do 12.
Ontario Bank, President, Directors & Co.,	Edmund A. Wetmore.....	Utica.....	Sept'r 21.
*Pine Plains Bank.....	William S. Eno.....	Pine Plains.....	October 12.

We learn that those marked with a \* have since resumed business.

**Dividends.**—The creditors of the Mechanics' Banking Association have been paid in full, with interest. The receiver of the East River Bank has also paid the depositors in full with interest. The notes of both banks were received at par during the suspension, and are now nearly all retired. Mr. J. H. Fonda, formerly cashier of the Merchants' Bank of Poughkeepsie, was on 15th January elected cashier of the Mechanics' Banking Association. This institution has been relieved from its receivership and has recommenced business with a capital reduced to \$316,000. The president is Mr. M. M. Freeman.

**Bank Interest.**—An informal meeting of bank managers was held January 14th, at the Merchants' Bank, for the purpose of discussing the subject of the payment of interest upon deposits by the banks. About twenty bank officers were present, and after a full discussion, it was voted unanimously that the payment of interest upon deposits is an injudicious and dangerous system. We understand that all but three or four of our banks have voluntarily abandoned the system, and a committee was appointed at the meeting to-day, to confer with those banks, and induce them, if possible, to join the movement. The following figures were presented to the meeting by a leading bank president in evidence of the unprofitableness of the system of receiving interest-bearing deposits:

The interest at 4 per cent. on \$1,000,000 of deposits is.....	\$10,000
Of which \$750,000 loaned at 7 per cent. gives.....	52,500

Apparent profit.....\$12,500

The above \$750,000 loaned, on an average every thirty days, would make an annual aggregate of \$9,000,000. The additional clerk hire, &c., to do this business

Would be.....	\$7,000
Losses on \$9,000,000 loans.....	10,000

Total.....\$17,000

Actual loss upon the business, \$4,500. On the other hand, \$250,000 of deposits not bearing interest would pay \$17,500, from which deduct for clerk hire and loss, say \$5,000, leaving \$12,500 profit, against \$4,900 loss.

**Brooklyn.**—The Mechanics', Long Island, City, Atlantic, Brooklyn, and Williamsburg City Banks, all of Brooklyn, have sent in a communication to the Common Council of that city, stating that they cannot afford to pay any longer the rate of interest at present allowed on the city deposits. They offer to pay hereafter interest on the average balances at the rate of 3 per cent. per annum.

**Bank Robbery.**—In consequence of a recent robbery of the Goshen Bank, the old notes, which were printed on white paper, will not be redeemed except at their own counter, or at the New York Exchange Bank. The new notes are printed on yellow

paper, and are redeemed at the Ocean Bank in New York city at one quarter of one per cent. Banks and bankers cannot be too careful in the selection of burglar-proof safes and locks for banking houses. [See cover of this work.]

**Bank Buildings in New York.**—The several buildings that are now being erected in the commercial heart of the city for banking purposes, some of which are nearly in a state of completion, are such as to materially enhance the architectural beauty of New York. The structure at the corner of Wall and William Streets, erected by the Bank of New York, is a fine specimen of architecture; it cost fully \$125,000, and is perfectly fire-proof. The first floor will be ready for the bank about the 1st of March, the second will be occupied by the United States Trust Company, and the upper floor by our Clearing House. The residue of the building will be used by the Mechanics and Traders', American and Long Island Fire Insurance Companies, and others, who, as we observe, have their signs already out before the public.

**MAINE.**—The following Banks are in course of liquidation, their charters having expired: 1. Commercial Bank, Bath; 2. Brunswick Bank; 3. Androscoggin Bank, Topsham; 4. Bank of Hallowell; 5. Ellsworth Bank; 6. Maritime Bank, Bangor; 7. City Bank, Bangor.

**Suspended Banks.**—The following banks are in course of liquidation in the hands of receivers: 1. Grocers' Bank, Bangor; 2. Exchange Bank, Bangor; 3. Sanford Bank and Mousam River Bank, Sanford; 4. Hancock Bank, Ellsworth.

**New Banks.**—Two banks have recently commenced operations with small capitals. The frequency with which banks are chartered in Maine with extremely limited capitals, places them in the hands of men of restricted means and no financial ability. Hence the frequent failures, because a majority of the banks have not a large and respectable body of stockholders to lean upon whenever a stringency occurs. No bank should be chartered in Maine (or elsewhere) to commence business with a less paid capital than \$100,000 for a country town, or \$300,000 for a city. The two new banks are—

	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
1. Long Reach Bank, Bath, . . . . .	D. C. Magoun, . . . . .	D. N. Magoun, . . . . .	\$51,200
2. Maine Bank, Brunswick, . . . . .	S. R. Jackson, . . . . .	Aug. C. Robbins, . . . . .	37,500

**NEW HAMPSHIRE.**—On the first Monday of January, 1858, the fifty-two banks of New Hampshire reported their condition thus:

	<i>Means.</i>	<i>Liabilities.</i>
Real Estate . . . . .	\$82,000 85	Capital . . . . . \$5,041,000 00
Debts due . . . . .	7,389,613 46	Deposits . . . . . 875,789 44
Specie . . . . .	275,943 75	Circulation . . . . . 2,299,939 00
Foreign bills . . . . .	158,132 13	
In other banks . . . . .	829,169 25	Total . . . . . \$8,206,728 41
		Excess means . . . . . 528,321 00
<b>Total . . . . .</b>	<b>\$8,735,049 44</b>	

The Farmers and Mechanics' Bank, at Rochester, has commenced business. N. V. Whitehouse, Esq., president; T. E. Sawyer, Esq., cashier.

**MASSACHUSETTS.**—P. C. Howland, Esq., was on the 1st instant elected cashier of the Merchants' Bank, New Bedford, in place of James B. Congdon, Esq., who tendered his resignation on the 15th of October.

**Springfield.**—In the case of the Western Bank, Springfield, Mass., Judge Merrick gave a decree ordering the affairs of the bank to be wound up, the settling of the business to remain in the hands of the directors, who are to give sureties for its safe performance, and make such arrangements for the redemption of the bills by the Suffolk Bank as will secure the holders of them from any loss. It is understood that the decree is founded on the impolicy of permitting banks to make most of their loans to parties out of the State.

**VERMONT.**—The Windham County Bank at Brattleboro' has commenced business. N. Williston, Esq., president; S. M. Waite, Esq., cashier.

**CONNECTICUT.**—Henry C. Young, Esq., late of the Home Bank, Meriden, has been elected cashier of the City Bank of New Haven, in place of Francis Bradley, Esq., resigned.

**Hartford.**—The Merchants' and Manufacturers' Bank has commenced business

with an authorized capital of \$500,000, of which \$200,000 had been paid in. George Beach, Jr., Esq., president; James Tryon, Esq., cashier. The Connecticut Bank Commissioners have decided to reduce the nominal capital of the Bank of Hartford County from \$600,000, to \$300,000.

**RHODE ISLAND.**—The following circular has been issued by the General Committee of the Providence Banks:

"At a late meeting of the Delegates from the Providence Banks, held at the Exchange Bank, a resolution was passed that it was desirable that the Rhode Island Banks should resume specie payments at the earliest possible day.

"The question of fixing a day for such resumption was postponed, and the undersigned, a Committee, were authorized to call another meeting of the Delegates from the banks at such time as they might deem proper, or take such other measures as to them might seem desirable, toward carrying out the resolution referred to.

"Since that time many of the banks have made some objection to another meeting, and have suggested that a circular should be issued by the Committee, recommending the banks to resume on some certain day.

"The Committee having made themselves acquainted with the present condition of the banks in Rhode Island, and having, furthermore, conferred with various gentlemen connected with our banking institutions, believe that the time has now arrived when a resumption of Specie payments should take place. With this view, they recommend that on Wednesday next, the 13th inst., the banks in Providence resume specie payments.

"JOHN R. BARTLETT, } Committee.  
"B. WHITE.

"PROVIDENCE, January 6, 1858."

The banks at Providence resumed specie payments on 13th inst., and those of the interior on the 19th.

**Greenwich.**—The Supreme Court of Rhode Island has made the injunction upon the Rhode Island Central Bank perpetual.

**Rhode Island Clearing House.**—The arrangements for the settlement of the daily balances among the banks of Providence, and for the redemption of the bills of all the Rhode Island Banks by the Suffolk Bank in Boston have just been perfected. All the banks in Providence, including the Merchants, will make their clearances daily through the Bank of North America. The Merchants' Bank will keep the accounts with the country banks, as heretofore, and will take all the State money at par. For this service it is to receive a fixed sum, we understand \$12,000 per annum, from the Bank of North America, which amount is assessed upon the banks, with the charge for its other services in sorting the bills, &c. The Bank of North America gave notice to the city banks that the arrangement would go into effect on the 22d January. Country money will be received at par, up to noon, and after that hour it will be taken in payment of balances at a discount of 30 cents on the \$1,000. No bills or checks of any of the Providence banks will be received in payment of balances. The Suffolk Bank announces that it receives all Rhode Island bills, except those of the Bank of South County, Bank of the Republic, Farmers' Bank, Hopkinton Bank, Rhode Island Central Bank, Tiverton Bank, Warwick Bank, and Mount Vernon Bank.

**Rhode Island Currency.**—The Metropolitan Bank is prepared to receive Rhode Island money on deposit at one-fourth per cent discount. The uncurrent money-brokers are buying it at the same rate.

**NEW JERSEY.**—L. N. Condit having accepted the cashiership of the Hudson County Bank of Jersey City, has resigned the office of Secretary of the Morris Canal Company. H. Dwight Williams has been appointed his successor.

**MARYLAND.**—The Mineral Bank of Cumberland has failed, and on the 5th of October last, made an assignment of its effects.

**PENNSYLVANIA.**—The Philadelphia banks have agreed to publish weekly statements of their condition. All banks should be required to make their condition known at frequent and stated periods. The weekly publication of the bank statement in this city has undoubtedly been one cause of their constantly strengthening themselves. Each bank wishes to make a good show compared with the others; and no bank is willing to expose itself in a weak position. For this reason, as much as for the information of our readers, we have published the statements in detail, although the aggregates would answer the purpose of news.

**Allegheny.**—The Allegheny Bank commenced business September 5, 1857, with a cash capital of \$250,000 out of \$500,000 authorized. Hopewell Hepburn, Esq., President, J. W. Cook, Esq., Cashier.

*New Brighton.*—The Bank of Beaver County commenced business November 25, 1857, with an authorized capital of \$150,000 of which \$75,000 has been paid in. Silas Merrick, Esq., President, Edward Hoops, Esq., Cashier. The bank has not availed itself of the relief bill of the late special session of the legislature, but pays all its liabilities on demand in specie.

*Coatsville.*—The Bank of Chester Valley at Coatsville, Chester County, commenced business November 4, 1857, with a capital paid in of \$75,000 out of \$150,000. Abram Gibbons, jr., Esq., President, Francis F. Davis, Esq., Cashier.

*Catawqua.*—The Bank of Catawqua, Lehigh County, commenced business on the 21st of September last, with a cash capital of \$100,000 out of \$400,000 authorized. Eli J. Saeger, Esq., President, M. H. Horn, jr., Esq., Cashier.

*Gettysburg.*—Mr. Thomas D. Carson, late of Lancaster, has been appointed Cashier of the Gettysburg Bank, in place of J. B. McPherson, Esq., deceased.

*Philadelphia Clearing House.*—We understand that a committee, consisting of several presidents of the Philadelphia banks, were in New York last week, inspecting the Clearing House, have returned, intending to immediately proceed to the projection of one of similar features. The principal bank officers in that city have, for two years past, been strong advocates of the movement. The committee have, we understand, visited Boston, but the plan of the New York Clearing House has obtained preference. The machinery of the Philadelphia House may differ slightly, as the number of banks here is less than one-third of the number in New York. We have hopes now of soon having the currency of Pennsylvania at par in Philadelphia.

*Pottstown.*—The Bank of Pottstown has commenced business under a charter granted by the last legislature. Henry Cotts, Esq., President, William Mintzger, Esq., Cashier.

*Reading.*—The Union Bank commenced business at Reading, Berks County, December 16, 1857, capital \$100,000. David McKnight, Esq., President, Charles B. McKnight, Esq., Cashier.

**VIRGINIA.**—In reference to the recent and present condition of banking in the United States, a Virginia cashier expresses the following opinion, which, if adhered to throughout the Union, would, we think, yield better results than heretofore, to stockholders. "From long experience and observation, I am more and more convinced that the only safe banking is a good supply of specie, and a discount line of good commercial paper given under no expectation of renewal."

**SOUTH CAROLINA.**—The Legislature of South Carolina has legalized the suspension of specie payments until November, 1858. It is thought, however, that the banks throughout the State, as well as in Georgia, will immediately follow resumption in Pennsylvania and Maryland. The Legislature has also suspended the act of 1840, [which required the suspended banks to pay five per cent. on their bills in circulation] till January, 1859.

*The South Carolina Banks.*—We learn that the Comptroller-General has demanded of the suspended banks payment of the second month's penalty for suspension of specie payments, under the act of 1840. We are of opinion that the Comptroller-General has no right to exact this payment, the same having been released by the act of the Legislature, at its late session, suspending the operation of the act of 1840. This opinion we base on two distinct grounds. 1. In law, the entire legislative session is regarded as one day; and the act of 1857, suspending the operation of the act of 1840, (no time having been specified for the latter to go into effect,) relates back to the first day of the session, and taking effect from that day, (which preceded the second month's suspension) releases the penalty subsequently incurred. 2. It is another principle of law, that, when a criminal or penal law is repealed, (and the same rule will apply when the operation of the same is suspended,) it cannot be enforced for offences previously committed, or penalties previously incurred. In these views, we are supported by high legal authority, and we trust that such suspended banks, as have not yet paid the second month's penalty, will resist its exaction. They can at once make up an issue with the State, have the same tried before Judge O'NEALL, at the present term of the Common Pleas, in this city, and take it up immediately, for final adjudication, to the Law Court of Appeals, now in session here. We regret to learn that the Planters' and Mechanics' Bank and the Southwestern

Railroad Bank, have anticipated the Comptroller's demand, and paid the penalty in question. The other suspended banks of the city have not yet paid it, and trust we that they will not pay it, unless in obedience to judicial authority. We further learn that the Comptroller-General, in his zeal to enforce a law, which the wisdom of the Legislature has doomed to a condition of suspended animation, has even demanded payment of the penalty for the seven or eight days of the third month's suspension, which preceded the ratification of the relief law. This demand will, we presume, be resisted by all the suspended banks.—*Charleston Courier.*

GEORGIA.—The Legislature have passed an act to legalize the suspension of specie payments until 15th November next, when all will be compelled to resume specie payments. Voluntary resumption, in the mean time, will do them credit and be of service to the State.

*Collection Paper.*—In consequence of the passage of the new Bank law in Georgia, in both branches of the Legislature over the Governor's veto, the majority of the banks of that State have issued the annexed circular :

" AUGUSTA, Ga., Dec. 24, 1857.—" By a recent law of our Legislature, the banks of this State are prohibited from collecting from its citizens more than one per cent. exchange, whereas, under the existing condition of affairs, the exchange cannot be procured at less than 3 per cent. We must, therefore, decline to make further remittances until we receive your instructions. We will hold the proceeds of your collections subject to your checks, and remit certificates of deposit or checks on New York at the current rate whenever the exchange can be obtained."

*Executive Vetoes.*—The Governor has vetoed the following bank bills passed by the late General Assembly: An act to amend an act incorporating the Commercial Bank of Brunswick, approved March 5th, 1856; to amend an act to incorporate a bank in the city of Columbus to be called the Bank of Columbus; to incorporate the Houston Flour and Exporting and Banking Company, and also, the Winter's Palace Mills and Banking Company; to incorporate the South Western Bank of Georgia at Americus; to incorporate the City bank of Atlanta; and also, to incorporate the Bank of Cartersville. An act to prescribe the duties of agents of banks chartered without this State, to prescribe certain penalties for a failure to perform the same, and for other purposes.

ILLINOIS.—The amount, character, and market value in New York of the securities held by the Auditor of Illinois on the first inst., for the issues of the banks of that State were as follows :

<i>Character of Securities.</i>	<i>Amount in his hands.</i>	<i>Value 1858.</i>	<i>Equal to</i>
Missouri State 6s.....	\$8,817,000	80	\$3,051,600
Virginia State 6s.....	720,000	83	641,520
Louisiana State 6s.....	369,000	83	303,780
Tennessee State 6s.....	511,000	84	429,244
South Carolina State 6s.....	248,000	89	220,720
South Carolina 6s.....	100,000	100	100,000
Georgia State 6s.....	26,500	100	26,500
Ohio State 6s.....	179,281	102	183,815
Kentucky State 6s.....	3,000	100	19,000
Illinois State 6s.....	623,007	95	591,857
Illinois non-interest.....	323 236	75	242,427
Total.....	\$6,895,974		\$5,867,591
Total circulation outstanding Jan. 1, 1858.....			5,835,574
Excess of securities over circulation.....			\$31,945
To which should be added the semi-annual interest on the Missouri bonds, retained by the Auditor.....			114,510
Making total excess of securities.....			\$146,455

*Alton.*—The Alton Courier states that the Grand Jury of St. Clair County has found a true bill against S. D. Mandlebaum, President of the suspended Bank of Belleville, in this State, for swindling. The sudden and unexpected suspension of that institution, about the 1st of October, apparently in the full tide of success at the time, created no little indignation among the stockholders and depositors throughout the country, and it was with great difficulty that violent measures on the part of the more revengeful,

were prevented. At one time the feeling was so strong that Mr. Mandelbaum was seriously threatened with personal chastisement. The finding of an indictment by the Grand Jury would seem to indicate that the hostility against him has not wholly abated.

INDIANA.—The Board of Control of the Bank of the State of Indiana have suspended the Jeffersonville Branch. The managers of the latter have been guilty of irregularity in their operations. The notes are good, the remaining branches being responsible for them. It has not yet been decided to wind up the branch. It will probably pass into other hands and continue.

KENTUCKY.—The Committee on Banks in the Kentucky Senate, in response to a resolution from that body, have reported: The Farmers' Bank, Southern Bank, Commercial Bank, and People's Bank, all have the right under their charters to issue notes of a less denomination than five dollars. The Bank of Kentucky, Bank of Louisville, and Northern Bank of Kentucky, by their charters, have not the right to issue notes of a less denomination than five dollars; but by an act of the General Assembly, passed the 21st of January, 1848, that right has been given to them, during the time of their respective charters, unless thereafter prohibited by an act of the Legislature. The Bank of Ashland by its charter is prohibited from issuing notes of a less denomination than five dollars, and there has been no legislative enactment allowing her to do so.

The banks in Kentucky have maintained specie payments throughout the late revolution. About four millions of their circulation [out of \$12,000,000] have been redeemed without being re-issued.

MISSOURI.—The State Savings Institution, at St. Louis, with a capital of \$750,000, has maintained specie payments throughout the year 1857. This institution, as authorized by its charter, receives deposits, and allows interest thereon; buys and sells exchange; makes collections in all parts of the United States, at lowest rates; and remits for St. Louis collections on day of maturity with current exchange. [See advertisement on the cover of this work.]

OHIO.—L. H. Stewart, Esq., formerly assistant cashier of the Athens Branch State Bank of Ohio, was, on the 4th January, elected cashier in place of J. R. Crawford, Esq.

TENNESSEE.—The Northern Bank and the Bank of America, at Clarksville, have maintained specie payments throughout the year.

*State Bonds.*—Some doubt having been expressed as to the ability of the State to meet its interest, the following letter from the fiscal agent of the State will satisfy the bond-holders that no failure will occur, whatever may be the financial position of the numerous Railroad Companies to whom the credit of the State has been loaned.

TO A. E. SILLIMAN, Esq., Cashier, New York:

Dear Sir:—I have yours of 29th ult. to President Johnson, and note remarks. We thank you for denying the rumor prejudicial to our bonds, and trust that you will take some pains to counteract its influence, assuring you that the interest upon the bonds of the State will be provided for and promptly paid by this bank as it has been heretofore, on the 1st of July next. Certain railroads in Tennessee are required to provide funds semi-annually to meet the interest on bonds of the State advanced to them, and we look after them closely to see that they do so. Their failure to provide the funds would not prevent the payment of the interest, however, as we hold ourselves in readiness at all times to meet it promptly, and you will continue to pay and charge to our account all Tennessee coupons, whenever presented.

Very respectfully yours,

JAS. MORTON, Cashier.

Bank of Tennessee, Nashville, January 5, 1856.

WISCONSIN.—The City Bank at Beaver Dam, Dodge County, commenced business August 7, 1857, Daniel D. Read, President, B. G. Bloss, Cashier. Capital, \$25,000.

Milwaukee.—The Globe Bank commenced business at Milwaukee, June 4, 1857; cash capital, \$125,000. President, Asahel Finch, jr., William R. Freeman, Cashier.

*Annual Message.*—The message of Gov. Randall of Wisconsin discusses the Banking Law of the State, and advises such action as will check the evils growing out of it. He recommends investigation into the charges of bribery and corruption in the distribution of the public lands under the act of 1826, and he advocates the Pacific Railroad by the Northern route.

**BANK DIVIDENDS.**—*Virginia*—The Exchange Bank of Virginia has declared a semi-annual dividend of  $4\frac{1}{2}$  per cent. less  $\frac{1}{4}$  per cent. bonus, payable on the 15th inst. The Farmers' Bank of Virginia has declared a dividend of *four* per cent. net. The Bank of Virginia a dividend of *three and a half* per cent. net (\$2 75 per share.) The Bank of the Old Dominion a dividend of 3 per cent.

*Baltimore*.—Chesapeake Bank  $3\frac{1}{2}$  per cent. Merchants' Bank  $4\frac{1}{2}$ , Western Bank 4 per cent. Farmers' and Planters' Bank  $4\frac{1}{2}$ , Union Bank  $4\frac{1}{2}$ , Citizens' Bank 4, Bank of Commerce 4.

*New York*.—The rates of dividends recently are, in some cases, 1 or 2 per cent. below those of July last. In some instances the dividends have been passed for the present month, and in others the subject has not as yet been acted upon. We annex the comparative rates, as far as ascertained, for January, 1858, and for last year :

	Jan. '57,	July '57,	Jan. '58.		Jan. '57,	July '57,	Jan. '58.
Bank of America.....	4	4	$3\frac{1}{2}$	Merchants' Exchange.....	4	4	3
Bank of Commerce....	4	4	4	Metropolitan Bank....	4	4	4
Bank of New York.....	4	4	$3\frac{1}{2}$	Nassau Bank.....	4	4	3
Bk. of North America..	$3\frac{1}{2}$	4	3	N. Y. County Bank....	4	4	3
Bk. of Commonwealth	4	4	3	N. Y. Dry Dock.....	4	4	4
Broadway.....	5	5	5	N. Y. Exchange.....	4	4	4
Butchers and Drovers	5	5	5	Park Bank.....	4	4	3
Chemical Bank.....	6	6	6	People's Bank.....	4	4	4
Continental Bank.....	4	4	3	Phenix Bank.....	4	4	4
Hanover Bank.....	$8\frac{1}{2}$	$3\frac{1}{2}$	Passed	Seventh Ward.....	5	5	5
Irving Bank.....	$3\frac{1}{2}$	4	3	Traders' Bank.....	5	5	4
Market Bank.....	5	5		Importers and Traders	4	4	$8\frac{1}{2}$
Mechanics' Bank.....	4	4	4	Mech's and Traders...			$3\frac{1}{2}$
Mercantile Bank.....	5	5	5				

**Important Decision.**—The American Express Company having been intrusted by Messrs. MARSHALL and ILLSLEY of Milwaukee with \$7,500 to deliver to the State bank in Madison, Wisconsin, made a tender of the money after banking hours, and the bank refused to receive it. During the night the express safe was robbed of its contents, including the \$7,500. Suit was brought by MARSHALL & ILLSLEY to recover the money of the Express Company, who claimed that once having made a tender of the money, they were no longer responsible for it as common carriers, and that they kept it over night as a mere matter of accommodation to plaintiffs. In this view the jury coincided, and returned a verdict for the Express Company.

**COLLECTIONS IN THE SOUTH AND WEST.**—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking-houses, as well as of all the banks, in the U. S. may be found in the "Bankers' Register," published this month. The cards of bankers in the following places may be found on the cover of this work :

MASSACHUSETTS.—Boston.

NEW YORK.—New York City, Buffalo.

PENNSYLVANIA.—Philadelphia, Pittsburgh, Scranton.

MARYLAND.—Baltimore.

DISTRICT OF COLUMBIA.—Washington.

VIRGINIA.—Fredericksburg, Lynchburg, Richmond.

ALABAMA.—Mobile.

ARKANSAS.—Helena.

CALIFORNIA.—Sacramento.

ILLINOIS.—Beardstown, Chicago, Decatur,

Dixon, Moline, Peoria, Peru, Port Byron, Rockford, Quincy, Sterling.

INDIANA.—New Albany, Richmond.

KENTUCKY.—Lexington, Louisville.

LOUISIANA.—New Orleans.

IOWA.—Cedar Rapids, Council Bluffs, Chariton, Clinton, Fairfield, Davenport, Des Moines, Dubuque, Fort Dodge, Iowa City, Keokuk, Muscatine, Sioux City.

MICHIGAN.—Battle Creek, Grand Rapids.

MINNESOTA.—Minneapolis, St. Paul, St. Anthony.

MISSOURI.—Boonville, Glasgow, Hannibal, Lexington, St. Louis.

OHIO.—Cincinnati, Cleveland, Newark, Sandusky, Toledo.

TENNESSEE.—Nashville.

TEXAS.—Galveston, San Antonio.

WISCONSIN.—Milwaukee, Mineral Point, Sheboygan, Fond du Lac.

CANADA.—Kingston, &c.

In order to furnish information to bankers and those who have frequent occasion to ascertain, at this office, the names of responsible banking firms in the interior, the Publisher of this work will hereafter keep in his office "A REGISTER OF PRIVATE BANKERS IN THE U. S." This will show—1. The style of the firm. 2. Individual names of partners. 3. The location and county of each. 4. Their references (or parties in the Eastern cities on whom they draw). For the convenience of merchants and bankers in New York, Boston, Philadelphia, Baltimore, &c., this Register will be available at all times. Those gentlemen who wish their names registered will please send their PRINTED CARDS for this purpose.



## Notes on the Money Market.

NEW YORK, JANUARY 25, 1858.

*Exchange on London, at Sixty days' sight, 109½ a 110¼.*

The new year has opened with some encouragement for capitalists, manufacturers, tradesmen, and others. Since the 1st of January there has been a steady improvement in the money market; stocks have advanced; more confidence is felt in the forthcoming condition of commercial affairs throughout the country, and in a gradual restoration of credit. The demand this month for bills on Europe has been quite limited. There is still a large margin between the minimum and maximum rates for bankers' bills, viz :

<i>Bills at 60 Days on</i>	<i>Dec. 26.</i>	<i>Jan. 8.</i>	<i>Jan. 25.</i>
London,.....	108½ a 109½	108 a 110¼	109½ a 110¼
Paris,.....	5 27½ a 5 18½	5 25 a 5 18½	5 17½ a 5 12½
Baale and Zurich, .....	5 25 a 5 20	5 22½ a 5 20	5 15 a 5 10
Antwerp,.....	5 25 a 5 20	5 22½ a 5 20	.... a ....
Amsterdam,.....	40½ a 41½	41 a 41½	41½ a 42
Hamburg,.....	36 a 37	37 a 38	37 a 38
Bremen,.....	78 a 79	79 a 80	80 a 81
Frankfort-on the Main,.....	41 a 41½	41 a 41½	41½ a 42
Berlin,.....	73 a 74	73 a 74	74 a 75
Leipzig,.....	73 a 74	73 a 74	74 a 75
Cologne,.....	73 a 74	73 a 74	74 a 75

Confidence is still wanting in the drawers of commercial bills on Europe. The extraordinary extent of failures that have occurred in England and on the Continent during the past four months, affecting seriously the stability and credit of bill drawers in this city, has had the effect to induce parties here to purchase bills of first-class banking houses only. The same cause has prevented the usual negotiations of commercial bills drawn on cotton and other produce. Holders of cotton, flour, tobacco, &c., have experienced great difficulty of late in negotiating their bills, even when accompanied with bills of lading. During the panic, September to December, such bills were sold largely at nominal par, equivalent to nine per cent. discount; others realized from one to three per cent. nominal premium, while bankers' bills were sold freely at 105 to 107. An improvement is now visible in this department of commerce; but the disruption of commercial character and credit has been so great, that the exchange or negotiation of property and merchandise has declined largely.

In uncurrent money and domestic exchange, there has been a sensible change within the past four weeks. The rates of discount on Southern and Western funds are less burdensome than reported in December. The bank paper of all the New England States is now received on deposit by the Metropolitan Bank, the banks of Rhode Island having resumed during the third week of the present month. The bills of many of the New Jersey banks are taken on deposit at par in this city. Those of the Philadelphia banks are now quoted at ½ per cent. discount; Baltimore 1 per cent. The banks of Pennsylvania and Maryland will probably resume specie payment within a month from this time, and will be followed by those of Virginia, North and South Carolina, and Georgia.

The new Treasury notes issued by authority of Congress are now in circulation in this city, in denominations of \$100, \$500 and \$1000. They will be in moderate demand for Custom-house purposes only. The risk of remitting such bills per mail, payable to bearer, is too great to render them a medium of exchange between remote points of the Union. It is intimated that the Banks will receive on deposit the new Sub-Treasury notes, allowing the accrued interest. If the notes had been authorized without interest, redeemable on demand, they would be more desirable to the community, and would circulate more freely. As it is, the calculation of interest involves too much trouble to make them available as a currency. We have yet to take a lesson from the

financial policy of England, whose notes (as issued by the Bank of England) are available at all points as a national currency—are a legal tender throughout England—and based either upon government debt or upon specie. To the latter none will object as a security; and the former will be ample as long as the government stands. The people of the United States require at this time, and at all times, a national currency at par throughout the Union, receivable for government dues, a legal tender everywhere, and not burdened with any interest. Such a currency based upon the national revenue to the extent of thirty or forty millions of dollars, would not only be acceptable to the people, but would save one-half the labor now rendered necessary in the counting of specie at our numerous Custom-houses.

The decline in the foreign business at this port during the past six months, was very remarkable. The difficulty in raising money to pay Custom-house duties, compelled many importers to place their goods in bonded warehouses. We annex the monthly receipts of duties at this port for the past three years.

## CASH DUTIES AT NEW YORK.

	1855.	1856.	1857.
January .....	2,560,039 32	3,683,654 85	4,537,878 43
February .....	2,665,164 94	3,576,919 14	5,117,249 85
March .....	2,863,084 95	4,382,107 47	3,752,184 98
April.....	1,994,710 10	3,913,865 39	3,301,607 05
May.....	2,400,482 60	3,457,153 64	1,907,289 71
June.....	2,316,464 80	3,527,425 26	677,811 29
July.....	3,787,341 95	5,441,544 27	6,987,019 61
August.....	4,290,796 15	5,286,399 11	3,946,830 40
September .....	3,523,379 50	3,702,134 70	2,249,982 69
October.....	3,329,194 95	3,391,220 97	867,534 99
November.....	2,171,707 76	2,774,845 63	1,121,792 70
December.....	2,984,941 97	2,381,969 75	1,172,392 98
TOTAL.....	34,387,807 99	45,519,270 18	35,639,074 88

The superabundance of capital at this city is fully indicated by the weekly bank statements. Several of our banks hold three times as much specie as the average held in 1854 and 1856, and complain of the want of desirable paper for discount. The circumstances which produced the suspension of our banks in October last, also produced a suspension (to a large extent) of business in our city. The banks resumed with ease in two months, but it is no easy matter for the machinery of manufacturing to recover from the blow inflicted by the severe contraction of August and September last. Capitalists enter into business arrangements with an implied understanding in the community that there shall be no violent movement in trade or in the currency. The shock to credit and to trade can be overcome only gradually. We fear it will be a long time before the various trades of the city will again be active. There is abundant capital, but its owners are at loss where to place it. Our banks find it difficult to procure business paper of the right stamp for their means; and the fear is that they will in the absence of such paper, loan too largely upon stocks. The present rise in stock values may almost wholly be attributed to the increased facilities for borrowing upon stock collaterals, *on call*. It was this species of loans which last year swelled the aggregate discounts until a reaction necessarily followed.

We do not think the aggregate specie of our city banks is too much for the business carried on here. New York, upon this basis, has to sustain the interior banks, and meet their redemption of twenty millions of currency. The circulation of New England also concentrates largely here; and funds are kept on deposit in Wall Street for such redemptions. Added to this, are the accumulated cash balances (for exchange operations) of fourteen hundred incorporated banks and over one thousand private banking firms distributed throughout thirty or more States. These circumstances show the necessity of maintaining hereafter a specific reserve to meet the demands of the East, South and West.

The rapid accumulation of specie in the bank vaults of the city is accompanied by a commensurate increase of deposits, the former having increased twenty millions and the latter about twenty-five millions since the lowest point in October last. The following summary of the bank changes presents remarkable features:

1857.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 3,	\$109,149,000	\$8,602,000	\$95,846,000	\$11,430,000	\$11,172,200	\$22,602,300
Feb. 7,	112,876,000	8,426,000	96,029,000	13,618,000	11,143,800	24,761,800
March 7,	111,899,000	8,465,000	95,858,000	15,189,300	11,707,300	26,896,600
April 11,	115,374,000	8,787,000	96,518,000	15,174,800	10,884,400	26,059,200
May 2,	114,409,000	9,006,000	99,159,000	14,408,100	12,009,900	26,418,000
June 6,	115,338,000	8,838,000	96,594,000	12,431,000	13,134,700	25,565,700
July 3,	115,044,000	8,901,000	98,834,000	10,317,000	12,837,300	23,154,300
Aug. 1,	120,597,000	8,665,000	94,445,000	12,161,600	12,918,000	25,079,600
Sept. 5,	112,221,000	8,673,000	79,491,000	11,678,200	10,227,900	21,896,100
Oct. 3,	105,935,000	7,916,000	67,978,000	7,748,200	11,400,400	19,148,600
Oct. 10,	101,917,000	7,523,000	63,301,000	6,190,150	11,400,413	17,590,563
Oct. 17,	97,245,000	8,087,000	52,894,000	5,514,400	7,843,200	13,357,600
Oct. 24,	95,593,000	6,884,000	57,530,000	5,885,200	10,411,600	16,296,800
Oct. 31,	95,317,000	6,334,000	51,853,000	5,600,000	12,883,400	18,483,400
Nov. 7	95,866,000	6,434,000	56,424,000	5,407,600	16,492,100	21,899,600
Nov. 14,	95,239,000	6,258,000	72,592,000	5,164,000	19,451,000	24,615,000
Nov. 21,	95,375,000	6,283,000	79,313,000	4,877,600	23,167,900	28,045,500
Nov. 28,	94,963,000	6,520,000	79,509,000	4,395,200	24,303,100	28,698,300
Dec. 5,	96,333,000	6,555,000	78,492,000	3,986,400	26,069,800	30,036,200
Dec. 12,	96,526,000	6,348,000	75,365,000	4,257,800	20,058,800	30,316,600
Dec. 19,	97,211,600	6,309,400	76,443,100	3,912,700	27,957,300	31,870,400
Dec. 26,	97,902,000	6,852,100	76,139,800	3,661,600	27,142,000	30,803,600
1858.						
Jan. 2,	98,549,900	6,490,400	78,635,200	3,259,300	28,561,900	31,821,200
Jan. 9,	98,792,700	6,615,400	79,841,300	2,972,200	29,176,800	32,149,000
Jan. 16,	99,473,700	6,349,300	81,790,300	2,934,000	30,211,000	33,145,000
Jan. 23,	101,172,600	6,336,000	82,598,300	3,073,900	30,829,100	33,903,000

STATE LOANS.—As to stock investments, the operations of the month show a decided turn in favor of State Bonds and Bank Shares; and these will largely absorb the floating capital of the time at considerable advance on the quotations for December. United States sixes are worth 115; New York, 111 a 112. We note an advance since the first week in December, in Pennsylvania fives, 4½; Indiana fives, ½; Kentucky 5 per cents, 3¼; Virginia, 4½; Georgia, 2½; North Carolina, 7; Missouri, 5½; Louisiana, 4; Tennessee, 3; California 7 per cents, have advanced from 67 a 68 to 72½ a 73. More consistency in the management of California finances would give their bonds a better position in this market. We annex a summary of the changes in December and January:

	Nov. 20th.	27th	Dec. 4th.	11th.	18th.	Jan. 8th.	15th.	22d.
U. S. 6 per cents. 1867-8.....	111	112	109	110	112	112	112½	113
Ohio 6 per cents. 1886.....	102	102	103	103	103	103	105	102
Kentucky 6 per cents.....	98½	98½	98½	99½	100	99	102	102
Indiana 5 per cents.....	78	81	81	82	82½	81	81½	81½
Pennsylvania 5 per cents.....	85½	85½	84½	85	82½	82½	85	89
Virginia 6 per cents.....	88½	90	88½	87	90	91	93	93
Georgia 6 per cents.....	84	90	90	95	95	90	92	9½
California 7's, 1870.....	65	70	67	68	68	66½	70	72½
North Carolina 6 per cents.....	87	86½	87	86½	87	91	93½	94
Missouri 6 per cents.....	78	80	78½	77½	80	79½	83½	84½
Louisiana 6 per cents.....	78	81	82	84	85	82	86	86
Tennessee 6's.....	82	84½	84½	84½	84½	82	87½	87½

The interest due on State bonds on the 1st instant, was punctually met. Capitalists are again turning their attention to State loans, which furnish at all times a reliable security to holders. At present prices, some of the 6 per cent. bonds will yield an interest of nearly 7 per cent. on the investment. The Message of the Governor and the subsequent action of the Missouri Legislature, both manifesting a firm resolution to uphold the credit and character of the State, in protection of its bonded debt, have had their due influence in giving the securities a wide and highly favorable market. There is but \$1,000,000 more of the State loan to railways which can be issued under 90—further issues being limited at this price by the Legislature.

Railroad Shares.—There is a temporary check to the improvement visible a few weeks since in

these securities. The fact that the gross earnings of our railways during the present winter exhibit a serious decline as compared with the last, is not in reality so strong an argument against their general prosperity as would appear on a superficial examination of the subject. During the winter of 1856-7 the expenses of nearly every railway in the North and West were enormous, on account of severe snow-storms, which not only brought formidable obstructions to general business, but involved an amount of expenditure in clearing tracks and repairing machinery in some cases beyond the entire amount of gross earnings. It is thought that the financial position of the leading roads will soon secure better market values. We annex a summary of the weekly changes in December and January:

	Nov. 20th.	27th.	Dec. 4th.	11th.	18th.	Jan. 8th.	15th.	22d.
N. Y. Central R. R. shares,.....	79	74	7½	72	76½	77½	72½	78½
N. Y. & Erie R. R. shares,.....	17	15	16½	17½	18½	19½	20	20½
Harlem R. R. shares,.....	9	8½	8	8	7½	6½	6½	5½
Reading R. R. shares,.....	47½	51½	53	50½	54½	58	56	56½
Hudson R. R. shares,.....	21½	21	20½	19	20½	19½	19	18
Michigan Central R. R. shares,...	58	54	55	52½	54	52	53½	55
Michigan Southern R. R. shares,	21½	17½	19½	18½	22½	20½	20	20
Panama R. R. shares,.....	89½	86½	93½	91½	94	90½	91	89½
Baltimore & Ohio R. R. shares,	46½	48	48½	45½	49	49	46½	46
Illinois Central R. R. shares,...	95½	95	93	86½	92	90	90	93½
Cleveland and Toledo R. R. ....	40	40½	43	41½	43	43½	43	41½
Chicago and Rock Island R. R.	82	79	75	73	76½	72	70	68½
Milwaukie and Miss. R. R. ....	31	32½	32	32	30	31½	31	29
Galena & Chicago R. R. shares,	82	79½	73½	72	76	73½	73	71½

This statement shows an advance since the 18th ultimo, in New York Central, 2½ per share; New York and Erie, 2½; Reading, 2; Michigan Central, 1; Baltimore and Ohio, 2; Illinois Central, ½, and a decline in the other shares named. The New York Central Railway Company, and the Reading Railway Company, it is understood, will be enabled to continue their dividends in the face of reduced incomes. We think the shares of the Galena and Chicago Railroad Company, and the Chicago and Rock Island Railroad Company, will soon recover in price, as the prospective condition of these Companies is highly favorable. The only railroad shares that at present bear a premium in this market, are those of the New Jersey Transportation Company (New York to Philadelphia), 124½ a 126, and the New Haven and Hartford Railroad Company, 113½ a 115; Cleveland and Pittsburgh Railroad shares have declined to 8½ a 9; Harlem, 5½ a 6; Lacrosoe and Milwaukie, 11½ a 12; Little Miami, 70 a 80; Macon and Western, 75 a 81. There is a good time yet coming for railroad shareholders. This will be the case when these companies advance their rates on freight and passengers 15 or 20 per cent. beyond the prevailing ones, lessen their trains, and reduce the speed of the express trains.

**Railroad Bonds.**—In these securities the market is very unsteady. Erie bonds have declined since November. Hudson River second mortgages are quoted at 78 a 80; third mortgages, 51 a 52; Hudson River convertibles, 45 a 50; Michigan Southern seven per cents, 78 a 85; Illinois Central Free Land bonds, 84½ a 85; Chicago and Rock Island seven per cents, 80 a 91; Buffalo and State Line seven per cents, 89 a 92½; Milwaukie and Mississippi eight per cents, 82½ a 90; Reading first mortgage six per cents, 80 a 82; second mortgages, 78 a 73½; New York Central sevens, 95½ a 96. The quotations of the past two months have been so fluctuating and unreliable for railroad bonds, that we concluded to postpone, for a short time, the publication of our usual stock and bond tables.

We annex the closing prices of Miscellaneous Securities for December and January:

	Nov. 20th.	27th.	Dec. 4th.	11th.	18th.	Jan. 8th.	15th.	22d.
Erie Railroad 7s, 1859.....	88	85	83	87	88	87	87	87
Erie bonds 7s.....	45	40	34	39	40	41½	44	42
Erie Convertibles, 1871.....	33	33	30	30	31½	36½	35	36
Hudson River Railroad, 1st mort.	95	95	95	95	96	97	97	97
Panama Railroad bonds.....	80	85	85	85	85	85	91½	85
Illinois Central 7s.....	86½	87	85	82½	86	86	86½	90½
New York Central 6s.....	86	84½	84	83	83	83	85½	86
Canton Co. shares.....	19½	19½	—	—	—	19	21	—
Pennsylvania Coal Co.....	62½	61½	60½	60½	67½	70½	69	70
Cumberland Coal Co.....	11½	10½	10½	8½	10	11½	12½	15½
Del. and Hudson Canal Co.....	101	106	104½	100½	108½	110½	111½	110½

In Coal Co. shares there has been more activity; Delaware and Hudson shares are attaining their true values as dividend paying securities; Pennsylvania Coal Co. having suspended for the present its dividends, the shares are down to 70 a 73. Some attempts are made to bring Cumberland Coal shares forward, but they are still heavy. The banks of this city have had, for some time past, under consideration a resolution to discontinue the allowance of interest on bankers' deposits. The payment of interest on such balances is objectionable and hazardous. It is apt to create a competition for heavy deposits from Western and Southern banks and private bankers, and when realized, it becomes necessary to reloan such funds *on call*, or subject to return promptly at notice. Such loans are not wanted by business men, but by brokers and stock operators. If these surplus funds were loaned on business paper, at 30 to 60 days, the commercial interests of the city would be served.

We have intelligence from London to the 1st inst. The Bank of England had reduced the rate of discount to 8 per cent. On the 30th of December there was a slightly increased demand for money to meet the requirements at the end of the year; and also a more extensive inquiry sprung up for silver to export to India, which gave rise to an impression that a reduction of discount would renew the drain to the East. The terms of a loan proposed to be raised by the Norwegian government are understood to have been arranged with Baring & Co. The loan will be small, but the precise amount is not fixed. On the 31st some little disappointment was felt that a further reduction in the rates of discount was not made by the Bank of England, but it was supposed that the measure was postponed until after the payment of the January dividends, and there was only a slight demand for money at the Bank. No new failures had occurred, and the year closed more favorably than was anticipated. The West India mail steamer had arrived with over \$1,000,000 in specie. The joint stock banks have reduced their rate of allowance on deposits to 4 per cent.

The last advices from London are to the 9th inst. The London money market continued to improve, and a considerable influx of gold daily to the Bank of England continued, under the influence of which a further reduction in the rate of discount, from 8 to 6 per cent. took place on the 7th inst., having been reduced on the 24th ult. from 10 to 8. The funds were generally firm throughout the week, although some depression was caused by unfavorable news from India. The transfer books had been re-opened and Consols closed on the 8th inst., at 94½ a 95 for money, and 95½ a 96½ for account. The discount houses and the joint stock banks had reduced their allowances for money to rates ranging from 3 to 5 per cent. Under the reduced rate there was a moderately full demand for accommodation at the Bank, but in the discount market an abundant supply was offering on lower terms. On the Stock Exchange the average rate for loans on government securities was about 3½ per cent. A further reduction in the Bank rate was anticipated at an early date.

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## DEATHS.

At WORCESTER, MASS., Friday, January 22, aged fifty-eight years, THOMAS KINNICUTT, Esq., Judge of Probate for Worcester County, and President of the Central Bank, at Worcester.

At GETTYSBURG, PA., JOSEPH B. McPHERSON, Esq., for many years past Cashier of the Gettysburg Bank.



THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES.

MARCH, 1858.

No. 8.

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HISTORY OF RAILROADS,

INCLUDING THE STATISTICS OF THEIR PRESENT CONDITION AND  
FUTURE PROGRESS.

I. DESCRIPTION OF RAILROADS. II. HISTORY OF RAILROADS. III. INTRODUCTION OF RAILS. IV. INTRODUCTION OF LOCOMOTIVES. V. RAILROAD MANAGEMENT. VI. RAILROAD LEGISLATION. VII. RAILROADS IN EUROPE. VIII. RAILROADS IN CANADA. IX. RAILROADS IN THE UNITED STATES.

I. A Railroad, or Tramroad, may be succinctly described as a species of road having tracks or ways formed of iron, stone, or other solid material, on which the wheels of the carriages passing along it run. The object in constructing such roads is, by diminishing the friction, to make a less amount of power adequate either to impel a carriage with a greater velocity, or to urge forward a greater load. The essential requisites of a railroad are two or more smooth parallel surfaces for the wheels to run upon, and formed and placed in such relation as to give the maximum strength and safety with the minimum friction. The friction on a perfectly level railroad, properly constructed, is estimated to amount to from one-tenth to one-seventh only of the friction on an ordinary level road; so that, supposing the same force to be applied in both cases, it would move a weight from 10 to 7 times as great on the former as on the latter. But if there be a very moderate ascent, such as one foot in fifty, which in an ordinary road would hardly be perceived, a great increase of power on the railroad is re-

quired to overcome the resistance that is thus occasioned. The reason is, that the ordinary load on a *level* railroad is about *seven times as great as* on a common turnpike road; so that when the force of gravity is brought into operation by an ascending plane, its opposing power, being *proportioned to the load*, is seven times as great as on a common road. Hence the vast importance of having railroads either level or as nearly so as possible. It is also of great importance that railroads should be straight, or at least free from any abrupt curves. Carriages being kept on the road by *flanges* on the wheels, it is obvious that, where the curves are quick, the friction on the sides of the rails, and consequent retardation, must be very great.

The great success, rapid extension, and present necessity of railroads, are in consequence of the appreciation of the *value of time and saving of labor*, which are the characteristics of the present age. Distance is now measured by the time consumed in its passage; and the saving of cost in the carriage of goods is the aggregate of the saving in time and the saving in labor. We cannot in the scope of this article give more than a summary of the history of railroads, and the statistics necessary to show the present condition and progress of railroads.

The aim and advantage of railroads may be stated concisely to be, to obtain with the minimum expenditure of power the maximum result of speed, draught, and safety in the carriage of passengers and freight. To show how this can be done would be to illustrate the whole science of railroad engineering, and does not come within the compass of this work. It will be sufficient to show the improvement over the age before railroads, and the progress since the invention of railroads, we have made up to this time. 1st. As to speed. In 1804 a locomotive was constructed in Wales, that performed the unprecedented feat of drawing ten tons on a tramroad at the rate of five miles an hour. Wood on railroads, in 1825, says: "Nothing can do more harm to the adoption of railroads than the promulgation of such nonsense as that we shall see locomotive engines travelling at the rate of 12, 16, 18, and 20 miles per hour." Ritchie on railways, in 1846, says: "An express train on the Great Western Railway, drawing 59 tons, has travelled for three hours at the rate of 63 miles per hour." And we know that the speed of 100 miles per hour has been obtained several times in the past few years. In 1778 a contract was made to establish a coach for passengers between Edinburgh and Glasgow, a distance of 44 miles. The coach was drawn by six horses, and the journey between the two places, to and fro, was completed in six days. Even so recently as the year 1750, the stage-coach from Edinburgh to Glasgow took 36 hours to make the journey. In the year 1849 the same journey was made, by a route three miles longer, in one hour and a half. In the year 1763 there was but one stage-coach between Edinburgh and London. This started once a month from each of these cities. It took a fortnight to perform the journey. At the same epoch the journey between London and York required four days. In 1835 there were seven coaches started daily between London and Edinburgh, which performed the journey in 48 hours. In 1849 the same journey was performed by railway in twelve hours.

2d. The great increase of draught, or decrease of friction, needs but brief illustration. It is stated as a result of experiments on the Massachusetts railroads, that the cost of merchandise transportation is 3.095 cents



per ton per mile, with an average speed of ten miles an hour. The average cost of transportation of heavy merchandise on the improved Macadamized roads of England is 27 cents per mile, with an average speed of three miles per hour. We see, therefore, that the cost of transportation on railroads has been reduced to  $11\frac{1}{2}$  per cent. of the cost of transportation on improved turnpikes, while the speed has been increased 233 per cent. at the same time. 3d. As to the increase of safety. On the French railroads, 212 miles in length, of 1,889,718 passengers, who travelled 316,945 miles in the first half of 1843, *not one* was either killed or wounded, and only three servants injured. Comparing this with the travelling by horse coaches in the same region, we find that in seven years, from 1834 to 1840, 74 persons were killed, and 2073 were wounded. According to Dr. Lardner, the chances of a passenger meeting with a fatal accident in travelling one mile on a railroad are 65,363,735 to 1. And again, the chances of his meeting with bodily injury in the same distance are 8,512,486 to 1; and also that 366,036,923 passengers must travel one mile in order to cause the death of one railroad employe. On comparing the safety of railroad travelling on the roads of New York with those of Great Britain, it is found that for the last four years there were a greater number of passengers killed and a less number injured upon the roads of New York, in proportion to the number carried, than upon those of Great Britain. In New York one passenger was killed out of every 1,262,165 who travelled, one either injured or killed out of every 341,125. One passenger was killed for every 47,164,426 miles travelled, and one was either injured or killed for every 12,747,142 miles travelled. Excluding all the accidents growing out of the imprudence and fault of the passengers themselves, it appears that one was killed out of every 6,310,828 who travelled, and one was either injured or killed out of every 664,300. Excluding the accidents caused by their own carelessness or imprudence, there was but one passenger killed for every 235,822,132 miles travelled, and but one either injured or killed for every 24,823,382 miles travelled. A vast number more lives would have been lost if the same number of passengers had been conveyed the same number of miles in one-horse wagons, or in the old-fashioned four-horse coaches.

“There be three things which make a nation great and prosperous—a fertile soil, busy work-shops, and easy conveyance of men and things from one place to another.”—BACON. And we can form some estimate from the foregoing, of what share railroads have had in giving us one of these three elements of prosperity.

II. *History.*—Wooden railways were employed as a substitute for common roads, in the colonies of England early in the 17th century.—RITCHIE *on Railways*, p. 19. The earliest record of their existence is in the life of the Lord keeper North, wherein it appears that about the year 1670 they were used at Newcastle-on-Tyne, for transporting coal from the mines to the river, and enabled one horse to draw from four to five chaldrons. Subsequently these plates were covered with iron; but the introduction of rails wholly of iron seems not to have taken place till 1768.—HORNBLOWER'S *Report to House of Commons* in 1811. A projection or flange on the outer side of the rails kept the wheels of the carriages upon them. They were called “Tramroads;” and the objections to them were the great amount of friction against the side flange and the wood surface of the plate.

In 1789 was constructed the first public railway in England, at Loughborough, by Mr. William Jessop; and he introduced cast iron edge-rails, and wheels with the flanges cast upon them instead of on the rail. Tram-roads were, however, in use up to 1808. The first railroad built in the United States was in 1827, from Quincy to a point on Massachusetts Bay, three miles in length, for the purpose of conveying granite to Boston from the quarries of Quincy. The rails used were of wood. The first passenger railroad was the first 13 miles of the Baltimore and Ohio in 1830, from Baltimore to Elkridge.

III. *Rails*.—"In 1803 malleable iron rails were first tried, but not approved of. In 1808 they were introduced into some coal works of Cumberland, and used with complete success."—GILLESPIE *on Railways*.

Since then they have been formed of a great variety of shapes. The principal are, 1st. The flat rail used on branch coal-roads and on roads where horse-power is used, and where economy is considered essential. 2d. The rail called the "fish-bellied," from the rounded profile of its under side. The form of this rail is indicated by theory as almost perfect for strength; but on account of the unsteadiness, from requiring a high support, it is now generally abandoned. 3d. The  $\Omega$  rail, or inverted  $U$ . This rail is admirably adapted for strength and security, but is more complex for rolling than the rail commonly in use, namely, the  $T$  rail inverted,  $\mathbb{T}$ ; and has only been used to a moderate extent, and principally in England. 4th. The inverted  $H$  rail, so called, but more like an  $I$  in form. This form was found by Professor Barlow to possess the maximum strength from a given quantity of material. This rail is used in England, but has been found to be deficient in stability. The  $T$  (inverted) rail is the one generally used in this country; and for the facility in rolling, strength, and stability, is decidedly the *best* form. The weight commonly used is about 60 pounds to the yard; but a heavier rail is more economical in the end; and the weight of rails has been increasing from 35 pounds, the weight first used, to that of sixty pounds to the yard.

Rails were first laid on stone sleepers or blocks, as giving the most solid support; but this plan has gradually been abandoned, as the want of elasticity was the cause of a rapid destruction to the rolling stock. Longitudinal sleepers of wood were also tried; but after much practical experience, the present form of transverse wooden sleepers, laid on broken stone or gravel bed, was adopted as the best foundation, and is now in common use.

IV. *Locomotives*.—After a full trial of horse-power and stationary steam-engines, the plan of an engine, and which the present locomotive is in many respects only an improvement of, was invented. There has been some controversy as to who should have the credit of the invention. It appears, however, that in 1759 Dr. Robinson, then a student in the University of Glasgow, suggested to Watt the application of the steam-engine to wheel carriages; and in 1782, Murdoch, to whom Trevithick was a pupil, made a model of a steam-carriage. In 1794 Watt described such an application in his patent.

In 1801 Oliver Evans, of Philadelphia, moved a steam dredging-machine a mile and a half on wheels turned by its own engine. In 1802 Richard Trevithick, in conjunction with Andrew Vivian, both Cornwall engineers, *built* and took out the *first* patent for a locomotive; and in 1804

Richard Trevithick build a second locomotive, which on a road in South Wales drew ten tons at the rate of five miles an hour. It was many years, however, before any improvement took place, owing chiefly to the *imaginary* difficulty of getting the locomotive wheels to "bite," or keep from slipping on the rails. Great ingenuity was brought to task to remedy this imaginary evil; and in 1812 a rail with racks or sockets was laid, and an engine with teeth to fit in the rack was built. In 1813 an engine with hind legs was invented to prevent the slipping. All these contrivances were, however, shown to be useless by the discovery in 1814, by actual experiment, that no friction was needed. And in this same year the first really successful locomotive was invented by George Stephenson, which ran six miles an hour, and drew 30 tons. Little progress was made from this time until 1829, when Robert Stephenson constructed the "Rocket" engine, which on trial ran with an average speed of 15 miles an hour, and with a maximum speed of  $29\frac{1}{2}$  miles an hour. Since that time locomotives have been built to run over one hundred miles an hour, and to draw a train of cars up an inclined plane of 500 feet to the mile. The performances of a modern locomotive, in fact, are among the most wonderful of all mechanisms.

V. *Railroad Management*.—Although one of the most powerful elements in our prosperity, and in fact now a necessity, it cannot be denied that railroads generally have been failures considered as profitable investments to the stockholders. The business of our railroads is ample to make them good investments; and therefore there can be but one cause for so general a failure; namely, *unremunerative tariffs*. Occasional instances of bad management have taken place, but it is obvious that this cannot be the cause of so general a failure. The gold discoveries of California and Australia have advanced the prices of labor, fuel, etc., from 30 to 50 per cent., and, consequently, the expenditures of railroads in a similar ratio. During this time there has been no corresponding increase in the tariffs of our railroads. This, in connection with the fact that the depreciation of the rails, rolling stock, etc., have not been sufficiently allowed for, explain the cause; and make a remedy obvious. To show the authority for this statement, we give the expenditures, etc., on railroads at different periods since their first practical adoption. These show that there was a gradual decrease to 1845, and since that time an increase in expenditures.

The annual cost of maintaining in operation a well-managed road is almost  $1\frac{1}{2}$  cents for each ton per mile carried over it, and 44 cents for each mile run by all the engines, besides \$500 for each mile of road. If it be likewise a passenger road, there is to be added three-fourths of a cent per mile for each passenger carried.—CHARLES ELLET, JUN., Civil Engineer, Franklin Institute, 1842.

The complete average expense per train per mile of running on the principal roads was estimated

In the United States, in 1838,* at.....	100 cents.
In England, 1840†.....	72 "
Utica and Schenectady Railroad, 1839 to 1841.....	115 "
Western Railroad (Massachusetts), 1840 to 1844.....	71 "
Average of Massachusetts railroads, 1845.....	65 "

\* Chevallier DE GERSTNER.

† Professor VIGNOLES.

Average of Massachusetts railroads, 1846.....	73 cents.
“ “ “ 1847.....	75 “
“ “ “ 1848.....	76 “
“ “ “ 1849.....	76 “
“ “ “ 1850.....	74 “
“ “ “ 1851.....	76 “
“ “ “ 1852.....	77 “
“ “ “ 1853.....	82 “
“ “ “ 1854.....	98 “
“ “ “ 1855.....	105 “

It will be seen from this statement that the expenses have been steadily increasing since 1845. To exhibit this more plainly, we give a table showing the gross receipts and expenses, and also the net receipts of the Massachusetts railroads for ten years.

OPERATIONS OF THE RAILROADS OF MASSACHUSETTS FROM 1846 TO 1855.

Years.	Total Receipts	Total Expenses	Net Receipts
	per Mile run.	per Mile run.	per Mile run.
	\$ Cts.	\$ Cts.	Cents.
1846.....	1 56	73	83
1847.....	1 55	75	81
1848.....	1 50	76	74
1849.....	1 51	76	75
1850.....	1 52	74	78
1851.....	1 50	76	74
1852.....	1 44	77	67
1853.....	1 52	82	70
1854.....	1 57	98	59
1855.....	1 69	1 05	64

From this it will be seen that the gross receipts (or tariff) increased only .08 per cent. in ten years, while the net receipts decreased 23 per cent. ; and the expenses increased 44 per cent. This comparison holds equally true with many of our railroads.

The following facts regarding eight of the principal railroads of Massachusetts are developed by reports to the Legislature :

1. The cost of passenger transportation is 1.062 cents per passenger per mile. 2. The cost of merchandise transportation is 3.095 cents per ton per mile. 3. In passenger transportation \$41.98 per cent. of the receipts therefrom are absorbed in expenses. 4. In merchandise transportation \$89.52 per cent. of the receipts therefrom are absorbed in expenses. 5. The expenses of railroads are almost invariably determined by the weight carried over the rails. For instance—the Eastern road, upon which passenger traffic predominates, is operated at an expense of \$3670 per mile of the length of the road ; while the Lowell, upon which merchandise traffic predominates, is operated at an expense of \$12,478. 6. The cost of renewals of iron upon railroads is an infallible index of the magnitude of expenses. For the preceding reasons, the cost of that item on the Eastern road is but \$390 per mile of the length of the road, while upon the Western it is \$1399. 9. Of the expenses of railroads, thirty per cent. are absorbed in maintenance of way, or road bed ; twenty per cent. in fuel and oil ; twenty per cent. in repair of engines, tenders, and cars ; ten per cent. in special freight expenses ; and the remainder in passenger, incidental, and miscellaneous expenses. 8. The weight of the engines, tenders, and cars upon

passenger trains is nine-fold greater than the weight of the passengers. 9. The weight of the engines, tenders, and cars upon freight trains, is scarcely one-fold greater than the weight of the merchandise. 10. For cheapness, railroads cannot compete with canals, in transportation of heavy descriptions of merchandise; the cost of carrying merchandise upon the Erie Canal ranges from two to sixteen mills per ton per mile; while upon sixteen of the principal railways of New York and Massachusetts the cost of carrying merchandise ranges from thirteen to sixty-five mills per ton per mile.

It being granted that the present tariffs are too low, the *remedy*, or how to make railroads more profitable, is the chief point. We extract from a paper written by Charles Ellet, Jun., civil engineer, which elucidates a good system.

1st. Every road should form its own tariff of tolls, based upon its own trade.

2d. *In arranging the tariff, let the first step be to ascertain the true cost of transportation upon the particular road for which the tariff is intended.* The actual cost of transportation is clearly the minimum limit of admissible reductions in favor of those objects of transportation which are deemed, from motives of policy, most worthy of special encouragement. There may be, and ought to be, material discriminations in every tariff; but no article ought to be conveyed for less than the actual cost of its transportation, fairly made out from the proper experience of the line. Having determined the true cost of transportation, and adopted that as a minimum charge, below which the toll on no article shall be suffered to fall, the company will be secured against one frequent source of immense extravagance—that of carrying freight for *nothing*, or *less than nothing*. With this information in hand, it is practicable to construct a *tariff of expenses*, which should in every case precede the adoption of a tariff of charges.

3d. *The next step in the process should be to ascertain the highest charge which each article will bear.*

4th. *The true charge for each article and each position, it must be apparent, will be found somewhere between the actual cost of transportation and the prohibitory charge.* The next step in the construction of a toll-sheet should then be to form a third tariff, by adding together, for each article and each position, the cost of transportation and the prohibitory charge, and taking half their sum as a near approximation to that charge which will yield the greatest net revenue. Yet there is no fact better susceptible of the strictest mathematical demonstration than this, that *the charges which will yield the maximum net revenue on railroads doing a miscellaneous business, must be from one to two cents per ton per mile greater than that which will produce the maximum gross revenue.* If, then, a company aims to obtain the greatest possible gross revenue, it can only succeed by a great sacrifice of dividends. In fact, the gross revenue may be enormous, and yet be insufficient to pay their expenses.

VI. *Railway Legislation.*—Notwithstanding the vast advantages which the opening of so many new and improved lines of communication have conferred on the country, we cannot help thinking that these advantages might have been much greater, and that, in the instance of railway legislation, the public interests have been overlooked to a degree that is not very excusable. It is, we admit, no easy matter to decide how far the interference of Government should be carried in matters of this sort. But,

at all events, this much is obvious, that when Government is called upon to pass an act authorizing private parties to execute a railway or other public work, it is bound to provide, in as far as practicable, that the public interests shall not be prejudiced by such act, and that it should be framed so that it should not, either when passed, or at any future period, stand in the way of the public advantage. We believe, however, that a little consideration will serve to satisfy most persons that this important principle has, in the case of railways, and indeed of most descriptions of public works, been, in this country, all but wholly neglected.

Within a few years past the railway interest has become one of the most important in this country, not only on account of the large pecuniary investments which have been made therein, but also on account of the effect which its development has had in increasing the value and changing the relations of property, trade, and commerce, and in modifying the social conditions of our people. These varied interests, and the new circumstances which have been called into existence by the vast and rapid expansion of the railway system, have required additional legal enactments from time to time, but the same supervision and restraints of law which are considered necessary to guard and protect other public interests, have not been imposed upon this one to an extent commensurate with its increasing importance. The railroad corporations, in which there is a larger investment than in the banks, over which the law exercises supervision, are permitted to control an immense amount of capital and interests of the greatest magnitude, with no other check than is afforded by an annual statement of their affairs, notoriously incorrect, and in many cases made so systematically, for the purpose of concealing from the stockholders and the public violations of law and want of fidelity to their trusts.

One of the best guarantees for the faithful performance of duty that can be given to the public and the stockholders by railroad managers, is to render, at frequent intervals, full and accurate statements of the results of the operations of the works, and the manner in which these officers have discharged their trusts. It is not difficult to demonstrate that the publication of such ample statements does not, in the long run, injure the interests of any corporation, and that it is the most certain security against malversation in the administration of its affairs.

Under the General Railroad Act of 1850, each of the railroad corporations in the State of New York is required to make an annual report to the State Engineer and Surveyor in the form prescribed, showing its financial condition and cost, its length and other characteristics; the business done during the year and the expense thereof, a statement of the receipts and payments, and a list of accidents which have occurred involving injury to life or limb; and this officer is required to arrange the information thus furnished, and submit it, together with the reports, to the Legislature.

VII. *Railroads in France.*—We extract the following report on the condition and progress of railroads in France during the year 1856, submitted to the Emperor by M. A. Rouher, chief of the Department of Agriculture, Commerce, and Public Works:

“A résumé of these figures, which indicate the great increase of public confidence, also exhibits the fact that the construction of the network of railroads in France has cost, to this period, 3,080,000,000 francs,\* of

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\* The franc equals 18·6 cents.

which 2,419,000,000 fell upon the companies, and 661,000,000 was contributed by the state. Of this aggregate amount there appears for the years 1855 and 1856 the enormous sum of 919,000,000 francs.

"The net receipts, which in 1847 were raised to 22,000 francs per kilometre,\* suddenly fell in 1848 to 13,600 francs; but since 1852, notwithstanding double tracks were laid, their marked increase is shown by the following figures:

In 1852.....	21,600 francs per kilometre.
" 1853.....	24,600 " "
" 1854.....	26,400 " "

"These returns experienced in 1855 an exceptional augmentation, owing to the Universal Exhibition or World's Fair. They reached 30,300 francs; and if the amount did not reach that figure the present year (1856), the increase over 1854 is not the less progressive; for the returns for the first three quarters show the net amount of 28,000 francs, at the very lowest, per kilometre.

"STATEMENT EXHIBITING THE COST OF RAILROADS IN FRANCE FROM 1823 TO 1856.

	ACTUAL COST.		
	To the State. Francs.	To the Companies. Francs.	Total. Francs.
From 1823 to 1829.....	.....	3,300,000 ...	3,300,000
" 1830 to 1841.....	3,228,740 ...	172,097,753 ...	175,326,493
" 1842 to 1847.....	278,553,677 ...	509,411,555 ...	787,965,232
" 1848 to 1851.....	298,417,147 ...	198,711,088 ...	497,128,235
" 1852 to 1854.....	51,187,751 ...	646,690,064 ...	697,877,815
In 1855.....	55,200,000 ...	430,406,485 ...	485,606,485
In 1856.....	20,286,000 ...	458,569,718 ...	478,855,718
Total.....	706,873,315	2,419,186,658	3,126,059,973
Less receipts in 1855-'56.....	45,565,000	.....	45,565,000
General total.....	661,308,315	2,419,186,658	3,080,494,973

"The entire length of this network of railroads at the commencement of 1857 is 11,250 kilometres; or opened, 6500; in progress of completion, 4750.

"Length to be completed in the next ten years:

1857.....	968 kilometres.
1858.....	818 "
1859.....	1,197 "
1860.....	234 "
1861.....	548 "
1862.....	83 "
1863.....	300 "
1864.....	236 "
1865.....	... "
1866.....	366 "

Total length in progress of completion..... 4,750 "

The following are the last returns of the gross receipts of the principal French railways from November 11 to November 17, compared with the corresponding week last year:

\* The kilometre equals about five furlongs.

Railroads.	1855.	1856.
	Francs.	Francs.
Northern.....	1,074,272	967,627
Western.....	615,900	703,113
Orleans.....	1,053,070	1,187,942
Strasburg.....	734,620	744,800
Montereau.....	.....	42,885
Lyons.....	835,769	932,170
Lyons to Mediterranean.....	519,361	675,007
Grand Central.....	.....	43,291
Southern.....	76,213	220,453

*Progress of Railroad Building in France and Germany.*—In Germany the first railroad was opened in the year 1828, and two years later in France. The following table exhibits the number of geographical miles in operation in both countries since 1828:

Years.	France.	Germany.	Years.	France.	Germany.
	Miles.	Miles.		Miles.	Miles.
1828	...	9	1844	109	322
1830	11	9	1845	109	413
1832	10	17	1846	133	519
1833	36	17	1847	210	739
1835	36	18	1848	236	839
1836	36	27	1849	365	913
1837	39	30	1850	385	992
1838	39	51	1851	460	1035
1839	45	78	1852	501	1099
1840	55	108	1853	532	1176
1841	74	164	1854	612	1223
1842	74	201	1855	733	1274
1843	109	251	...	...	...

No two countries have the same weights and measures, though the same name to designate them may be used in many countries. Take the mile measure, for instance; in England and the United States a mile means 1,760 yards; in the Netherlands it is 1,093 yards; while in Germany it is 10,120 yards, or nearly six English miles; in France it is 3,025 yards; the Scotch mile is 2,472 yards, and the Swedish mile 11,700 yards.

VIII. *Railroads of Great Britain.*—On the 31st of December, 1856, the 8,506 miles of railroad in the United Kingdom had actually cost in money 309 millions sterling, and that large sum had been obtained as follows: viz.,

	Millions Sterling.
Ordinary shares.....	174
Preference shares.....	57
	231
Loans raised.....	78
	309

The average rate of interest paid on the preference share capital was £5 13s. per cent. per annum; on the loans raised, that is on debenture debt, £4 13s. per cent. per annum; and on the ordinary share capital, £3 2s. 6d. per cent. per annum. The total gross receipts of the railways of the United Kingdom in 1856 were twenty-three millions sterling, or something approaching the interest of the national debt. The end is now rapidly approaching of the era of railway making. It has been going on for twenty years with amazing vigor, and it has covered Great Britain with a system



of public roads which, for extent, perfection, utility, and rapidity of execution, leave far behind the achievements of any other nation except the United States, or any other age in the same space of time.

The following table shows the number of railway acts passed in each session of Parliament since 1846, together with the length of new lines and amount of capital authorized by those acts :

<i>Years.</i>	<i>Number of Railway Acts.</i>	<i>Length of Line authorized, Miles.</i>	<i>Amount of Money authorized to be raised.</i>
1846.....	270	4538	£182,617,368
1847.....	190	1350	89,460,128
1848.....	85	371	15,274,237
1849.....	34	16	3,911,331
1850.....	34	8	4,115,632
1851.....	61	135	9,553,275
1852.....	51	244	4,333,834
1853.....	106	940	15,517,601
1854.....	71	482	9,211,602
1855.....	73	863	9,192,038

Of the 73 acts passed in 1855, 53 had reference to the construction of works ; the length of new lines authorized by these 53 acts, was as follows : viz., 196 miles in England and Wales, 76 miles in Scotland, and 91 miles in Ireland.

*Development of Railway Communication.*—The total length of line authorized by Parliament down to the end of 1855 amounted to 14,346 miles ; but of this 1,495 miles have been abandoned by subsequent acts or by warrant under the authority of the commissioners of railways, and consequently there remain 15,851 miles for which the parliamentary powers which were obtained have not been repealed. Of these 8,280 miles were open at the end of 1855 ; 4,571 miles, having received the authority of Parliament, remain unopened.

This length of line is distributed throughout the United Kingdom as follows :

<i>Countries.</i>	<i>Length of Line open Dec. 31, 1854.</i>	<i>Length of line opened during 1855.</i>	<i>Length of Line open December 31, 1855.</i>	<i>Length of Line authorized, but not open on December 31, 1855.</i>	<i>Total length of Line authorized by Parliament to Dec. 31, 1855.</i>
	<i>Miles.</i>	<i>Miles.</i>	<i>Miles.</i>	<i>Miles.</i>	<i>Miles.</i>
England and Wales....	6114	96	6210	3276	9486
Scotland.....	1043	40	1083	458	1641
Ireland.....	897	90	987	837	1824
Total.....	8054	226	8280	4571	12851

We may infer that, so far as the evidence before us applies, three general conclusions seem to be justified at this stage of the inquiry, and these conclusions are :

1st. That the revenue of railways during the last eight years—that is, during the period since the railway system had arrived at maturity in England and Wales—has been derived year by year in a larger proportion from common as distinguished from dearer kinds of service, and especially in the rapid relative growth of goods traffic.

2d. That during the same period a precisely similar result has taken place in the passenger traffic by increase of receipts from third-class passen-

gers, and the decline or non-increase of receipts from first and second-class passengers.

3d. That as regards nearly all classes of passengers, the increase of passenger traffic per mile of railway has been accompanied by a reduction in the rates of fares, and also by a reduction in the average payments of each person conveyed; in other words, a larger revenue has been obtained by means of smaller individual contributions.

IX. *Railroads in Canada.*—The gigantic railway enterprises now in progress in Canada are intended to embrace a railway system traversing nearly the entire length of the province from east to west, with branch feeders running into the main-trunk line, and carrying off traffic to the leading American cities and Atlantic seaboard.

Besides the government aid to this complete railway system through Canada, these undertakings are understood to receive substantial support from United States interests, the great Western country, as well as the northeastern States of the Union, being directly interested in the success of these Canadian lines; more expeditious routes between the agricultural districts of the West and their centres of trade being opened up by them. One of the most valuable features of these railways to Canada will be their affording the province increased facilities of trade during winter, and uninterrupted communication with ocean traffic when inland navigation is closed.

The most important line of this comprehensive railway system is the Grand Trunk Railway. The entire length of this line, when completed, will be 1,112 miles. Its eastern terminus is at Trois Pistoles, in Lower Canada. Thence upward it proceeds along the south shore of the St. Lawrence, passing opposite to Quebec, and continuing thus westward, reaches Montreal. Before reaching Montreal, the line effects a junction at Richmond, in the eastern townships, with a line of railway to Portland, on the Atlantic, in the State of Maine. The part of the line between Montreal and Portland, a distance of 292 miles, is now open. The communication between Portland and Quebec was opened in 1854.

The average cost of the construction of railways in Canada will be about \$47,500 per mile. The average fares are from two to three cents per mile, according to distance of journey. The electric telegraphs in Canada convey messages at much more moderate charges than in England.

The control of the Post Office of Canada was transferred from imperial to colonial authorities in 1851.

#### RAILROADS IN CANADA.—1857.

<i>Name of Road.</i>	<i>Length Miles.</i>
Buffalo and Lake Huron (Buffalo to Paris).....	84
Champlain and St. Lawrence (Rouse's Pt. to Montreal).....	44
Cobourg and Peterborough.....	28
Erie and Ontario (Niagara Falls to Chippewa).....	16
Grand Trunk. For Portland District, see Maine. Montreal Dist.	148
Quebec District (Richmond to Quebec).....	96
Brockville and Toronto Districts.....	333
Toronto and Sarnia Districts.....	91
St. Thomas Branch.....	43
Great Western (Niagara Falls to Detroit).....	230
Guelph Branch.....	17
Toronto Branch (Hamilton to Toronto).....	38

Montreal and New York (Montreal to Mooer's Junction).....	43
Plattsburg and Montreal (Mooer's Junction to Platts).....	20
Ontario, Simcoe, and Huron (Toronto to Collingwood).....	95
Ottawa and Prescott (Prescott to Bytown).....	54
Other roads.....	32
<b>Total.....</b>	<b>1412</b>

X. UNITED STATES.—To give a complete history of the railroad system of the United States would exceed our limits of space. We therefore confine ourselves to a brief summary of the history, with the statistics necessary to show the present condition of the railroads in the United States.

The first railroad constructed in the United States was the Quincy road, built in 1827. The first passenger railroad was the Baltimore and Ohio, which was opened with horse power for fifteen miles in 1830. The Mohawk and Hudson River Road was opened for public travel with horse power in the summer of 1831. Locomotives were first used in this country in 1831, on the Mohawk and Hudson Railroad, and in 1832 upon the Baltimore and Ohio, and on the South Carolina Railroad. In 1828 there were but three miles of railroad in the United States; now there are twenty-five thousand miles!

The superstructure of some of our first railroads was made by placing a thin flat bar of iron on longitudinal timbers, which rested on stone blocks, protected from displacement by frost by filling the trenches below them with small broken stone. In some cases the iron bar was placed on continuous stone sills.

The first change made in the rails used was the substitution of bars of greater thickness; then succeeded the **T** rail, of nearly the present form, weighing fifty pounds per lineal yard, resting on longitudinal sills; subsequently the weight of iron rail was successively increased to sixty, seventy, and seventy-five pounds; cross-ties were used, which were placed on longitudinal sills, and finally these sills were removed and gravel ballasting substituted. The first cars used were coach bodies of the ordinary form, placed on four-wheeled frames; afterward the bodies were enlarged and the form changed, and finally the bodies were adapted to contain sixty passengers, placed on two separate trucks attached loosely to the bodies, so as to permit them separately to adapt themselves to the curves and inequalities of the track. The motive power at first was horses, and on steep inclinations stationary steam power. The first locomotive engine used weighed but six tons, and these have been successively increased to ten, sixteen, twenty, and twenty-six tons, while on some of the freighting roads engines of forty tons weight (including the tenders) have been introduced. The foregoing list of changes shows how imperfect a machine the railroad was when many of them in this country were first commenced, and how many radical changes have been necessary in the construction of their ways and works. The present state of perfection in the machine renders it probable that new substitutions of its important and expensive parts will annually become more rare, but yet it may be safely assumed that some expenses of this character will continue to accrue, and must be provided for in estimating the cost of our railroads, or their value as an investment.

In the conception and construction of our system of railroads there was no well-digested plan in regard to the position of the principal termini, or the route for the trunk lines, or the mutual relation of the main lines to

each other. The result is that the system is imperfect as a whole, though admirable in many of its parts. We have many roads built only in rivalry to others; some parallel, others having the same termini. The same expenditure properly directed would have given us a complete system, with fewer miles constructed, but of a more durable character. The want of plan is in consequence of our system having been built by States not separated by topographical divisions, and by private companies having a view more to immediate profit than to the future success of and connection with the system. One of the greatest resulting evils is the constant break of gauge, which makes necessary the frequent transshipment of both passengers and freight; thereby increasing cost and delay. The gauges in common use comprise from 4 feet 8½ inches, the *chance* width of the first "tram wagon," which the first "tram roads" were made to *fit*; to 4 feet 10, 5 and 6 feet, all empirical gauges; and each having respective merits which were advocated by their introducers. Whatever may have been these claims, it is unfortunate that one was not universally agreed upon; and there is no risk in asserting that even at this late date, the saving in time to passengers and in injury to freight during five years, would be more than an equivalent for the cost of all necessary changes in the rolling stock, and superstructure consequent on the adoption of a common gauge. Our railroads have been so much indebted to fortuitous circumstances for their position and relation to each other, that the principal claim to a *system* that we can advance is based on topographical divisions. And having this division in view, we will proceed to describe briefly our railroads as a system.

The objects to be gained by our first railroads were to open an outlet from the fertile regions of the West, and to get access to the interior as a market for the manufactures of the seaboard. The principal results are the four great trunk lines, which are the boast of the country, and which have done more to develop the West and enrich the East than was dreamed by the "enthusiasts" who were followers of De Witt Clinton. Two of the four trunk lines, the New York and Erie, and the New York Central Railroads, directed their first slow course to the great American chain of lakes, expecting to be content to end there, and not to enter into a contest with an inland sea. But with the aid of the frosts of winter, they found themselves fit rivals, and have extended their lines with such vigor, that the branches of these trunk lines have tapped the Mississippi, and are hastening on to the Pacific. Their connection with every town and hamlet in the Mississippi valley is the best foundation for a continuation of the progressive prosperity of New York. The other two lines, the Pennsylvania Central and the Baltimore and Ohio Railroads, had no further aim than to pass the barrier of the Alleghanies, and then receive their prosperity from the Ohio River. But a river that, according to John Randolph, "was dry half the year, and frozen the other half" was not a dependence; and now even the Mississippi River is not a satisfying end. We can briefly say that these four trunk lines, with their direct connections, constitute the Northern half of the system. The other single roads, not connections, north of a line of the Ohio valley, however important in themselves, are only local roads. South of the line of the Ohio valley, the Virginia Central and the Charleston and Memphis Railroads, with their direct connections, constitute a similar portion of the Southern half of the railroad system. The remaining East and West trunk line to be described is the one from New

York city, in a direct line west. This railroad, now nearly completed, is almost a necessity to the passenger traffic, being the shortest route west from New York city. These roads, in conveying the produce of the interior to the seaboard, and in opening the West for settlement, form a much more important part of the system than the roads running north and south, and having as their principal business the interchange of the products of the North and South. The roads, running north and south, are divided by the Alleghany Mountains. The Eastern half is made up of a trunk road and its branches, running parallel to the sea-coast from Bangor to Mobile, having at present but one short break in Alabama. The freight business of these roads is necessarily limited, and confined principally to costly freight, as the coasting trade is the natural carrier of heavy freight. The passenger business is the principal source of profit; and as these roads run through the most populous sections of the country, they have ample employment. The trunk road west of the Alleghany Mountains is made up of the Illinois Central and other roads in the Mississippi valley, converging to the mouth of the Ohio River, added to the yet unfinished trunk road from the mouth of the Ohio to Mobile and New Orleans. These roads until lately have not been necessary, as the Mississippi and branches have generally afforded all the internal communication necessary. The interchange of the productions of the South and West, and giving rapid communication over the West, make these roads now a necessity. We can see then, that, notwithstanding the want of unity of action from the first, the system is gradually becoming more perfect, and that the completion of the trunk lines running west to the Pacific will not let us lose the proud boast that we can now truly make of having the noblest system of internal improvement in the world.

Railroads are also subject to one item of expense which is rarely directly stated; viz., the necessary substitution of improvements in the way and works before the original ones have been worn out by use. The railroad, considered as a machine, is of recent invention. Its power, capacity, and endurance have not even yet been fully ascertained. As the two former are developed, the substitution of improved forms for increasing its efficiency, either in capacity, speed, or economy, becomes necessary, and these substitutions are more extensive than they are in other machines of older date or use.

The returns of the railroad corporations show continued large additions every year to the construction account of even our oldest and best built roads. The reported increase of cost during the year 1855 was chiefly in consequence of an extension of the double track, a larger equipment, and station facilities for the accommodation of the increased freight traffic. The increase of the cost of the road on the New York and Erie was 20 per cent. during the years 1854, 1855, and on the Central it was greater than 25 per cent. during the same period. The reported earnings and net earnings of these roads have increased by a much larger percentage than the cost of the roads as above stated, while the reported expenses of operating have increased by about the same percentage as the earnings. The freight earnings have increased more than the passenger earnings; but the average receipts per ton per mile were less in the year 1855 than the preceding one, especially on the Central road, although the rates of charges have been increased on both roads. The average receipts per ton per mile for the year 1855, were two and a half cents on the Erie, and a little more

than three cents on the Central, while the average the preceding year on the latter was nearly three and a half cents. The freight tariff has been nearly alike on each of these roads for the last two years; it is, therefore, evident that the business of the Erie road embraces a larger portion than that of the Central of those articles which pay the least rates, and that the latter road has been performing a much larger proportion of its business at low rates this year than formerly. On comparing the reported receipts, expenses, and business of our three principal freighting roads, it will be seen that the passenger business on the Erie is reported as giving a net profit of 47 per cent., with an average charge of one and seven-tenths cents per passenger per mile; on the Central, a net profit of 44 per cent., and a charge of one and nine-tenths cents, and on the Northern Railroad a net profit of two per cent., with an average charge of two and seven-eighths cents per passenger per mile; and that the freight business on the first is reported as giving a net profit of 51 per cent., with an average charge of two and six-tenths cents per ton per mile; on the second a net profit of 48 per cent., with an average charge of three and seven-tenths cents; and on the third a net profit of 34 per cent., with an average charge of two and one-fourth cents per ton per mile. The character of the business, the grades, and other circumstances of these several roads, do not furnish any sufficient reason for these discrepancies. The actual cost of transportation upon railroads will probably never be accurately determined from their reports, until they have been run a few years with the construction account closed, and no money borrowed. The expenses of operating the road, as stated in the reports, are about one and a quarter cents per ton per mile on the Erie, and one and six-tenths cents on the Central; but, as before stated, these reports do not show accurately the cost of this service. More reliable testimony on this subject is afforded by the recent action of the railroad conventions. At the one held at New York, embracing the officers of the four great lines between the Atlantic and the West, a joint report was submitted by the superintendents of the several roads, in which they state that "experience has proved that the *lowest rates* at which ordinary freight can be carried to pay interest and expenses will average about two cents per ton per mile for heavy agricultural products, three cents for groceries, and four cents for dry goods." At a subsequent convention of the railroad companies of Ohio and Indiana, similar rates were adopted. The above charges applied to the business of our two great lines would yield an average of a little less than three cents per ton per mile, and would serve to show that some of the business done on each of these roads does not even pay "interest and expenses." Sufficient information has been elicited from the railroads of this and other States, from the actions of the conventions, and from other sources of information, to warrant the belief that a considerable portion of the freighting business now done by our railroads yields no profit at the present rates, when due allowance is made for the increase of capital which it requires for the increased wear and depreciation of the works, and for the occupation of the track to the injury of the other business.

*Comparison of the Returns of Several Railroads.*—From the statistics of the net income and general economy of the principal railroads in New York and Massachusetts, recently published, we can elucidate many facts of the greatest importance in railroad management. Among these may be noticed the following: The average number of passengers and the

number of tons of freight carried each mile run is the same; that is on an average there are daily carried an equal number of passengers and freight an equal distance on the road. The largest number of passengers carried each mile run is by the Hudson River Railroad, which has as a rival the best navigable river in the world. The largest number of tons carried per mile run is by the New York and Erie Railroad, which is the principal through freight road for the products of the West; and this road also shows the largest net income per mile. The ratio between the total receipts per mile and the net income per mile is far from being constant, or the last from being dependent on the first. There is, however, a relation between the net income per mile of a road and the expenses per mile; that is, the net income per mile of a railroad bears a very nearly constant ratio to an inverse of the expenses per mile run; thereby making it evident that, *ceteris paribus*, the interests of the stockholder are advanced more by reducing the expenses per mile run, than by increasing the business of the road. The receipts for passengers or freight carried per mile is given by adding the expenses and the net income carried per mile. It is shown from this comparison that on an average the net income from passengers carried per mile is 50 per cent. of the receipts, or equal to the expenses; while the net income from freight is only 34 per cent. of the expenses. From this we see that the tariff of freight should be increased 16 per cent., that it shall be in a just proportion to the passenger tariff.

The returns also show that the net income from passengers and mails per mile run, is generally greater on the Massachusetts railroads than on the New York railroads, and that the net income from freight per ton per mile is greater on the New York railroads. The general tariffs are not materially different in the two States, but the expenses of freight are fully 50 per cent. greater in Massachusetts than in New York. The net income per mile is the greatest on the New York and Erie Railroad, which is a freight road.

*New England Railroads.*—After a depression of some years' duration, the Massachusetts railroad companies have, by dint of economy of expenditures and advanced rate of fares, a prospect of more steady remuneration to the shareholders. We annex, from the Boston circular of Messrs. Dupee & Sayles, a summary of the earnings, expenses and dividends of the leading roads of that State.

PROGRESS OF TEN RAILROADS IN 1857.

	Earnings.	Expenses.	Debt.	Net Profits.	Dividends for the Year.	Excess of Earnings over Expenses & Dividends.
Boston and Lowell, (10 mo.)	372,525	232,417	438,920	140,108	5	48,608
Boston and Maine,.....	849,560	492,083	50,000	357,477	6	106,161
Boston and Providence,.....	584,175	338,981	239,720	245,194	6	55,594
Boston and Worcester,.....	1,019,148	630,635	599,974	888,513	6	118,513
Eastern,.....	653,841	513,317	2,465,747	140,523	none	.....
Fitchburg,.....	625,831	369,150	100,000	256,680	6	44,280
Old Colony and Fall River,...	604,552	351,357	208,600	250,195	6	69,289
Vermont and Mass,.....	247,471	220,273	1,039,310	27,198	none	27,198
Western,.....	1,910,342	1,084,118	6,076,875	826,223	8	49,178
Worcester and Nashua,.....	207,328	137,025	200,000	70,303	4	9,415
	45					

*Railroads to the Pacific.*—The proposed railroad to the Pacific involves so many questions as to feasibility and cost, requiring to determine much more accurate data than we now possess, that it is better to give only the statistics that have up to this time been obtained, and abstain from arguments in favor of any route.

**SURVEYED ROUTES FOR A RAILROAD FROM THE MISSISSIPPI AND ITS TRIBUTARIES TO THE PACIFIC OCEAN.—FROM THE REPORT OF THE SECRETARY OF WAR.**

Description of Route.	Distance		Sum of Ascents and Descents.	Estimated Cost.	Through Arable Lands.		Through Sterile Lands.	
	Miles. in straight Line.	Miles. by proposed Route.			Miles.	Miles.	Miles.	Miles.
1. Route near 47th and 49th parallels, from St. Paul to Vancouver.....	1455	1864	18,100	\$130,781,000	374	1490		
a. Extension thence to Seattle.....	45	161	1,000	10,090,000	161	.....		
2. Near the 41st and 42d parallels, via South Pass from Council Bluffs to Benicia...	1410	2032	29,120	116,095,000	632	1400		
3. Near the 38th and 39th parallels, from Westport to San Francisco, by the Coo-che-to-pah and Tahee-chay-pah Passes.	1740	2080	49,936	So great that road is impracticable.	620	1460		
b. Same from Westport to San Francisco by the Coo-che-to-pah and Madelin Passes.	1740	2290	56,514	do.	670	1620		
4. Near the 35th parallel, from Fort Smith to San Pedro.....	1360	1892	48,812	169,210,265	416	1476		
c. Near the 35th parallel, from Fort Smith to San Francisco.....	.....	2174	50,670	169,210,265	644	1530		
5. Near the 32d parallel, from Fulton to San Pedro.....	1400	1618	32,784	68,970,000	408	1210		
d. Fulton to San Francisco.....	1620	2039	42,008	93,120,000	759	1290		

Route.	Miles of Route elevated.										Length of level Route of equal Working Expenses.	Summit of Highest Pass.
	Less than 1000 Feet.	Between 1 and 2000 Feet.	Between 2 and 3000 Feet.	Between 3 and 4000 Feet.	Between 4 and 5000 Feet.	Between 5 and 6000 Feet.	Between 6 and 7000 Feet.	Between 7 and 8000 Feet.	Between 8 and 9000 Feet.	Between 9 and 10,000 Feet.		
1	470	580	720	130	97	28	...	...	..	..	2207	6,044*
a	161	...	...	...	...	...	...	...	..	..	180	.....
2	160	170	210	160	580	285	270	107	20	..	2583	8,373
3	810	276	165	348	464	170	60	155	80	20	3125	10,039†
b	275	308	190	143	725	284	110	155	80	20	3360	19,039†
4	305	347	260	185	160	305	235	95	..	..	2816	7,473
c	...	...	...	...	...	...	...	...	..	..	3137	.....
5	485	300	100	170	503	60	...	...	..	..	2239	5,717
d	700	410	160	205	504	62	...	...	..	..	2834	5,717

On the following page we give a table exhibiting the number of companies, the total length of railroads constructed, and actually under construction, the number of miles already in operation, and the cost of construction and equipment in the separate States of the Union. This table shows that in the aggregate the cost of our railroad system has been nine hundred and eighteen millions of dollars, and if to this we add the cost of the railroads that have been abandoned, the aggregate will be nearly, if not entirely, one thousand millions of dollars as the total expenditure of this country in railroads.

\* Tunnel at elevation of 5219 feet.

† Tunnel at elevation of 9540 feet.



## RAILROADS IN THE UNITED STATES IN JANUARY, 1857.

States.	Number of Companies.	Length of Lines.		Cost of Construction and Equipment.	Completed Road actually opened in each State.	Mileage opened in 1857.
		Total Miles.	Open Miles.			
Maine.....	14	586	541	\$17,963,677	474	39
New Hampshire.....	15	594	559	17,597,703	654	..
Vermont.....	8	585	521	20,523,998	556	29
Massachusetts.....	47	1,417	1,286	63,384,310	1,215	5
Rhode Island.....	2	63	63	2,566,512	101	..
Connecticut.....	11	659	647	24,348,963	593	..
<b>Total six New England States.....</b>	<b>97</b>	<b>3,904</b>	<b>3,617</b>	<b>\$146,805,163</b>	<b>3,593</b>	<b>73</b>
New York.....	42	2,893	2,700	\$103,407,268	2,731	47
New Jersey.....	16	621	529	21,825,970	529	..
Pennsylvania.....	68	3,455	2,775	183,166,609	2,605	242
Delaware.....	3	91	91	1,619,310	114	8
Maryland.....	10	844	798	44,357,881	429	31
<b>Total five Middle Atlantic States..</b>	<b>139</b>	<b>7,904</b>	<b>6,893</b>	<b>\$309,376,488</b>	<b>6,406</b>	<b>328</b>
Virginia.....	19	1,465	1,321	\$37,705,049	1,553	138
North Carolina.....	5	706	675	11,126,466	606	..
South Carolina.....	9	974	748	17,601,944	842	69
Georgia.....	14	1,362	1,166	24,952,153	1,187	118
Florida.....	4	521	128	3,500,000	128	87
<b>Total five Southern Atlantic States</b>	<b>5</b>	<b>5,028</b>	<b>4,058</b>	<b>\$94,885,632</b>	<b>4,316</b>	<b>412</b>
Alabama.....	7	1,160	558	\$15,253,771	540	68
Mississippi.....	5	404	177	5,515,009	483	84
Louisiana.....	8	996	335	11,032,362	265	27
Texas.....	5	1,565	147	5,000,000	147	96
Arkansas.....	1	146	38	775,000	38	38
Tennessee.....	9	1,161	887	19,350,390	654	244
Kentucky.....	9	666	306	10,197,414	319	88
<b>Total seven Southwestern States..</b>	<b>44</b>	<b>6,053</b>	<b>1,438</b>	<b>\$67,123,946</b>	<b>2,446</b>	<b>645</b>
Ohio.....	29	3,298	2,798	\$106,043,328	2,792	53
Indiana.....	16	1,451	1,231	20,801,276	1,862	119
Michigan.....	5	1,025	999	30,390,858	664	127
Illinois.....	18	2,616	2,616	86,446,291	2,598	82
Wisconsin.....	10	1,962	718	19,295,842	688	157
Iowa.....	7	1,076	256	9,087,529	256	82
Missouri.....	4	798	317	19,140,247	317	127
<b>Total seven Northwestern States..</b>	<b>89</b>	<b>12,226</b>	<b>8,936</b>	<b>\$298,205,371</b>	<b>9,177</b>	<b>747</b>
California.....	1	22	22	750,000	22	..
<b>Grand total.....</b>	<b>421</b>	<b>35,137</b>	<b>25,965</b>	<b>\$918,146,600</b>	<b>25,965</b>	<b>2,205</b>

*Progress of Railroads in the United States.*—The following table exhibits the aggregate number of miles of railroads in the United States for every year from 1838 to 1856 inclusive, and also shows the whole number of miles of railroads in each State for the same period :

PROGRESS OF RAILROADS IN THE UNITED STATES.

States.	1838.	1839.	1840.	1841.	1842.	1843.	1844.	1845.	1846.	1847.	1848.	1849.	1851.	1852.	1853.	1854.	1855.	1856.	1857.	
Maine.....	12	12	12	12	37	64	64	64	64	64	87	175	224	263	394	410	422	442	474	
New Hampshire.....	.....	.....	.....	.....	.....	.....	3	3	19	38	38	134	309	414	463	562	646	634	674	
Vermont.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	83	243	302	369	427	480	516	518	556	
Massachusetts.....	126	144	144	219	435	465	467	686	718	790	948	1,095	1,145	1,153	1,133	1,175	1,307	1,285	1,285	
Rhode Island.....	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	78	85	101	
Connecticut.....	36	86	36	212	298	298	298	298	298	298	396	434	549	570	627	596	596	601	601	
New York.....	325	335	404	496	590	722	722	796	873	878	902	953	1,070	1,404	1,946	2,123	2,400	2,668	2,701	
New Jersey.....	108	124	148	186	186	186	186	186	186	186	185	231	267	290	290	350	448	472	529	
Pennsylvania.....	562	562	562	893	893	893	893	893	893	946	981	981	1,133	1,326	1,326	1,700	2,038	2,407	2,602	
Delaware.....	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	50	84	120	130	
Maryland.....	181	181	181	202	223	228	254	268	285	324	324	324	324	356	355	355	372	378	430	
Virginia.....	125	125	125	147	223	223	223	223	270	303	303	303	413	548	624	900	1,252	1,480	1,538	
North Carolina.....	.....	53	87	87	87	87	87	87	87	87	184	302	249	249	249	400	483	612	612	
South Carolina.....	137	137	137	204	204	204	204	204	204	204	241	263	363	363	599	650	677	706	842	
Georgia.....	57	100	185	271	323	368	482	516	576	609	609	609	665	804	857	910	1,002	1,062	1,187	
Florida.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Alabama.....	46	46	46	46	46	46	46	46	46	91	91	113	113	113	135	236	290	317	484	
Mississippi.....	.....	.....	14	14	26	26	42	42	42	60	60	60	60	95	95	210	255	410	484	
Louisiana.....	40	40	40	40	40	40	40	40	40	40	66	66	117	117	117	180	222	264	266	
Texas.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Missouri.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Tennessee.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Kentucky.....	22	25	28	28	28	28	28	28	28	28	28	28	53	98	93	150	198	307	320	
Ohio.....	.....	.....	36	84	84	84	84	84	129	274	274	299	531	890	1,385	2,500	2,641	2,669	2,680	
Michigan.....	.....	.....	138	138	174	206	238	238	270	270	270	344	379	474	474	474	474	601	664	
Indiana.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Illinois.....	.....	.....	22	22	22	22	22	22	22	22	22	22	148	271	296	1,200	2,125	2,534	2,588	
Wisconsin.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Iowa.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
California.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Total.....	1,843	1,920	2,167	3,319	3,677	4,174	4,311	4,511	4,870	5,336	5,682	6,350	7,355	9,090	11,631	13,913	18,265	21,128	24,476	26,107

The above table, condensed, presents the following points :

Miles opened in five years ending 1832.....	1832.....	131
“ “ “ “ 1837.....	1837.....	1,281
“ “ “ “ 1842.....	1842.....	2,465
“ “ “ “ 1847.....	1847.....	1,439
“ “ “ “ 1852.....	1852.....	6,295
“ “ “ “ 1857.....	1857.....	13,869

The greatest progress has been made by the eight Western States; next by the Southern States; while the Northeastern States have made but trifling additions to their public works.

	1855. Miles.	1856. Miles.	Increase. Miles.
6 Eastern States.....	3,465	3,575	110
4 Middle “ .....	5,238	5,700	462
13 Southern “ .....	5,206	6,304	1,154
8 Western “ .....	7,219	8,897	1,681
Total.....	21,128	24,476	3,407

The Secretary of the Treasury has prepared a statement showing the cost of railroads in the United States in 1855, from which we make the following summary. Returns not having been received from a number of companies, these figures are only approximative.

Capital paid in.....	\$433,286,946
Funded debt.....	303,137,973
Floating debt.....	40,126,958
Expended in 1855.....	\$776,551,877
Required to finish the roads.....	313,829,237
Total estimated cost.....	\$1,090,381,114
Miles finished.....	19,936
Miles unfinished.....	16,069
Total length.....	36,005
Receipts for the year.....	\$91,182,688

According to these figures, the average cost per mile would only amount to \$30,000, whereas experience proves that \$35,000 is nearer the truth, Assuming this estimate, the total cost of the 36,000 miles, when finished, would amount to \$1,260,000,000.

The average cost of a portion of our railroad system has been as follows :

	Costing.	Per Mile.
30 roads in New York.....	\$80,000,000	\$46,344
38 “ “ Massachusetts.....	60,000,000	44,482
12 “ “ the South and West.....	50,000,000	45,653

It is estimated that at least three fourths of the money which has been expended upon railroads in this country has been furnished by our own citizens, and the remainder (chiefly for bonds) has been obtained from foreign investments.

In conclusion, we may add, that in reviewing the progress of railroads in the United States, their effect upon the prosperity of the country, and

their future prospects, are much beyond the wildest dreams of the originators of the system. The number of miles built in the first ten years of our railroad history, beginning in the year 1828, was 1,843, of which New York State built 18 per cent. The number of miles built in the second ten years, or from 1838 to 1848, was 3,839, of which New York built 15 per cent. From 1848 to 1856, the number built was 18,794, of which New York built 9 per cent. At the present time New York has over 11 per cent. of the total length of railroads, and ranks next to Illinois in number of miles. Our railroad history has had two eras—the first from 1828 to 1848, when there was in number of miles built an average increase of 268 miles per year; and the second from 1848 to 1856, having an average increase of 2,350 miles per year. In many of the States the development of the railroad system is quite equal to the wants of the people; but in many others, Kentucky being the most notable instance, it is much less.

The cost of these 26,000 miles of railroad built at the end of the year 1857 is estimated at \$920,000,000, or an average of \$35,000 or \$36,000 per mile; and, if the rails had been laid with American iron, produced by domestic labor, it would have been the most productive investment the country ever made.

We give a summary showing the number of miles and cost of the railroads of the world. This summary is of later date than the separate statements given before, and of course shows an increase. There is a discrepancy between the number of miles in operation in Germany, according to the authority of Tooke, and the following. This is explained by the fact that many of the railroads stated by Tooke as belonging to Germany, should be placed in the column of French and Belgian railroads.

The following table also exhibits the low cost of American railroads compared to those of Europe:

COMPARATIVE COST OF RAILROADS IN OPERATION.

<i>Countries.</i>	<i>English Miles.</i>	<i>Cost in Dollars.</i>	<i>Cost per Mile.</i>
United States (1857).....	26,000	920,000,000	\$35,000
Great Britain (1855).....	8,297	1,487,916,420	179,000
France (1856).....	4,038	616,118,995	152,000
Germany (1855).....	3,213	228,000,000	71,000
Prussia (1855).....	1,290	145,000,000	63,000
Belgium (1855).....	1,095	98,500,000	90,000
British Provinces.....	823	41,600,000	50,000
Cuba.....	359	16,100,000	45,000
Panama.....	47	7,000,000	150,000
South America.....	60	4,500,000	75,000
Russia.....	422	42,000,000	100,000
Sweden.....	75	7,500,000	100,000
Italy.....	170	17,000,000	100,000
Spain.....	60	6,000,000	100,000
Africa.....	25	3,100,000	125,000
India.....	100	15,000,000	150,000
Total.....	46,074	\$3,655,335,415	\$1,585,000

## ANNUAL REPORT ON THE COINAGE.

MINT OF THE UNITED STATES. *Philadelphia, October 12, 1857.*

SIR:—I have the honor to submit the following report of the operations of the mint and its branches, including the assay office, from the first day of January until the thirtieth of June of the present year.

Previous to the passage of the act approved February 21, 1857, entitled "An act relating to foreign coins and to the coinage of cents at the mint of the United States," the annual report of the director of the mint was made to the President of the United States in the month of January of each year, and embraced the operations of the mint for the preceding year. But the act of Congress above cited directs that "hereafter the director of the mint shall make his annual report to the Secretary of the Treasury up to the thirtieth of June in each year, so that the same may appear in his annual report to Congress on the finances." As my report in January last presented a statement of the operations for the year 1856, this report will embrace the operations since that time, namely, from the first day of January to the thirtieth of June, a period of six months.

The amount of gold and silver bullion received during the time above stated at the mint and its branches and the assay office, was as follows: gold deposits, \$26,513,314 71; silver deposits and purchases, including silver coins offered in exchange for cents of the new issues, \$4,774,186 16; total deposits \$31,287,500 87.

The coinage for the same period was as follows: gold coins \$15,811,563; silver coins, \$1,477,000; cent coins \$63,510 46. Fine gold bars, \$9,371,575 68; silver bars, \$124,644 46. Total coinage including bars, \$26,848,293 60. The number of pieces of coin struck and of bars prepared and stamped was as follows:

Mint at Philadelphia.....	18,602,020
Branch at San Francisco.....	800,500
Branch at Dahlonega.....	8,830
Branch at Charlotte.....	26,417
Assay office at New York.....	2,784
Branch mint New Orleans, coinage suspended	

TOTAL..... 19,440,547

The amount of deposits received at all the mints was \$31,287,500 87, as above stated; but it is proper to note that a portion of the bullion received are re-deposits for coinage. Deducting these re-deposits, the amount of gold and silver received during the period embraced in this report was \$26,109,669 46.

The operations at the several mints and the assay office during the period before stated, were as follows: at the mint in Philadelphia, gold deposits received, \$3,700,350 87; gold coins struck, \$3,219,692; fine gold bars made, \$36,161 68. Silver deposits and purchases, including amount received in exchange for cents of the new issues, and also including amount of silver parted from California gold, \$2,585,544 17. The silver coinage

executed was \$1,428,327 46; copper cents of former standard, \$3,334 56; half cents, \$175 90; cents of the new issues, the coinage of which was commenced on the 25th of May, the sum of \$60,000. Total deposits, \$6,285,895 04. Total coinage, \$4,747,691 60. The coinage at the principal mint was comprised in 18,602,020 pieces.

The deposits at the branch mint at New Orleans were as follows: Gold deposits, \$151,177 90; silver deposits, \$1,662,728 13. Total deposits, \$1,813,906 03. No coinage was executed at this branch mint, the operations being suspended on account of the repairs made upon the mint for the purpose of making it fire-proof. These repairs and alterations were completed in July last, at which time the operations at that institution were fully resumed.

The branch mint of San Francisco received of gold deposits the sum of \$12,526,826 93; of silver, the sum of \$24,374 86. The coinage operations were as follows: gold coins, \$12,490,000; silver coins, \$50,000. Total deposits, \$12,551,201 79; total coinage operations, \$12,540,000—comprised in 800,500 pieces.

The branch mint at Charlotte received deposits of gold to the value of \$75,376 47; and its coinage amounted to \$78,965, composed of 26,417 pieces. The branch mint at Dahlonega received gold deposits to the value of \$39,679 54, and its coinage amounted to \$32,906, composed of 8,830 pieces. The operations of the branches last named are confined to gold.

The assay office at New York received gold deposits, \$10,019,903; silver purchases and deposits, including silver parted from gold, \$501,539; total deposits and purchases, \$10,521,442. These deposits were paid as follows: In fine gold and silver bars, \$7,862,557; in gold and silver coin, \$2,658,885. Gold bars of the value of \$9,335,414 were prepared and stamped at this office, and silver bars of the value of \$127,817. The amount of gold of domestic production deposited at all the minting establishments during the period embraced in this report was as follows: from California, \$23,118,176 75; from the Atlantic States, \$151,853 99. Total domestic gold, \$23,270,030 74. The amount of silver of domestic production, including silver parted from California gold, deposited during the same time, was \$127,256 12.

For the purpose of exhibiting in a condensed form the entire operations of the mint and its branches, I present the annexed summary statement. It embraces the amount of gold and silver bullion operated upon from the time of their respective organizations to the 30th of June, 1857:

Mint of the United States, established	1798.....	\$394,805,449 91
Branch mint at New Orleans	“ 1838.....	59,423,415 00
Branch mint at Dahlonega,	“ 1838.....	5,826,747 00
Branch mint at Charlotte,	“ 1838.....	4,463,659 00
Branch mint at San Francisco,	“ 1854.....	71,909,473 93
Assay office at New York,	“ 1854.....	52,191,443 33
<b>TOTAL.....</b>		<b>588,619,188 17</b>

Of this amount there has been received since the 1st of January, 1849, of native gold, the production of the United States, the sum of four hundred and two millions of dollars. If, in addition to this sum, we add the gold produced from Australia and other foreign countries during the same period, which may be stated to be about five hundred millions of

dollars, and the production of silver bullion from all sources, which is at the rate of about forty millions per annum, it will be seen that within this comparatively brief period the world's supply of the precious metals has been increased to the extent of twelve hundred and forty-two millions of dollars. In view of this great increase, and of the further supplies which will doubtless, for years to come, be received from the same sources, it may well be considered whether, in a country so highly favored with the production of gold and the supply of silver as ours, some measures should not be adopted by which the people, in like manner with the Government, should enjoy the advantages of a specie currency.

I deem it proper to call your attention to the propriety of so amending the laws relative to coinage, as to provide that where fine gold bars are made and paid to depositors of bullion at the mint and its branches, and at the assay office, that in addition to the charges now made for parting the metals, and for toughening, there shall be a charge of the one-half of one per cent., to be paid into the treasury of the United States, as is provided by the sixth section of the act of February 21, 1853. That section authorized this charge as well upon bars as coin, but the act of March 3, 1853, makes it apply only to coin. There seems no valid reason why this discrimination should be made in favor of fine bars, which are used for transportation abroad instead of coin.

The tabular statements which are herewith presented, exhibit in detail the operations of the mint and its branches for the period embraced in this report, and also for previous years. These tables present the following statistics: The deposits and coinage at the mint and its branches and the assay office, from the first of January to the 30th of June, 1857; the coinage operations of all the minting establishments of the United States, from their respective organizations to the 30th of June, 1857; an exhibit of the entire deposits of domestic gold at the mints and the assay office for the same period; a similar exhibit of the production, since the 1st of January, 1841, of domestic silver, including amount parted from domestic gold; a statement of the amount of silver coined since the passage of the act relating to silver coinage, approved February 21, 1853; the amount and denomination of fractions of the Spanish and Mexican dollar, including cents of former issues, deposited at the mint of the United States for exchange for the new cent, during the period embraced in this report; the amount of fractions of the Spanish and Mexican dollar purchased at the mint of the United States, the branch mint at New Orleans, and the assay office, New York, during the same period.

The third section of the act of Congress, cited in the commencement of this report, contains the following enactment: "That all former acts authorizing the currency of foreign gold or silver coins, and declaring the same a legal tender in payment for debts, are hereby repealed; but it shall be the duty of the director of the mint to cause assays to be made, from time to time, of such foreign coins as may be known to our commerce, to determine their average weight, fineness, and value, and to embrace in his annual report a statement of the results thereof."

In pursuance of the requirements of this law, I have caused assays to be made of such foreign coins as came within the official notice of the mint, or could be procured at our seats of commerce, or obtained from other sources. A strict compliance with the law would require but a brief report,

for but few foreign coins are now "known to our commerce," the course of trade leading the precious metals, especially gold, from our shores, and scarcely any comes from abroad, except what may be found in the hands of emigrants and travellers. But the occasion of making the first report under this law is deemed a good opportunity to present to the public, in a reliable and official form, such information respecting the "weight, fineness, and value" of such foreign coin as have come under our observation, as may be useful, not only to the merchant and statesman and man of business, but to the traveller and general reader. It will be observed that the different countries are presented somewhat in the order of proximity to our own, beginning with Mexico and ending with the East Indies.

The terms of weight and fineness are those used in the mint. The weight is given in thousandths of an ounce troy instead of grains; the fineness is expressed in thousand parts, now become the general language of assayers. The calculation of the value of large quantities by these forms of expression is greatly facilitated. The gold values are the equivalent of the gold coinage of the United States according to our legal standard; from which, if the return is desired in stamped bars, there is to be deducted six cents per hundred dollars; if in our gold coin, one-half of one per cent., or fifty cents per hundred dollars. The silver values are based upon the present mint price of 122.5 cents per ounce of standard fineness—namely, 900 thousandths. The scope which has been taken in respect to the *age* of the coins is about twenty or thirty years at the most. Where the term *new* is used, it is to be understood as extending back three or four years only from the present time. By giving double results, namely, of pieces lately issued, and of pieces somewhat worn by circulation, justice is done to the respective mints on the one hand, and to holders of coin on the other. With these preliminary remarks, I proceed to notice the coinage of the following countries:

**MEXICO.**—There are eight or nine mints in this country, one of which is national, while the others are state institutions, having one general law of coinage, but independent of each other, and subject to no general control. There are some characteristic differences in respect to grades of fineness and general accuracy, but they seem not sufficient to call for a distinction, especially as the only external means of identifying is in the mint mark. The coins are commercially known as Mexican, and there is no further inquiry. Our object, therefore, is to give as fair an average as can be arrived at.

**Gold.**—New piece of 8 E., (eight *escudos*,) usually called a doubloon weight; 0.865 ounce, 871½ fine; value, \$15 58.3. These pieces (from Culiacan and Chihuahua) do not fairly represent either the weight or fineness, being low in the former respect and high in the latter, yet they average about the usual value. General average, 0.867½ ounce, 866 fine, \$15 53.4. The smaller denominations are four, two, and one *escudos*.

**Silver.**—New *peso* of 8 R., (eight *reals*,) known as the dollar; 0.866 ounce, 902 fine, \$1 06.3. General average, 0.866 ounce, 901 fine, \$1 06.2. The smaller sizes are four, two, one, and one-half real.

**CENTRAL AMERICA.** **Gold.**—New piece of 2 E., (two *escudos*,) or quarter doubloon of *Costa Rica*, 0.209 ounce, 853½ fine, \$3 68. Average of dates, 0.205 ounce, 850 fine, \$3 60. There is also a piece of four *escudos*,



of Costa Rica, (not new,) which gives 0.434 ounce, 851 fine, \$7 62. The old doubloon of *Central America*, the latest date of which, so far as noticed here, is 1833, averaged 0.869 ounce, 833 fine, \$14 96. There were smaller denominations, of later dates, somewhat in proportion as to value, but too irregular to demand a more particular notice. The sizes were the same as in Mexican gold coinage, with the addition of a half escudo, which may be called the gold dollar; this last averaged 83.5 cents.

*Silver*.—The 8 R. (dollar) of 1840 to 1842 averaged 887 fine; that of 1847, the latest date observed, varied from 820 to 880, the weight being tolerably conformed to the Mexican or Spanish standard. It is therefore almost impossible to assign an average of value; we might say from 97 to 100 cents. There were fractional parts of the dollar, as in Mexico. A sort of siege-coinage, of one real pieces, appeared in 1846, apparently shaped with hammer and chisel, and equally rude as to proportions of alloy. They varied from 20 to 45 grains, (0.060 to 0.094 ounce,) and from 550 to 637 fine; average value, six cents, or less than half the original or regular coin of the same denomination.

NEW GRANADA.—The old doubloon of Colombia, and that of New Granada, (originally part of Colombia,) of the Spanish basis, have almost wholly disappeared from trade; but their value may here be stated:

S. E., mint of Bogota, 1828 to 1836, 0.868 ounce, 870 fine . . . .	\$15 61.7
“ Popayan, same dates, 0.867 ounce, 868 fine . . . .	15 39.0
“ (New Granada,) 1737 to 1843, 0.867 ounce, 868 fine.	15 56.0

This rate continued until 1849, when there was an entire change in the standards, both of weight and fineness, and some reduction in value. The new piece, as coined at the mint of Bogota, dating 1849 to 1856, does not bear the denomination 8 E, as formerly, but the weight, “25.8064 G.” or grammes, (French,) and the alleged “lei” or fineness, “0.900”; it yields here 0.826 ounces, 894 fine, \$15 31. But the piece coined at the mint of Popayan is of a different size, and stamped “16.400 M” and “lei 0.900.” It yields (1856) 0.525 ounce, 891½ fine, \$9 67.5, and is therefore intended either as a piece of 5 escudos, or 10 pesos, (dollars.) The gold coins of New Granada, being silvery, are partible at this mint, when presented in quantities over 75 ounces, and will then yield an addition to the above valuation, at the rate of five or six cents to the doubloon, and to the piece of ten dollars in proportion.

*Silver*.—There are several varieties of dollars extant of Colombia and New Granada. 1. That which bore the head of a native princess, or cacique, with a crown of feathers, was base and irregular, worth about 75 cents; it ceased to be coined in 1821. 2. The dollar of 1835–’36 was of the usual Spanish rates, and is worth about 107½ cents. 3. The dollar of 1839, light, and professing to be two-thirds fine, (“lei ochodineros,”) yields about 68 cents. We style them dollars, although they were known at home as pieces of 8 reals. The *fourth* variety is new; the only piece we have seen, bore the date 1857, and like the new *peso* or dollar of Chili, appears to be purposely conformed to the five-franc piece of France, both in weight and fineness. The results are, 0.803 ounce, 896 fine, value 98 cents.

VENEZUELA.—We have seen only copper coins of this division of the

former republic of Colombia, (centavo and half-centavo.) and they indicate a division, like our own, of the dollar. It is understood that the French piece of five-francs is current there as a peso or dollar, which is no doubt true of the new silver of New Granada also. There was formerly a coinage of small silver pieces of low alloy at Caraccas, of no commercial interest. Gold has never been coined there.

**ECUADOR.**—No recent pieces of the mint of Quito have been examined. The pieces of 4, 2, and 1 E., 1835-'36, were 844 fine; the largest piece (half-doubloon) worth \$7 60. The small silver coinage, 1833 to 1847, and probably later, was of base alloy; the piece of 2 R. (quarter dollar) being about 675 fine, and worth 20 cents.

**PERU.**—The political divisions of this country and the distribution of the coinage among various mints, perplex the study of Peruvian money down to the date of 1855, inclusive. The doubloons, dating from 1826 to 1837, were of Spanish standards, and worth from \$15 53 to \$15 62. The new gold coinage will be particularized after disposing of the old silver series.

The silver dollar or 8 R., of 1822 to 1841, was of full Spanish standards, and worth 106 cents. An issue, bearing new devices, dating 1851-'55, gave an average of the same value. In 1855 the standard of weight was materially reduced, and the specimens are so diverse that it is hard to tell what was intended; for example, ranging from 0.760 to 0.772 ounce, at the assay 909, the values are 94 to 95½ cents. In the same year the new style of coinage was introduced, which will be noticed presently.

In regard to the smaller pieces a distinction is to be observed. Those of the mint of Lima (the mint mark being an interlacing of the letters L I M A, looking like an M) were maintained at the old standards, and were in due proportion of value. Those of Cuzco and Arequipa, (to be known by C U Z. and A R E Q. in the legends,) commencing about the year 1835, were debased in fineness to a standard of two-thirds; by actual assay, 650 to 667 thousandths. Consequently, the half dollars or 4 R. are worth 39 cents, the quarter dollars 19.5 cents. These pieces are continually occurring in mixed deposits at our mint. In 1854-'55 a half dollar was coined at Lima of the usual fineness, but reduced in weight, and by no means well adjusted. One specimen weighs 0.381, another 0.402 ounce, at 904 fine, value 47 and 49.5 cents.

In 1855 the coinage both of gold and silver was thoroughly reformed and decimalized. Instead of escudos and reals the *peso* is the normal denomination, and the scale of coins and the rates of coinages are remarkably conformed to those of the United States. The fineness formerly marked in *quelates* (carats) for the gold, and *dineros* and *granos* for the silver, is now expressed decimally in both cases, "9 *decimos fino*." Upon this basis the gold piece of 20 pesos, 1.076 ounce, would be equal to our twenty dollars; the peso of silver, 0.858 ounce, of the value of 105 cents; the half peso 49 cents. Here is the same distinction between the whole dollar and the smaller silver that is made in our own coinage. We have had no opportunity of making assays of the coinage of 1855; the pieces which came under notice were specimen coins, presented to the mint cabinet, and were not struck at Lima; in fact, we learn, that the new system above noticed is not yet operative.

**BOLIVIA.**—The doubloons of the usual Spanish standards, 1827-'36, yields \$15 58. The dollar, 1848, latest date noticed, averages 0.871 ounce, 900½ fine, 106.7 cents. The half and quarter, to 1828 inclusive, were in proportion; but from 1830 a debasement to the two-thirds standard makes the half dollar worth 39 cents; the quarter, 19.5 cents. No late dates have been seen here.

**CHILE.**—The doubloons of this country from 1819 to 1840, or later, though of various devices, were of the usual Spanish or Mexican standards, and varied in value from \$15 57 to 15 66. An entirely new system of coinage was promulgated in 1851.

The silver dollar of the dates 1817 to the change of coinage, was of the usual weight and fineness, and yields full 106 cents. In 1851, the coinage was thoroughly decimalized with the same standard of fineness (nine-tenths), but not the same standard of weight as in our country or in Peru. The gold piece of ten *pesos*, or dollars, of 1855, weighs 0.492 ounce, is 900 fine, value \$9 15.3. This, however, is only the trial of a single piece. It is stated that there are also pieces of five and two dollars. The silver peso, of 1854-'56, on an average weighs 0.801 ounce, 900½ fine, 98.2 cents. The half peso proves to be in due proportion. There are said to be the smaller sizes, of twenty, ten, and five cents, proportional in weight; and in copper a cent and half cent.

**BRAZIL.**—The changes in the denominations of coin are much influenced by the prevalence of paper money, as will be seen by the progressive elevation of the nominal value of the normal silver coins herein noticed. Before 1822 there was the moidore (*moeda d'ouro*) of 4,000 reis, weighing 0.261 ounce, 914 fine, value \$4 92. Also a half moidore in proportion. From 1822 to 1838, and perhaps later, there was the piece of 6,400 reis, weighing 0.461 ounce, 915 fine, value \$8 72. Of the dates 1854-'56 we observe a piece which bears no name or valuation on its face, weighing 0.575 ounce, 917½ fine, \$10 90.5; and a piece of half the size and value.

*Silver.*—The piece of 960 reis, before 1837, was either a Spanish dollar annealed and re-stamped, or its equivalent, therefore worth 106 cents. There was also the 640 reis, reaching back a century or more, two-thirds of a dollar, now worth 70 cents, and the 320 and 160 reis in proportion. In 1837 a new series was commenced of 1,200, 800, 400, 200, and 100 reis; the largest piece was equal in weight to the former piece of 960, and about 891 fine; value 105 cents. Another series, apparently the latest, and beginning (so far as noticed) with 1851, makes the largest piece 2,000 reis; with a half and quarter. The piece of 2,000 weighs 0.820 ounce, 918½ fine, value \$1 02.5. The new legal standards of fineness, both for gold and silver, are evidently eleven-twelfths, or 916⅔ thousandths.

**ARGENTINE REPUBLIC.**—No specimens of recent coinage from Buenos Ayres have been observed. The doubloons and dollars of the "Provincias de la Plata," dating 1831-'32, were very irregular in fineness; the former varied in value from \$14 66 to \$15 50; the latter, 92 to 95.5 cents. The dollar of the "Republica Argentina," 1838-'39, varied from 102 to 108 cents; the average about 106 cents.

**ENGLAND.**—*Gold.*—The pound sterling is represented by the coin called the *sovereign*, whose legal standards are eleven-twelfths (or 916⅔ thousandths)

fine, and at the rate of  $46\frac{2}{3}$  pieces to a pound troy; equal to  $129\frac{1}{2}$  grains, or  $0.256\frac{2}{5}$  ounce, not making exact fractions.

The coinage of sovereigns commenced in 1816. Before that time the principal coin was the *guinea* of the value of one pound and one shilling, (21s.,) which was on the same legal basis, and which ceased to be coined when the exact pound piece was introduced. Although the term *guinea* is still in familiar use there, the actual coin is seldom seen, and need not be further spoken of, except to say that the pieces are so much and so irregularly worn that they can only be taken by weight; their average fineness being  $915\frac{1}{2}$ . From 1816 to about 1851 the average fineness of sovereigns was  $915\frac{1}{2}$ , with great regularity. Since that date the fineness has been more exactly conformed to the legal standard, and is reported by us at  $916\frac{1}{2}$ . The average weight of the older pieces is 0.256 ounce, and the value \$4 84.8; new pieces  $0.256\frac{2}{5}$ , or  $123\frac{2}{3}$  grains—value \$4 86.3. There are also half sovereigns, and some double sovereigns have been coined.

*Silver.*—The silver coinage was also reformed in 1816. It bears a subsidiary relation to the gold, being coined at a higher rate than its true value, in order that it may be kept in the country to secure the purpose of change. Instead of the shilling being worth 24.3 cents *here*, (as the twentieth part of a pound,) it is 23 cents for new and unworn pieces, and about 22 cents when worn. The assay of new pieces is  $024\frac{1}{2}$  thousandths, (the standard being 925;) the average weight of the new shilling 0.182 $\frac{1}{2}$  ounce. There are also, in silver, crowns, of five shillings, half crowns, florins of two shillings, sixpences, or half shillings, and pieces of four pence, and three pence, current; besides these, (holiday money not current,) the pieces of two, one and a half, and one penny, coined annually in small sums. Silver coins of England come here in the hands of travellers and emigrants, not in the way of commerce.

NETHERLANDS.—Within a few years the Dutch government has taken the singular ground of discarding gold from coinage. The pieces of ten and five guilders are, of course, still to be met with; but their average value declines by reason of wear, and not being sustained by fresh issues. The ten guilders may now be put down at the weight of 0.215 ounce, 899 fine, value \$3 99.

In silver the guilder before 1841 was 0.346 ounce, 896 fine, value 42.2 cents. Pieces of three guilders and half guilder were of the same rates. The small pieces of 25 centimes and 10 cents (quarter and tenth guilder) were only 569 fine, but proportionally heavy, and of full value. There was an entire change of standards in 1841. A piece of  $2\frac{1}{2}$  guilders was issued, weighing 0.804 ounce, 944 fine, (the standard being 945,) and value \$1 03.5. The guilder, in proportion, 41.4 cents—a reduction upon the old rate.

BELGIUM.—By the law of 1832 the standards and denominations were conformed to those of France, but for some years the actual average fineness both of gold and silver was as low as 895. More recently the gold has been 899; but the new piece of 25 francs weighs 0.254 ounce, value \$4 72, which is a little below proportion as compared with the 20 franc piece, which averaged \$3 83. New five franc pieces, silver, are 0.803 ounces, 897 fine, value 98 cents.

FRANCE.—New coins average  $899\frac{1}{2}$  fine, with  $0.207\frac{1}{2}$  ounce for the 20 franc piece, and value \$3 86. (It is convenient to remember that this coin

is worth just one dollar less than the British sovereign.) The other sizes are 40, 10, and 5 francs; the latter lately introduced. On a general average the 20 franc is worth \$3 84.5.

*Silver.*—The older pieces averaged a little over the standard fineness of 900; new pieces do not average higher than 898½. The five franc piece generally is of the weight 0.803 ounces, and value 98 cents. The smaller pieces of two francs, one franc, half and quarter franc, are of the same fineness, and proportional and actual value, except as they may have suffered from wear.

**SPAIN.**—The last date that we have noticed of the long-continued doubloon series of Peninsular coinage was 1824. The half doubloon of that year weighed 0.433 ounce, 865 fine, value \$7 75. The new gold coin is a piece of 100 reals, weighing 0.268 ounce, 896 fine, \$4 96.3.

*Silver.*—The principal coin (not the largest) seems to be the piece of four reals, or pistareen, which before 1837 was of the weight 0.189, fineness 810, value 20.7 cents. The standards have been lately changed, and the new pistareen weighs 0.166 ounce, fineness 899, value 20.3 cents. There is also a large piece of 20 reals, (dollar,) worth 101.5 cents; and pieces of 10, 4, 2, and 1 real in proportion.

**PORTUGAL.**—Coins of this country are rarely seen here. The gold *coroa* or crown of 1838, the latest date observed, weighed 0.308 ounce, 912 fine, \$5 81.3; the half crown in proportion. The silver crown of 1,000 reis, same date, weighed 0.950 ounce, 912 fine, \$1 18. Pieces of 500, 200, and 100 reis were in proportion.

**GERMANY.**—The German coinage appears multifarious and confused, on account of the many separate governments, the diverse systems of moneys, and the repeated changes of standards. They are now, however, reducible to two general classes, one of which chiefly pertains to the northern, the other to the southern states. In the north, including Prussia, the gold coins are the ten and five thaler pieces, the former weighing 0.427 ounce; but they are not all of the same fineness, those of Prussia being about 903, making in value \$8; those of Brunswick and Hanover about 895, making in value \$7 90. The ducat of southern Germany is coined at the old imperial rates; weight 0.112 ounce, fineness 986, value \$2 28.3.

The silver coin in the north is the thaler series; new thalers weigh 0.716 ounce, 750 fine, value 73 cents. Their general average value is 72 cents. In the south the gulden or florin is the normal coin, weighing 0.340 ounce, 900 fine, value 41.7 cents. Both the thaler and gulden are so far harmonized by the last money convention, that a large coin is issued by all the states, which is equally a double thaler and a piece of 3½ gulden; its weight 1.192 ounce, fine 900, value \$1 46. There are also a half gulden and divisions of the thaler; the latter of low alloy, but in proportion as to value. The crown dollar (kromen thaler) series, formerly maintained in Bavaria, Baden, and Wurtemberg, weighed 0.946 ounce, 875 fine, value \$1 12.6. Pieces marked "zehn (or x) eine feine mark," (the former convention dollar,) were equivalent to those still coined in Austria; which see. The Bremen piece of 36 grote is of the value 37.5 cents.

**DENMARK, SWEDEN, AND NORWAY.**—The specie rix dollars of these countries are nearly the same in value, though diverse as to standards.

The "2 rigsdaler" coin of Denmark, and the "rigsdaler species" of Norway are of the weight 0.927 ounce, fine 877, value \$1 10.7. The Swedish rix dollar, formerly of the same rates, of latter years has been at the weight of 1.092 ounce, fine 750, value \$1 11.4. The Danish ten thaler piece is of the same weight, fineness, and value as that of Brunswick, (see Germany,) and the Swedish ducat weighs 0.111 ounce, 975 fine, value \$2 26.7. No gold is coined in Norway.

SWITZERLAND.—The new "2 franc" of Helvetia" is equivalent to the two franc piece of France; weight 0.323 ounce, fine 899, value 39.5 cents.

ITALIAN STATES.—LOMBARDY and VENICE.—(See Austria.)

SARDINIA.—The system of coinage is the same as in France; which see. The *lira* is equivalent to the *franc*.

TUSCANY.—The gold coin is the *zecchino*, or sequin, of ducat weight, and professedly of absolutely fine gold. The actual results are, 0.112 ounce, 999 fine, value \$2 30. The silver florin, or *fiorino*, (subdivided into 100 *quattrini*,) weighs 0.220 ounce, 925 fine, value 27.7 cents. There is a larger piece of four florins, called the *leopoldone*; also a half and quarter florin; all in due proportion of value.

ROME.—The new  $2\frac{1}{2}$  *scudi*, (gold weighs 0.140 ounce, 900 fine, value \$2 60.) There are also pieces of 5 and 10 *scudi*. The silver *scudo* weighs 0.864 ounce, 900 fine, value \$1 06. It is divided into 100 *bajochi*. The decimal system was adopted in 1835.

NAPLES.—Gold appears to be rarely coined in the kingdom of the Two Sicilies; and the silver coinage is awkwardly adapted to the imaginary ducat of account, which perhaps by this time has fallen into disuse; and if not, should be estimated at about 83 cents. The principal silver coin is the *scudo*, or 120 *grani*, weighing 0.884 ounce, 830 fine, value \$1. A new *scudo* gives the figures 0.887 ounce, 833 fine, value \$1 00.5.

AUSTRIA AND LOMBARDY.—The coins of these two branches of the same empire, though very diverse as to standards and denominations, are still brought into an exact relation as to value. Thus, in gold, the ducat weighs 0.112 ounce, 986 fine, value \$2 28; and the *souverain* weighs 0.363 ounce, 900 fine, value \$6 77; intended to be equal to three ducats. There are, also, the half *souverain* and the double and quadruple ducat.

In silver, the former convention rix dollar of Germany, "ten to the fine mark," is still used in Austria; its weight 0.902 ounce, fine 833, value \$1 02.5. Its half is the Austrian florin. The *zwanziger*, or piece of 20 *kreutzers*, is one-sixth of the rix dollar, weight 0.215 ounce, fine 582, value 17 cents. There are smaller pieces, of base alloy. The *scudo* of Lombardy is the equivalent of the rix dollar; weight 0.836 ounce, 902 fine, value \$1 02.7. The *lira*, one-sixth of the *scudo*, is of the same fineness. It is interchangeable with the 20 *kreutzer* piece.

RUSSIA.—The new five-rouble piece (gold) is of the weight 0.210 ounce, 916 fine, value \$3 97.6. There are pieces of three roubles, in proportion.

The silver rouble (subdivided into 100 *copecks*) weighs 0.667 ounce, 875 fine, value 79.4 cents. There are half and quarter roubles, and smaller divisions; and a large Russian-Polish piece, of ten *zlotych*, equal to one and a half roubles, or \$1 19.

**TURKEY.**—The gold piece of 100 piastres, since 1845, is of the weight 0.231 ounce, 915 fine, value \$4 37.4; the piece of piastres in proportion.

The silver coins, beginning with the same date, are about 830 fine; older pieces are of base alloy and a somewhat confused medley of denominations. The new piastre weighs  $38\frac{1}{2}$  thousandths of an ounce, and is worth 4.38 cents; there are larger pieces of 2, 5, 10, and 20 piastres; the latter worth 87.5.

**GREECE.**—The 20 drachm piece weighs 0.185 ounce, 900 fine, value \$3.45. The 5 drachm, 0.719 ounce, 900 fine, 88 cents. Smaller pieces in due proportion.

**AUSTRALIA.**—The sovereign or pound sterling of the mint at Sydney, 1855, weighs 0.256 ounce, fine 916 $\frac{1}{2}$ , value \$4 85. By a singular liberality, the "one pound" piece of the "government assay office, Adelaide," was issued at the stamped rates of "5 dwt., 15 grains" in weight, and "22 carats" fine. The weight of one specimen received, holds out 0.281 ounce, and assuming the fineness as correct, the value is \$5 32; a large advance upon the true pound sterling. This was in 1852, since which time the error has been corrected.

**EAST INDIES AND JAPAN.**—The multitude of rupees of Hindostan, more diverse in appearance than in actual value, appears to have given way to the Anglo-Indian coinage bearing the head of the British sovereign. The uniform system of coinage began in 1835. The gold mohur, of fifteen rupees, weighs 0.374 ounce, 916 fine, value \$7 08.

The silver rupee, same weight and fineness, is of the value of 46.6 cents. There are also half and quarter rupees, in proportion of value. The rectangular silver coin of Japan called *itzebu*, weighs 0.279 ounce, 991 fine, value 37.5 cents. There is a gold coin called *copang*, a large, thin, oval plate, whose value cannot be satisfactorily stated; the specimen in the mint cabinet is worth about \$6 50.

I have the honor to be, with great respect, your faithful servant,  
 JAMES ROSS SNOWDEN, *Director of the Mint.*

Hon. HOWELL COBB, *Secretary of the Treasury.*

**NOTE.**—If it is desired to convert thousandths of an ounce into grains, take the half, and deduct four per cent. of the half. To convert grains into thousandths of an ounce, add one twenty-fourth and double the sum.

J. R. S.

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*Jewelry Manufacture.*—The manufacture of gold and silver was commenced in Providence, R. I., more than a century ago, and from very small beginnings has grown up to rival in magnitude and extent that of any other place in the country; the value of its annual products being not much short of three million dollars. By the recent contraction of business, nearly twelve hundred and ninety-five workmen employed in this business have been thrown out of employment, while of the three hundred that remain, many are apprentices, whilst the others are working on short time and at a reduced rate of compensation.

## BANKING IN MASSACHUSETTS.

REPORT OF THE COMMITTEE ON BANKS AND BANKING,  
FEBRUARY, 1858.

The following report was submitted to the Senate, February 3, by the Committee on Banks and Banking :—

The Joint Standing Committee on Banks and Banking, to whom was committed so much of the Address of the Governor as relates to banks and a paper currency, have considered the same, and report :—The Governor, in that portion of his Address which has been referred to the committee, has directed the attention of the Legislature to the currency of the State, consisting of bank notes. The particular defects of this currency to which our attention is directed as stated in the Governor's Address, are that—

“As it increases in quantity, its standard depreciates in value; it stimulates an unsafe competition in all industrial pursuits, and, by an inflation of prices, it deprives the American manufacturer of every advantage to be derived from a tariff incidentally protective, because the foreign manufacturer is enabled to pay our duties, and still sell his goods here at higher prices than in the home market, which are in turn to be paid for in exports of gold and silver.

“Debts contracted in an inflated currency must be paid in a period of contraction in one of far higher values. Excessive issues of paper money expel the precious metals from ordinary circulation, and make the redemption of bills, in specie, upon which theory alone they are issued, impracticable, if not impossible.”

In reference to the recent financial crisis, the Governor says with great truth, that—

“The financial difficulties, which disturb all industrial pursuits, cannot justly be charged to paper circulation alone. Different causes operating through a period of years, have contributed to the result. Extravagant estimates of the wealth and wants of the country have led to enterprises, in which credit has been overstrained, until prostration and paralysis have ensued. It cannot, however, be doubted that bank credits have contributed to the extension and the revulsion of trade, some charging the result to an expansion and others to a sudden and unjustifiable contraction of banking accommodations. Both parties are justified in their conclusions. Sudden contractions have precipitated difficulties that originated in undue expansions. It is impossible to separate the expansive from the contracting properties of a paper currency. At the moment when it passes the point which attends and facilitates healthy trade, it is subject to a single and immutable law, expanding when it should contract, and contracting when it should expand.”

The remedies recommended by the Governor for these evils of our currency, are in accordance with the wise policy which should be found in the history of all civilized nations ;—that, as a country grows richer, it should constantly provide a more and more substantial basis for any paper currency that it may have been considered expedient to tolerate at an earlier



time, and under different circumstances, until the paper can be wholly withdrawn from circulation, and the currency of the country thus become a firm foundation for the fabric of private credit, which the people, with their unrestricted energy and enterprise, may deem it for their interest to construct. The intervention of credit may supply the difference between the business capital of the American people and their business capacity, as far as safety will allow; but there can be no safety in credit based on a currency of paper money that is constantly fluctuating in quantity and in value with every change that occurs in the commercial world.

All the eminent statesmen of the country have evidently considered our present extended system of paper currency as one which was only to be tolerated for a time, and that we should at some early period go back by general consent to the constitutional currency of the nation, at least for general use among the people. Mr. Webster, for instance, said in a speech, delivered by him more than a quarter of a century ago:—"Of all the contrivances for cheating mankind, none has been more effectual than that which deludes them with paper money. This is the most effectual of all inventions to fertilize the rich man's field with the sweat of the poor man's brow." And on another occasion he said:—"My proposition would be, that banks should be restrained from issuing, for circulation, bills or notes under a given sum, say ten or twenty dollars; this would diminish the circulation and consequently the profits of the banks. But it is of less importance to make banks highly profitable institutions to the stockholders, than that they should be safe to the community."

The Governor, in his address, does not recommend any interference with the system of commercial credits, or with the general business or action of our banking institutions; but in regard to the currency, he recommends to the Legislature to institute "such reforms as would afford the largest credit compatible with public security." What those reforms should be at this time, in the opinion of the Governor, are indicated with distinctness in the following extract from his address:—

"A currency which should provide specie for ordinary transactions, as in payment of wages, and notes of larger denominations for commercial purposes, supported by a liberal specie basis, and convertible at any moment into specie, would be convenient and safe.

"I recommend that you consider the expediency of suppressing the circulation within the State of notes of the denomination of five dollars and less sums. Such legislation would infuse into the circulating medium of the State a larger proportion of gold and silver. It is estimated that the amount in circulation in the United States, in the form of bills of five dollars and less sums, is nearly fifty million dollars. So far as the character of the circulation is returned in the several States, it appears that about nineteen *per centum* of bank circulation is in bills of less value than five dollars. The same proportion for the aggregate circulation would be about forty million dollars, and bills of the denomination of five dollars added thereto, would equal the estimate stated.

"The substitution of this amount of gold and silver in small sums for use in ordinary business transactions, instead of paper money to the same extent, would confer a lasting benefit.

"Gradually applied, first to bills of less than five dollars, and in a period of three or five years, to bills of the denominations of five and ten dollars, the change would

not injuriously affect any interest. The supply of coin in the country is abundantly sufficient."

Specie is now accumulating in the commercial cities on the seaboard; the silver coins of the country are so plentiful that banks refuse to receive them on deposit except in small sums, and they have been sold at a discount; vast amounts of money lie idle in the hands of capitalists seeking investment; and the rate of interest for undoubted paper has fallen even below the legal rate. These facts, instead of affording evidences of prosperity, are indications of the contraction of the currency, of confidence impaired, of enterprise dormant, and of labor unemployed. These facts indicate, too, that this is the proper time for those reforms of the currency, which are recommended by the Governor; and that they can be made now without inconvenience to the banks or to the people. It becomes, therefore, the duty of this Legislature to commence reforms, that will strengthen the currency, and establish returning prosperity and wealth on a firmer basis than has before existed; and this the Legislature can do by the enactment of laws that will require a portion at least of the specie, now accumulated in the banks on the seaboard, to be circulated among the people in the place of bank notes, and to be kept in the country for the benefit of our own people instead of being exported for the benefit of foreign industry, as it must be if we take no measures to prevent it. The causes of the recent pressure, and of the present prostration of trade, are to be found in our excessive importations;—in our readiness to incur debts abroad, which have called for the constant export of coin;—in a general spirit of speculation, which has extended to property of almost every kind, under a system of extended credits;—and in our habits of extravagance; all of which have been more or less stimulated by a redundant and fluctuating currency.

During and since the recent financial revulsion which has prostrated the credit of business establishments that were deemed to be of the strongest character and deserving of unlimited confidence, the action of the banking institutions of the Commonwealth has furnished the most gratifying evidence of their substantial security, and must satisfy every one that in this respect they are entitled to the confidence of the public. Circumstances without the sphere of their control, at the time, obliged them on the 14th of October to follow the example of the banks of the commercial metropolis of the country, in temporarily suspending specie payments;—it is gratifying to perceive that they were prepared on the 12th of December, less than two months afterward, to follow the banks of New York, without any hesitation or delay, in the resumption of specie payments, and this without essential loss or injury of their ability or means of usefulness to the commerce and trade of the community.

It appears from official returns, that, within the space of sixty days from the 5th of September, the banks in Massachusetts reduced their liabilities by paying ten millions of their circulation and deposits, and reducing their loans to about the same extent. When we consider that nearly our whole currency, except the coins of smaller denominations than one dollar, consists of bank notes, it is appalling to reflect on the prolonged misery and suffering,—the protracted paralysis of commercial and manufacturing industry,—that would have ensued, if the banks had been overwhelmed. Your Committee refer with satisfaction to the ability and

strength evinced by them in passing through this most severe ordeal. At the same time, they do not lose sight of the effect on the community.

The sudden collection of ten millions of loan, the payment of which gave strength to the banks, and enabled them to pass through the crisis with such success, and withdrawing ten millions of circulation and deposit, was the cause of the wide-spread ruin of private credit and prosperity that has been witnessed, and of the ruinous failures of individuals and corporations, which have reduced many from affluence to poverty, and, suspending the usual employments of labor, have doomed thousands of our most industrious and most useful fellow-citizens to meet the rigor of the inclement season, without the means of obtaining support from their accustomed occupations.

The danger to our banking institutions is now past, and they remain as stable and strong as they have ever been; but a generation at least must pass away before the distress and misery, caused by the ruin of so many of the most esteemed, energetic, enterprising, and industrious, will be forgotten. Those who commence a new career of enterprise, stimulated by the active engagements of prosperous business, may, in their excitement, cease to remember the recent convulsion; but the people, who have been deprived of employment and are suffering from their losses, demand from this Legislature some reform, some remedy,—in accordance with the Governor's recommendation,—to prevent the recurrence of a similar calamity. There is little consolation to them in the knowledge that the banks have gone through this crisis without an interruption of their usual business, and with so little loss that their dividends of profits will scarcely be diminished. By many, the history of their own losses, as the Governor has remarked, will be made a family tradition, and if the Legislature should fail to make such judicious reforms as the occasion demands, in the present system of banking and currency, other and more sweeping changes may be sought elsewhere.

In the address of the Governor, he directs the attention of the Legislature, not to the remarkable success of the banks and the small amount of their losses during the financial crisis, but to the suffering and distress which are left upon the records of intelligent enterprise, and patient industry, and honest labor throughout the country. He refers to the crisis as one of the "periodical financial revulsions, which strike down alike the independence of industry and the dignity of affluence, and destroy private and public confidence and character."

The nature and uses of money or currency are now generally so well understood, that, if the question submitted to this Committee was on the original selection of the currency that would be the safest and the most useful to the community, there would be little diversity of opinion with regard to the inexpediency of selecting such a currency as we now possess; consisting, as it does, of the notes of one hundred and seventy-three banks, scattered over the whole surface of the State, conducted solely with reference to the largest amount or profit that can be obtained for their stockholders.

The principal uses of money or currency are two: First, as a medium of exchange in the constant transfers of property by purchase and sale: Second, as a measure of value of property subject to purchase and sale, and of all debts and contracts expressing value.

Many of those who are engaged in active business are disposed to consider the subject of currency or money solely in reference to its uses as a *medium of exchange*, as it affects their purchases and sales, and the payment of their debts; and they fail to comprehend why one kind of money is not as good as another, so long as the payment of it will discharge a debt. The more unsound and fluctuating a currency is, the oftener do periods occur when merchandise can be sold at high prices, and other periods when merchandise can be purchased at much below the average cost of its production and manufacture. Regardless of the laws by which such fluctuations are controlled, many pass their lives in watching for these opportunities to purchase cheaply and to sell at high prices; and they go on prosperously, accumulating gains from year to year, till a financial crisis like the recent one comes to pass. Then their accumulated gains disappear,—how they cannot tell,—but they find themselves suddenly unable to pay their debts, bankrupt and ruined. Many such cases must be familiar to every one. It is generally useless to reason with such men in their prosperity on the advantages of a sound currency, or of a currency of the precious metals, over paper money. They count their gains and are satisfied, until the bitter experience of a financial crisis teaches them wisdom.

The second use of money, as a *measure of value*, is of far greater importance to the community, and should control legislation in regard to the currency. In this view of it, money will be considered, not as a medium of exchange only, but as a just standard of value, operating with equal justice to the creditor and to the debtor,—to the purchaser and to the seller,—to the honest farmer, mechanic and laborer, as well as to the experienced banker and skilful trader and merchant. In this view of it, the question affects the business of every man; it affects the import and export of merchandise, the revenue of the country, and the value of all property in the country; and in this view, also, it affects the morals and character of the community.

It would seem unnecessary to attempt to prove that our currency of bank notes is constantly varying in quantity and in value to a great extent, or that a depreciation of currency is one of the greatest of national evils. It is true that every individual has the remedy in his own hands, by demanding gold and silver in payment; but experience shows that this right will not be exercised. The merchants, shop-keepers, and smaller dealers, will always deem it more for their interest to raise the price of their goods, than to turn away a customer who offers them payment in currency which will be received in turn from them by those to whom they are indebted.

It would be difficult to find an instance, in the records of finance and banking, of a reduction of currency so rapid and so extensive as has been exhibited in the United States in the past year; and few examples have occurred of commercial distress so general and so severe. The great and moving cause of the paralysis of our commercial and manufacturing industry was the sudden reduction of the amount of bank currency, consisting of bank notes in circulation and of bank deposits. The recent revulsion may be ascribed in part to the expansion of private credit, extended into speculations of every kind and in every direction. But the Committee believe, that the moving cause of this expansion of private credit and speculation was, in a great measure, the expansion on the part

of the banks; and that the sudden and rapid contraction of the banks has produced the financial crisis, the effects of which will extend throughout the commercial world.

On examining the records of former financial crises, it will be found that like causes have produced like effects at all times and in all countries. The following passage is extracted from an article on the commercial crisis of 1819, published in Niles's "Register" in February, 1823:—

"The circulation of Bank of England notes had been reduced in the six months ending January 1, 1819, upwards of three millions; and so great was the scarcity of money in January and February, that the best bills could not be discounted by the London bankers. It is stated by Samuel Gurney, a bill-broker, on the 9th of March, that 'several times lately there was not a banking-house in London that would part with £10,000 till the following day.'

"We will now look at the state of things on the Continent. . . . The gold and silver transmitted to Austria and Russia, in that year [1818], is stated at twenty millions sterling. . . . The effect of this drain of specie was first felt at Paris, by the Bank of France; the specie in its vaults was reduced, in three months, from one hundred and seventeen millions of francs to thirty-four millions; in consequence of which it suddenly and violently reduced its discounts. The shock was tremendous. In the words of John Irving, Esq., 'the panic of Paris spread with instant and rapid effect to Amsterdam, to Hamburg, to Frankfort, to Leipaic, to Vienna, and every other commercial place in the north of Germany.—Interest rose to nine and ten per cent.'

"The paper system of England . . . had communicated an artificial inflation to all commercial property. Speculators had been enabled to control the prices of all the staple commodities, and had run them up to unnatural prices, thereby exciting over-production and over-trading. A few months of violent and continental pressure, acting simultaneously in the cities of Paris, Amsterdam, and London, were sufficient to prostrate the fabric of speculation. Numerous failures, and to an immense amount, destroyed confidence and paralyzed trade. . . . The result was a reduction of the value of personal property, produce, manufactures, and shipping, which has been estimated by intelligent merchants in England at forty per cent. on the average. The reduction in value was universal. Every merchant, in every part of the world, holding ships or merchandise, found their value sink in his hands, in a greater or less degree, not varying materially from the ratio I have mentioned."

The advocates of a mixed currency, consisting of bank notes redeemable on demand in specie, have said that the evils portrayed in the foregoing account were the consequences of the efforts to restore the value of an irredeemable paper currency; therefore, they argue, such results can be cited only as objections to an *inconvertible* paper money. It will be found, however, on further examination, that this is a mistake; and that the effects of the next great monetary crisis, the troubles of which began in the latter part of the year 1825, some years after the resumption of specie payments, were of precisely the same character.

After the Act of Parliament in 1823, authorizing the banks to continue the circulation of notes below five pounds, the country banks inundated the currency with an immense amount of small notes. Mr. Horne Tooke, a celebrated writer on finance, in a treatise which he published in 1826,

estimated at nearly fifty per cent. the additions made at that time to the currency of Great Britain. These notes were redeemable in specie on demand, and were therefore always at par as compared with specie. That this did not prevent them from depreciating the currency, was shown by the general rise in the prices of property of every kind, and the apparent, but illusive, prosperity of all branches of trade and industry. The importations of the products of foreign labor increased immensely, and, consequently, the revenue from duties on imported goods. "Landlords, farmers, bankers, merchants, ship-owners, and tradesmen, all joined in the universal exultation at the failure of the attempt to suppress small notes. They were not long in persuading themselves and each other, that the sun of national prosperity was now risen, never to decline, never to be eclipsed again; at the next session of Parliament, in 1824, the Chancellor of the Exchequer alluded exultingly to the great rise of prices, the increased revenue, and the matchless prosperity of the realm, as the result of the wisdom of the ministry in permitting the continued circulation of small notes."

This apparent prosperity could not long continue. Towards the autumn of 1825, strong symptoms of the approaching catastrophe were manifested in the extravagant prices of many articles of common consumption, the enormous quantity of imported goods, and the large amounts of coin exported. Under these circumstances, with a circulation of paper money convertible into specie on demand, the depreciation of the currency went on, and the high prices it occasioned could not be sustained. The demand for specie continued to increase; the banks soon became alarmed; and in December, 1825, the panic commenced, and spread through the whole country. Great Britain and Ireland became one scene of confusion, dismay, and bankruptcy, which soon spread through the commercial world. More than one hundred of the country banks failed, and countless numbers of merchants, manufacturers, and traders of every kind, became bankrupt.

It will be seen from this account, compiled from the records of the financial troubles of 1825, that the only essential difference, when the paper money is convertible into specie on demand, is, that the effects of a depreciation of the currency are more rapid and violent;—that the different stages, from the high prices and the illusive prosperity of the inflation, to the decline of prices and the real distress from the contraction of the currency, that must necessarily follow, occur within a smaller space of time than when the paper money is inconvertible. An act was afterwards passed by Parliament to abolish all bank notes in England of a smaller denomination than five pounds, equal to nearly twenty-five dollars of the money of the United States; and this act is still continued in force. The only important change in the currency laws of Great Britain since that time is the act to limit the control of the banks over the currency of the country. It confines the amount of notes which the Bank of England may issue, *on an equal amount of government stocks*, to fourteen millions sterling. For every note issued beyond that sum, the Bank must hold an equal amount of the precious metals, pound for pound; it has, therefore, no interest in extending the issue of notes beyond the fourteen millions, as it must keep an amount in bullion or coin equivalent to such excess.

It is true, that when the precious metals are alone used for currency, a depreciation of the currency may also occur, from a great addition to the

quantity in circulation ; but when the precious metals are alone used for currency, the additions to the amount in circulation are gradual, and the effects will be gradual, spreading over a period of many years, because such additions are derived from industry, and cannot be made suddenly ; and, the use of the precious metals for money being general throughout the civilized world, an excessive accumulation in one country is gradually diffused. But the use of paper money for currency is local, and the depreciations produced by additions of it to the circulation are always rapid, and violent in their consequences ; and they are sure to recur again and again, almost as soon as they are remedied.

Gold and silver are the only *real money* recognized by the universal consent of the civilized world ; and the laws of trade or commerce distribute these precious metals, giving to every community a fair proportion according to its wealth and industry. The prices of all commodities and of property of every kind are regulated by the supply of money, and accommodate themselves to it ; in other words, when the supply of money is increased, a general rise takes place in the prices of property, and if the supply of money is diminished there is a general decline of prices. If an unusual quantity of money exists in any particular community or country, it is soon diffused and distributed by the merchants, who are always on the watch to send merchandise for sale to that country where they can obtain for it the most money,—that is to say, the largest quantity of the precious metals ;—in other words, to the country where merchandise sells at high prices. They send their money to those countries where the largest quantity of merchandise can be obtained for the smallest amount of money,—that is, to the countries where merchandise is cheap. It follows, then, that, if prices are high in the United States, merchandise will be imported, and the money received in payment for it will be taken out of the country ; and if prices are low, money will be brought into the country to buy merchandise. Any addition to the currency or money of a country, whether it be in the form of bank notes or in coin, causes a rise of prices, which will stimulate the import of merchandise until the amount of the addition has been taken away in gold or silver, so that the quantity of money may be again reduced in accordance to the common standard of the quantity of money in the commercial world. The value of paper money is local, and therefore is never exported.

The prices of commodities and property of all kinds, and the extent of business, are always influenced by the amount of money in circulation. If the currency consist of *real money*, the increased quantity and the rise of prices are indications of an increased prosperity. The currency expands because the profitable employment of the people increases the amount of money in circulation, and diffuses it among the industrious and the enterprising. Such an increase of money, and of ability to purchase, is not artificial. It encourages and strengthens all branches of industry ; and, whenever this effect becomes excessive, it will cause an export of specie, that will gradually contract the currency by diminishing the amount in circulation, and thereby reduce prices and business to just, natural, and wholesome limits. The increase of paper money, on the other hand, depends in a great measure on the caprice or the interest of those who issue it. It stimulates business, and produces sudden and artificial enhancement of prices, because the quantity of it is not controlled by any general principles,

or laws; it must from its very nature be frequently fluctuating in amount, and the changes must be comparatively abrupt and excessive.

The national government has established the system or policy of a low tariff of duties on foreign imports, with a currency consisting wholly of the precious metals. The different State governments have no control over the tariff of duties; but they have generally exercised the power of creating a currency of paper money, by chartering nearly fifteen hundred banks with authority to issue notes to circulate as money, practically to an unlimited extent. The tariff and the currency are kindred subjects, which act and react upon each other; and no financial system in any country can be successful, which does not combine them and cause them to work in harmony.

A low tariff with an expanded currency of paper money increases the cost of manufacturing, and exposes the manufacturers to an unequal competition with the products of foreign labor under a more restricted and sounder currency. An excessive paper currency is at all times unsound and unsafe; and, in connection with a low tariff of duties, it is exceedingly detrimental to the success of our manufacturing and producing classes. It is at war with our varied industrial pursuits and vocations; it opposes their prosperity by generating fictitious values of property; and, in despite of the skill and application so creditable to our manufacturers, it secures the advantage, even in our own markets, to much of the competing labor and products of Europe.

In time of peace and uninterrupted commerce, the benefits of the high prices arising from an expanded paper currency, cannot be secured to the industry of our own community without the protection of a high tariff of duties; and as such a tariff cannot now be had, it is obviously for the interest of New England, with so large a proportion of her population dependent on industrial and manufacturing pursuits, that the currency should be regulated by restricting it, so as to bring it nearer in value to the currencies of those countries which are now our great competitors for the supply of what is consumed by our own people.

What do we gain by the additions to the currency in the form of bank notes, when California is furnishing an ample supply of the precious metals for currency, if the country will make use of it? Why should the people of New England encourage the use of bank notes for currency, and force the precious metals to be sent abroad, to be exchanged for foreign merchandise, at the very time when they need protection for their free labor engaged in manufacturing employments, against the immense imports of the products of foreign labor received in exchange for the exports of cotton, tobacco and breadstuffs produced by the servile labor of more genial climates and more fertile soils? The Southern argument against protection, that, if we can import at lower prices than we can manufacture it is more profitable to import, and to apply the manufacturing labor now employed in New England to some other work, should have little weight in Massachusetts, where a comparatively sterile soil and rigorous climate render manufacturing almost the only resource for the employment of our increasing population.

Considering the subject of the currency as legislators, we may ask how the public is benefited by the use of bank notes for money. It is easy to see how the banks profit by it; but what do the people gain by the use of bank notes instead of the constitutional currency, coin. An equal amount of the precious metals is sent abroad to make room in the currency of the



country for these bank notes. Gold and silver, which constitute a sound and substantial currency, and are actual wealth, are thus exchanged for the bank notes, which possess no intrinsic value and are constantly fluctuating in amount, while their conventional value is liable to cease at any moment.

Reference has been made to the financial revulsions in England because the effects there are on a larger scale, and their history has been recorded and preserved. In our own country it has been more difficult to preserve such precise records on account of the difficulty of obtaining accurate data, and because the great expansion of our banking system and the general use of bank notes for currency are of more recent origin. It is true that the use of paper money for currency dates back to the earliest period of our independence as a nation; but it was at first on a comparatively limited scale, and few persons are aware of its gradual but enormous expansion within the last forty years.

The revival of commerce and trade after the close of the Revolutionary war, which exhausted the resources of the country, demanded some substitute for the time, for coined money as a medium of traffic. A national bank, chartered with power to issue notes, for circulation as money, and purporting to be redeemable on demand in specie, suggested that mode to the different State governments; and banks were soon organized in various parts of the country, under charters from the State Legislatures. They were few, however, in number. The first bank established in this State was the "Massachusetts Bank" of Boston, in 1784. It was the second chartered bank established in the United States. It is still in existence, and it has always furnished an example of sound and prudent banking. The next bank established in Massachusetts was the "Union Bank" of Boston, in 1792; and others were soon after established in Salem, Newburyport, and Marblehead. It appears by the official returns of June, 1803, that there were then but seven banks in Massachusetts, two of them only in Boston; and the aggregate capital of these seven banks was \$2,225,202.

Soon after this period numerous banks were incorporated, both in Massachusetts and in the adjoining States; and the condition of the currency in consequence of the large amount of their notes in circulation began to be a subject of general complaint. It had been discovered that a bank could be made profitable in proportion to the difficulty of access to it for demanding specie for its notes; consequently distant and inaccessible banks became a matter of speculation, as they are now in some of the Western States of the Union. The distant parts of Maine and New Hampshire were then the favorite localities. The evils of the currency increased to such an extent that, in the autumn of 1808, the merchants and dealers engaged in the country trade at Boston, on whom the burden of this depreciated currency bore most heavily, formed an association for the purpose of sending notes back and demanding specie for them, "This soon brought the currency to a crisis. The Farmers' Exchange Bank suddenly failed, under the most alarming circumstances; the shock upon the public was tremendous. The Berkshire Bank soon followed. The discovery that banks could fail affected the credit of all; and, in the course of the year 1809, the greater part of the country banks in Massachusetts, Maine and New Hampshire, having any considerable amount of bills in circulation, stopped payment. Some of them revived, but a great number proved irredeemably insolvent. It would probably be a moderate estimate to put the losses by bank failures at that

period at a million of dollars. No change of system followed, with the exception that a law of the State, taking effect in 1810, imposed a penalty of two per cent. a month on every bank refusing or delaying payment of their bills when demanded."

So late as the year 1821, the number of banks in Massachusetts was only twenty-eight, with an aggregate capital of \$9,800,000; now the number is one hundred and seventy-three, and their capital is \$60,386,900. According to the official returns of the condition of the banks in 1821,

The circulation was.....	\$3,010,762
Deposits were.....	5,448,608
Specie was.....	3,048,829
—making about 2 80-100ths of circulation and deposits to 1 of specie. According to the official returns in May, 1857,	
The circulation was.....	\$24,402,947
Deposits were.....	24,857,833
Specie was.....	4,768,850
—making about 10 33-100ths of circulation and deposits to 1 of specie.	

The committee have already referred to the effects of the monetary revulsions in Europe of 1819 and 1825, which equally affected this country, though at this period the number of banks and the amount of their notes in circulation were comparatively limited. Since that time, these monetary revulsions have been frequent in the United States, and twice they have caused a general suspension of specie payments throughout the greater part of the country. Within a few years a permanent board of Bank Commissioners has been created in this State, with power to examine into the condition of the banks. If, however, these institutions are now managed with more safety, as they undoubtedly are so far as their ultimate security is concerned, the public and their stockholders are indebted for it to the prudence of their officers and managers, and not to any legislation to improve the system.

Attempts have been repeatedly made within a few years to attract public attention to the dangerous position of the currency, and to guard against the disastrous consequences of financial revulsion by giving warning of its approach; but they have been unheeded. While suffering as the community are now from the recent crisis, it is the duty of your Committee to report, and of the Legislature to enact, such reforms in the currency that the danger of the recurrence of similar evils hereafter will be prevented or diminished. There is but one mode in which this can be done, and that is by increasing the amount of coin in the Commonwealth, which will give greater strength and stability to the currency; and the Committee can perceive no better means of accomplishing so desirable an object, than those recommended by the Governor in his Address, namely, to suppress the circulation within this State of small notes, and to require the banks to keep a larger proportion of gold and silver to meet their liabilities to the public. We shall then have a currency more safe and convenient, which will provide specie for ordinary transactions, as in payment of wages, and notes of larger denominations for commercial purposes, supported by a liberal specie basis, and convertible at any moment into specie.

While the national government reserved to itself the exclusive power to coin money, it should also have reserved the exclusive right of regulating the currency, and of determining what that currency should consist of.

This is one of the highest attributes of sovereignty, which a government should never surrender. While it is considered an act of gross injustice on the part of a government, and of fraud on the part of individuals, to debase the currency by an adulteration of the coin, it should be deemed equally unjust and fraudulent to accomplish the same object by the issue of a paper currency. If at an early period the question had been submitted to the Supreme Court, there can be little doubt that their decision would have been, that the prohibition in the Constitution of the issue of bills of credit by the States, extended to the issue of notes for circulation as money by banks established by authority of the States.

This power of increasing or diminishing the currency of the country, distributed among nearly fifteen hundred banks, having no unity of action, and controlled by no fixed principle except the love of gain and the fear of loss, is a dangerous power, and one which ought to be kept in check by every possible restraint. The banks are now closely interwoven with all our commercial transactions. Their stock is held by a large body of proprietors, generally of limited means, and scattered through every village, who are attached to the existing order of things by the powerful ties of interest. In the list of these proprietors are included Savings Banks, clergymen, widows, orphans, the aged and helpless, and many men retired from active business, who have placed their funds in these institutions as a safe investment, and rely largely upon the dividends of profits as a means of support. To such persons it is of far more importance that their investments in banks should be secure, and that the income derived from them should be regular and certain, than that they should be increased in amount by undue expansion and overstrained credit, or become the instruments of reckless speculation, by which the loss of the principal as well as income is hazarded.

We are therefore to treat the paper currency, with its intrinsic defects, as part and parcel of our political and social system, which may be modified and strengthened by wise legislation. The State, for the good of the community, is bound to exercise a strict watchfulness over these institutions; for the history of banking in every country shows, that the unrestricted power to issue bank notes cannot be intrusted to any set of men without abuse. To suppose that bank directors will have in view the public good to the exclusion of private gain, or that in times of panic, they will act the part of patriots and benefactors by hazarding their trust to maintain mercantile credit in the community, is attributing to them motives of action different from what ordinarily influence the conduct of men. The desire for large profits, and the competition to declare high dividends, will outweigh public interest, and often outweigh even prudential considerations. Any legislation, therefore, which shall place these institutions on a more stable basis, which shall tend to prevent undue expansion and contraction, and which shall tend to avert these terrible panics that have so often recurred, will be certain to secure the warm approval of the people.

But any legislation, however wise, for the purpose of rendering the currency more stable, necessarily implies some restriction upon the action of the banking institutions, that may diminish their profits. The effect of the separate action of any one bank upon the currency may appear, to persons connected with that bank, to be too insignificant to demand legislative interference; at the same time, the effect of the aggregate action of all the banks in Massachusetts may be powerful in producing evil. It is not sur-

prising therefore, that any proposition to reform the currency should arouse the opposition of individuals connected with any one of the banks; and the aggregate power of such opposition, proceeding from each of the one hundred and seventy-three banks in the State, and brought to bear, separately and personally, on each member of the Legislature, forms the most serious obstacle to the passage of such laws.

The Committee have considered the whole subject as a question of currency in its broadest view, and as therefore coming properly within the scope of legislative jurisdiction. In closing this Report, they would suggest to those connected with banks, who may be inclined to view the action recommended by the Committee as an aggression upon their chartered rights, that, if the States, which have hitherto been permitted to control the system, do not heed the demands for some reform, which are now so universal, from the people in all parts of the country, the National Government may assert rights and exercise a power, that will bring the Banking Institutions throughout the country under a double and complicate jurisdiction.

Annexed to this Report is a table exhibiting the condition of the Banks of Massachusetts, in regard to their loans, specie, circulation and deposits, at four different periods during the past year. In May, the banks were most expanded, and the period of the greatest contraction was in October. By comparing the return in October with the preceding one in September, it will be seen that the loans were reduced by \$10,537,724, and the liabilities for circulation and deposits by \$9,840,164. The Committee believe, that no parallel can be found in the history of banking of so great a contraction within so short a space of time, and that the same proportion of contraction throughout the country would account for very much of the financial trouble that has occurred. The great defect in a mixed currency to which the Governor has directed the attention of the Legislature, is its fluctuating character. The only remedy for that defect is to increase the amount of specie in the Commonwealth. To promote this object the Committee have prepared, and now submit, the accompanying bill to prohibit the circulation of bank notes of a smaller denomination than five dollars, and to require the banks to have in specie one-fifth of the aggregate amount of their circulation and deposits. It may be proper to state that Mr. Spooner, while heartily agreeing in the measures recommended, did not concur in some of the doctrines of the Report; and Mr. Foster, while fully assenting to all the principles, would delay the period for the suppression of small notes until the other New England States and the State of New York shall have adopted similar provisions.

*Committee.*

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S. HOOPER,  
J. W. FOSTER,

AMASA WALKER,  
HENRY WILLIS,  
WALTER LITTLEFIELD, JR.,  
W. B. SPOONER.

[For Statistics of Banking in Massachusetts, see p. 751 and 752 of this Number]

## FREE BANKING LAW OF LOUISIANA.

ADOPTED 1853.

We consider this, on the whole, the best Banking System in the Union. While it secures for the Banking Institutions of the State, adequate cash capital, and thereby a respectable body of stockholders, it places a certain restraint upon speculation, and upon excess in loans and circulation.

The principal feature which distinguishes this law from those of the other States, is that which requires the banker to keep on hand one dollar in coin for every three dollars of liabilities, exclusive of circulation. The Bank of New Orleans (or any other new Bank under the law), with a capital of \$1,000,000, and with deposits, bank balances, &c., to the amount of three millions of dollars, must keep one million of dollars in coin on hand. It may be remarked, however, that the incorporated Banks of that city have for some years kept up that proportion of coin, and generally a much larger sum. The first Bank under the general law of Louisiana was organized at New Orleans in May, 1853. It is entitled "The Bank of New Orleans," with a capital of one million of dollars.

§ 1. Any one or more persons may transact the business of banking in the State, and establish offices of discount, deposit, and circulation.

§ 2. Such corporations "shall have power to discount bills, notes and other evidences of debt; receive deposits; buy and sell gold and silver bullion, foreign coin and bills of exchange; lend money on real estate and personal security, and to exercise all incidental powers necessary to carry on said business." The aggregate capital stock of such banker or corporation shall not be less than one hundred thousand dollars.

§ 3. Any number of persons more than five, associating themselves for the purposes of banking under this act, may constitute themselves a corporation, and are authorized to become a corporation, with power and authority—

1. To have and enjoy succession by a corporate name, for any period expressed and limited in the articles of association, not exceeding twenty years.

2. To hold, receive, purchase, and convey all or any property, real and personal, as may be indispensable to the objects of the association; provided, that the real estate shall be such as is necessary for the transaction of their business, or such as shall have been mortgaged to them in good faith as security for loans; or such as shall be conveyed to them in good faith as security for loans previously contracted; and also such as they may purchase at sales, under judgments or mortgages held by themselves. They shall not have the privilege of holding any real estate longer than five years, except such as is necessary for the transaction of their business.

3. To use a corporate seal, as described by the articles of association.

4. All managers and directors to be citizens of the State of Louisiana; the number of whom to be prescribed in the articles of association.

5. To make and ordain, and revise, alter or repeal by-laws for the proper management of the corporation.

§ 6. All stocks subscribed in associations formed under this act must be paid in full in specie, within twelve months after the commencement of business.

§ 7. No loan shall be made by any such company on a pledge of its own stock.

§ 8. Shares in such corporations shall be deemed personal property, and transferable in conformity with the by-laws. No stockholder shall be liable for its debts for a greater sum than the amount of his shares. Unincorporated bankers shall be liable to the full amount of their obligations and contracts. The liabilities as stockholders shall apply to persons on the books of the company, as such, and also to any equitable owners of stock; and to such persons who shall have advanced the purchase money or instalments in behalf of minors; also, to guardians or trustees who shall invest funds in such stock.

§ 4. Corporations under this act shall be organized by written articles of association, duly executed by a notarial act, and recorded in the office of the Recorder of Mortgages—a copy whereof to be filed in the office of the Auditor of Accounts, and published once a week, for four weeks, in the official journal of the State.

§ 5. The act thus recorded and published, shall contain the signatures of the subscribers and associates; the name of the banking company; the name of the place in which the business is to be carried on; the amount of capital; number of shares; names and places of residence of the shareholders, and shares held by each; the period fixed upon for commencement and also for termination of business; number of directors, &c.

§ 9. The responsibilities of shareholders shall cease in respect to stock duly transferred by them in good faith, and without intent to evade any responsibilities as holders. The assignee in such cases shall assume the liability of such prior shareholder for the debts and contracts of the corporation.

§ 10. Every banking company established under this act shall, on proof of insolvency or of non-compliance with the provisions of the act, forfeit its corporate rights; and the District Court, at the instance of any creditor or of the Auditor of Public Accounts, on proof thereof, shall appoint commissioners to liquidate the affairs of such corporation.

§ 11. The Auditor of Public Accounts is authorized to cause to be engraved and printed, in the best manner to guard against counterfeiting, circulating notes of different denominations, not less than five dollars each; such bank notes to be countersigned, numbered and registered by him, "so that the notes issued to the same banker or banking company shall be uniform." Such notes shall be stamped "secured by Pledge of Public Stocks."

§ 12. Banks and banking companies established under this act, upon depositing with the Auditor the bonds of the United States, or of the State of Louisiana, or of the consolidated debt of the city of New Orleans, shall be entitled to receive from the Auditor an equal amount of circulating notes in blank. Such stocks shall always be equivalent to a six per cent. stock, and receivable at not more than their par value.

§ 13. The Auditor shall collect the interest upon all bonds and stocks deposited with him, and pay over the same to the parties making such deposit, so long as the market price of the stocks or bonds does not fall below the rate originally taken by him. In case of depreciation, the Audi-

tor is directed to retain such interest until the securities recover their original value. The Auditor is also empowered to require an additional deposit from the bank or banks, as security for such notes; and on the failure to comply with such demand within twenty days, the Auditor shall take immediate steps to liquidate the affairs of such company, as in cases of insolvency—the banker having a right of appeal in such cases to the District Court; and further, to the Supreme Court of the State.

§ 14. The securities pledged with the Auditor in compliance with this law, shall be held exclusively for the redemption of the circulating notes; but he may change or transfer them, on application of the bankers, upon receiving others equivalent in value; or upon receiving an equal amount of the circulating notes to be cancelled.

§ 15. All such securities deposited with the Auditor shall be described in a list to be filed in his office, signed by him and by the depositor; and a copy of such list shall be filed and recorded also in the office of the Treasurer of State. The securities shall be delivered to the Treasurer for safe keeping, and a receipt therefor given to the Auditor.

§ 16. The Auditor shall not countersign bills for any banker or banking company, to an amount greater than the securities deposited, under a penalty of five thousand dollars, and imprisonment for ten years at hard labor.

§ 17. The plates, dies, and other materials used for engraving and printing of notes under this act, shall remain in the custody and under the direction of said Auditor. The necessary expenses attending the engraving, printing, &c., of the notes, shall be paid by the bank or banker for whose use they were ordered.

§ 18. The notes authorized by this act, when executed and signed, shall be obligatory as promissory notes in law, payable to bearer on demand, without interest, at the place of business of such banker. All such notes shall be signed by the banker, and his or their cashier, and by no other person for them; *provided*, that no individual firm or corporation, except the legally chartered banks now existing, shall issue and circulate as money any notes unless authorized by this act, under a penalty of one thousand dollars.

§ 19. Upon the failure of any bank or banker to redeem in lawful money of the United States, any notes issued under this act, they may be protested for non-payment, and the Auditor shall give immediate notice to the maker of such notes, through the official journal of the State, and, if not redeemed within three days, notice shall be given to the public that all the circulating notes of such banker will be redeemed by the Auditor out of the trust funds deposited in his hands.

§ 20. Whenever a notice of protest of non-payment of such circulating notes shall be filed in the Circuit Court, the court shall forthwith issue a writ of sequestration, and appoint a receiver to take charge of the assets of such banker; and a writ of insolvency shall ensue, unless such bank or banker show cause why the said note or notes were not paid on presentation.

§ 21. No banker or banking company shall, after the protest of his or their notes, make any assignment, or transfer or sale of any portion of their assets; and any assignment, &c., made, shall be null and void; and any banker, director, or any officer assenting to such assignment or sale,

&c., shall be liable in full for all the debts of such bank, &c., and may be judged guilty of a misdemeanor: *provided*, that the protest of the first note shall constitute a lien for the benefit of the creditors upon all the assets of the bank not in the hands of the Auditor.

§ 22. The Auditor, on giving notice of the non-payment of any such note or notes, shall advertise for sale at public auction the stocks or bonds deposited as collateral therefor, such sale to take place after the expiration of thirty days from such advertisement. The proceeds to be applied pro rata to the payment of all the circulating notes issued to such banker.

§ 23. If the proceeds of such sale exceed the circulating notes of such banker, such excess may be paid over to the general fund of said insolvent; but if the proceeds prove insufficient to redeem such notes, the deficiency shall be made up out of the assets of such insolvent, in preference to any other claim or debts; and the stockholders shall be liable for the full amount of all notes unredeemed, in the ratio of the stock which each may own.

§ 24. The holder of any protested note or notes of any insolvent banker shall be entitled to damages at the rate of twelve per cent. per annum, in lieu of interest, until final payment.

§ 25. Bankers and banking companies doing business under this act, may charge or receive interest as allowed on conventional obligations, and their contracts shall be regulated by the laws in regard to interest upon contracts between individuals.

§ 26. Every bank or banker is required to have on hand at all times, in specie, an amount equal to one-third of all their liabilities (independently of circulating notes), and two-thirds in specie funds, bills of exchange or paper maturing within ninety days.

§ 27. If at any time the specie should fall below the proportion above specified, and remain so for a space of ten days, such bank or banking companies shall not make any loan or discount until their position is re-established according to the terms prescribed: "A violation of this provision shall be held to be an act of insolvency; and every director who may participate in such violation, shall become individually liable for all its debts and obligations."

§ 28. Every bank or banker doing business under this act, out of New Orleans, may keep an office or designate an agent for the redemption of their circulation at New Orleans. Written notice of such place or appointment shall be filed with the Auditor, with the Board of Currency, and in the office of the Recorder of Mortgages; provided, that all such paper shall be redeemable at the counter of the principal bank.

§ 29. The Board of Currency shall supervise the execution of this act, and perform all the duties proposed by the laws in regard to incorporated banks. They may examine the affairs of any bank or banker doing business under this act whenever they deem it necessary; and require from such bankers weekly statements, verified upon oath by the banker or his cashier. This statement shall include the following particulars:

1. Capital of the bank.
2. Amount of stock deposited with the Auditor.
3. Amount invested in real estate.
4. Amount of loans having over ninety days to mature.



5. Amount of suspended debt and protested paper.
6. Other assets not realizable in ninety days.
7. Loans on paper maturing within ninety days.
8. Amount of exchange, foreign and domestic.
9. Amount of deposits.
10. Amount of circulation.
11. Amount of other cash liabilities.
12. Amount of specie and cash assets.

§ 30. The statements above prescribed shall be regularly filed in the office of the Board of Currency; and the statement furnished in the last Saturday of every month, shall be signed by the Board of Currency, and published in the official journal on the first Wednesday in the following month.

§ 31. A list of the stockholders in every banking corporation shall be furnished monthly to the Board of Currency.

§ 32. The legislature shall annually appoint a joint committee to examine the securities deposited, together with all books and papers relating to the business of banking under this act; also count all circulating notes returned or redeemed, and cancel or destroy them.

§ 33. Any banker, bank director, officer or agent of any banker or company doing business under this act, who shall make false statements or entries in the books of such company, or make false exhibits to deceive the Board of Currency, or who shall pay any check to defraud such company, shall be subject to imprisonment in the penitentiary not less than one year nor more than three years.

§ 34. All banks hereby established shall be banks of discount as well as of circulation.

§ 35. All such banks or bankers shall be taxed upon their capital at the same rate as other personal property under the laws of the State.

§ 36. Whenever any banker shall have redeemed eighty per cent. of his circulating notes, and shall have deposited to the credit of the Treasurer, in such banks, an amount equal to twenty per cent. (the remainder) of such circulation, he may withdraw all securities previously deposited for the redemption of his bills.

§ 37. Such banker or banking company, having complied with the requisites of the last section, may give notice once a fortnight, for one year, in the State paper, that all circulating notes of such company must be presented at the Auditor's office for redemption within one year from the first date of such notice.

§ 38. The Auditor may employ such additional clerks as are necessary to execute the duties imposed by this act; the expense whereof to be borne by a general assessment upon all such bankers and banking companies.

§ 39. The salaries allowed to the Board of Currency shall be assessed upon all banks established under this act and upon the incorporated banks.

## THE PREVENTION OF COUNTERFEITING.

The Fifth Annual Report of the Board of Managers of "the Association of Banks for the Suppression of Counterfeiting," has been issued. This Association consists of 143 Massachusetts Banks—105 in other portions of New England—1 (only) in the State of New York—1 in Pennsylvania (Bank of Chester County), 1 in Canada (Quebec Bank)—a total of 251 Banks; each of which contributes five dollars on every hundred thousand dollars of capital, to meet the expenses of the Association. This fund would not be sufficient in itself, but the Commonwealth of Massachusetts contributes annually \$2,500 toward this laudable enterprise. All the banks in the city and State of New York have been appealed to, to contribute their quota toward the objects of this Association, but only one has thought proper to respond. The evil of counterfeiting by engraving and by photography is rapidly increasing in this country. It is far more general in the United States than in any part of Europe. Our banks, by some means or other, issue bills that are readily counterfeited. It is, we think, their duty to aid the community in putting a stop to the numerous frauds of the kind. It is said by some bank officers that this is not their matter—that "if the people choose to take counterfeit money, they (and not the banks) are and must be the sufferers." It is not fair, we conceive, to throw this burden upon the community. The banks should share in the aims to stop or lessen the evil; indeed, the Legislature should also give aid to the objects of the Association, as one in which all classes are interested.

The following are extracts from the essential portions of the Annual Report for the year. Those who wish to examine the subject further should apply to the Secretary, [CHARLES B. HALL, Cashier of the National Bank, Boston,] for a pamphlet copy of the Report, copies of which will be readily supplied for the information of bankers :

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The Board of Managers are more impressed this year than ever before, of the actual necessity of a *united action* of every bank in New England, and the other Northern States, to furnish the small quota of means assessed upon it, and in various ways to co-operate in breaking up this fraud, which has increased to such an alarming extent, and is carried on to the great injury of the currency and of the community. During the last year, the operations of counterfeiters have increased largely all over the country, and their counterfeits are mainly on the banks in New England,—as this class of bank notes pass more readily than any others in all parts of the United States. The Board of Managers have held five meetings, at which reports have been made of the doings of the Executive Committee, and their doings approved.

The Executive Committee have held *thirty-nine meetings* during the past year, at which a great many subjects affecting the interests of banks in the protection and safety of their currency have been presented, fully heard, and acted upon, in addition to giving special directions and authority concerning various operations in different localities.

This care and supervision of the Committee will be, from present ap-

pearances, largely taxed during the next two years. The breaking up, in Canada, of the then only considerable organized association of forgers and manufacturers of counterfeit and altered bank notes on this continent, in the year 1854, which was the crowning result and success of nearly or quite two years previous preparation, by the procuring of important local information and testimony, leading to the possession of about all the tools, materials, dies, and plates, then used, and to the conviction of the more important members of that desperate gang, relieved the community for some little time almost entirely from the loss it had been continually suffering by the circulation of counterfeit bank notes.

The imaginary profits of the business to the utterer, however, who passes five or six counterfeit ten-dollar notes in a day, without immediate detection, and to the engraver and his associates, who furnish the notes, is too great a temptation to a certain class of minds, to be withstood by them, and we must therefore look for counterfeit bank notes, and forged paper, so long as any genuine is used; and that is so long as there is any business, except that of barter, done among men. We are not, therefore, surprised to find, after the lapse of a few years, more extensive and numerous organizations of persons of varied skill and talents, engaged in this nefarious business. The Committee are on their track. It is felt to be a work of time; but in time, with the cordial help of the banks, the State, and the community, we trust that some of the present establishments will be broken up, and the guilty parties connected with them be suitably provided for, for some years to come.

The Association, having been applied to by Mr. Tracy R. Edson, of New York city, to examine and approve of a plan presented by him for protecting bank notes from counterfeits and alterations, have given the subject their consideration, hoping and expecting at the commencement of their examination, that some additional security could be given to the issue of bank notes, by adopting it; but after causing the samples furnished to be experimented upon by our chemist, the managers are of the opinion that the plan will not furnish the security claimed for it.

The managers continue to offer rewards for the conviction and sentence of engravers of plates for counterfeit bank notes, or dies for altering the same: also for uttering counterfeit bank notes; and it is an inducement for the various officers of the police in different parts of the country to arrest and cause to be sentenced this class of persons. From January 1st to December 31st, 1857, twenty-nine persons have been convicted and sentenced.

The Board of Managers perceive nothing before them but a necessity for continued and persevering labors, as the only remedy against a constantly increasing and dangerous fraud upon the community, falling always upon a class of our citizens who are the least able to sustain it, and who should be protected to the utmost exertion of the banks, and by judicious legislation.

We think we may fairly and rightfully claim that the energetic and efficient course pursued by the Association entitles it to the continued support of every bank in *New England*, that we may protect, as much as possible, the currency authorized by the statutes, and bring to justice the increasing numbers engaged in various modes of counterfeiting it.

The resolve granting twenty-five hundred dollars per year, by the State,

provided the Association expend twice that sum, expires this year; and the propriety of renewing the grant, we think, will not be questioned, as the State authorizes the issue of bank notes, and their circulation as currency, receiving from the banks, by tax, a very large proportion of the ordinary revenue of the Commonwealth.

The banks have gone into this business, and many, if not most of them, are paying annually much more than they would lose by all the counterfeit notes they themselves take, for the protection of their customers, the community. As the State receives nearly six hundred thousand dollars annually, for the use of the authority conferred by it upon the banks, to issue notes as currency, it would seem to be only just and proper for it to join the banks in their endeavor to *protect* that currency, and to share with them in the expense of ferreting out and bringing to condign punishment all persons who may be engaged in counterfeiting it, and circulating the counterfeits, to the loss of the honest labor of the Commonwealth.

The resolve referred to has been twice passed, for terms of five years each. The experience of ten years has proved it to be a wise resolve. We can but hope that it will be renewed for another term. The Association can draw but twenty-five hundred per year upon it, at the most; and only that upon condition that it has itself expended five thousand dollars. Some years, but little has been drawn; while in the year in which the Canada convictions took place, the Association expended over four times as much as it received from the State.

When any prominent counterfeiter is on trial, no pains or expense are spared by his associates to prevent a conviction; the best counsel is employed, and no fee or reward is withheld which can be made available for his escape. At the trial in Canada, the principal offender offered \$40,000 bail, merely to be at large during the trial; and the government had taken the matter in hand, on behalf of the community, and the bail was refused. We wish to have the State with us, cordially and heartily; and we wish the rogues to know and feel that it is so, as an assured element of our continued success, and as a check and terror to them also.

BOARD OF MANAGERS IN A. D. 1857.—*President*: GEO. W. THAYER, President Exchange Bank. *Treasurer*: ALMON D. HODGES, President Washington Bank. *Secretary*: CHARLES B. HALL, Cashier National Bank of Boston. DANIEL DENNY, President Hamilton Bank; L. GULLIVER, Cashier Union Bank; WM. HYDE, Cashier Hampshire Manufacturers' Bank, Ware; J. M. THOMPSON, President John Hancock Bank, Springfield; HENRY W. CUSHMAN, President Franklin County Bank, Greenfield; GEORGE W. RICHARDSON, President City Bank, Worcester; MOSES WOOD, President Rollstone Bank, Fitchburg; JAMES G. CARNEY, Lowell Bank, Lowell; L. BALDWIN, President Brighton Market Bank, Brighton; J. B. CONGDON, Cashier Merchants' Bank, New Bedford; J. A. APPLETON, President Haverhill Bank, Haverhill; J. CHADWICK, Cashier Exchange Bank, Salem.

EXECUTIVE COMMITTEE IN A. D. 1857.—*Chairman*: JAMES G. CARNEY. *Secretary*: CHARLES B. HALL. ALMON D. HODGES, LEMUEL GULLIVER, JAMES M. THOMPSON.

LIABILITIES AND RESOURCES OF THE BANKS OF KENTUCKY, JAN. 1, 1858.

From Official Reports to the Legislature.

BANKS.	Capital.	Circulation.	Deposits.	Surplus Fund.	Cash Means.	Notes Discounted.	Bills of Exchange.	Due from Banks.	Suspended Debt.
Bank of Kentucky.....	3,700,000	2,340,313	765,415 95	1,480,409 05	841,219 40	1,371,518 96	4,198,985 01	1,408,640 45	103,397 87
Northern Bank of Kentucky.	2,250,000	1,369,373	697,193 96	814,954 16	468,480 44	1,004,701 83	3,691,508 43	854,683 93	44,337 05
Bank of Louisville.....	1,080,000	951,578	242,090 63	515,569 43	170,353 79	457,299 08	1,864,701 12	451,124 85	24,350 85
Southern Bank of Kentucky.	1,500,000	1,665,179	218,967 31	595,108 56	414,951 93	1,296,973 68	1,296,418 90	645,160 78	184,470 58
Farmers' Bank.....	1,403,400	1,633,669	257,626 83	39,273 51	894,778 09	865,347 53	943,615 33	1,705,085 15	91,065 56
Commercial Bank.....	500,000	1,647,040	90,505 95	43,253 14	122,327 81	314,914 10	782,285 23	35,816 66	83,565 56
Bank of Ashland.....	341,370	253,930	50,325 75	11,497 30	25,413 53	163,481 39	305,637 31	7,261 96	3,173 19
TOTAL.....	10,674,670	9,884,225	2,324,937 83	3,165,154 14	2,457,434 78	5,643,100 16	13,299,435 58	3,507,623 50	467,166 71

CONDENSED STATEMENT OF THE KENTUCKY BANKS FROM JANUARY, 1851, TO JANUARY, 1858.

JANUARY	Capital.	Circulation.	Cash Means.	Notes Discounted.	Bills of Exchange.	Notes and Bills.	Due from Banks.	Due to Banks.	Deposits.	Suspended Debt.
1851.....	7,080,000	7,080,437	2,475,153 00	4,832,949 00	6,560,636 00	11,718,606 00	2,318,537 00	1,137,073 00	1,711,959 00	222,193 00
1852.....	8,105,925	8,561,121	3,418,085 00	5,110,736 00	9,423,367 00	14,533,904 00	2,845,180 00	2,133,043 00	1,830,534 00	313,435 00
1853.....	9,076,486	11,709,767	4,891,241 00	5,263,888 00	11,958,753 00	17,222,089 00	4,569,077 00	3,153,275 00	2,492,046 00	317,301 00
1854.....	10,092,250	18,578,510	4,594,369 00	4,812,574 00	13,662,399 00	20,723,193 00	3,941,737 00	3,800,759 00	3,743,368 00	150,297 00
1855.....	10,343,958	8,693,946	4,149,541 00	4,431,264 00	12,405,171 00	16,934,486 00	3,317,060 00	2,577,653 00	3,194,624 00	243,961 00
1856.....	10,464,892	12,684,583	4,610,016 00	5,343,396 00	15,688,209 00	20,930,773 00	2,541,778 00	2,535,882 00	2,692,692 00	341,955 00
1857.....	10,493,400	18,495,585	5,938,117 45	5,731,016 00	16,963,341 00	23,634,504 00	4,037,045 00	2,949,454 00	3,400,705 00	313,307 00
1858.....	10,674,670	8,584,225	5,643,100 16	5,255,089 53	13,232,435 53	17,642,845 13	3,507,633 50	3,195,154 14	3,294,337 83	437,136 71

NOTE—Decrease in circulation from July, 1857, to January, 1858..... \$3,168,049 00  
 Decrease in notes and bills from July, 1857, to January, 1858..... 3,141,143 56  
 Decrease in deposits from July, 1857, to January, 1858..... 594,319 75

## THE BANKS OF KENTUCKY.

In the Senate, January 23, 1858, the Committee on Banks made the following report :

The committee have received from each of the banks a report in response to the interrogatories which, pursuant to the resolution of the Senate, were submitted to them by your committee. The responses are referred to as part of this report, and are herewith presented to the Senate. The committee, supposing it would be more satisfactory to the Senate, have determined to present a consolidated statement of the means and liabilities of the various banks in the State, showing, at one view, their condition on the 31st of December, 1857, except the Peoples' Bank, which only went into operation on the 26th of November, 1857, and has, as yet, done but very little business. This condensed report is made out from the responses above referred to.

The banks in Kentucky have had, and still have, and the committee think deservedly, the confidence of the country, at home and abroad, in a very eminent degree. Their stock has very generally been above par, and they have furnished a currency, than which no State has had a better, and, until the recent embarrassment and derangement, exchange at reasonable rates.

Your committee also deem it matter of high commendation to the banks of Kentucky that, during the most wide-spread and overwhelming monetary pressure and distress, probably ever experienced in Europe or America, they have done what the banks in no other State in the Union have done, and what even the banks of the most powerful commercial nation upon the globe was unable to do; they have weathered the storm, and maintained their ground, thus far at least, without *suspension*; while they have done this, there have been but few failures in commercial or other pursuits, and less pecuniary pressure in this State, it is believed, than in any other part of the country. But the committee do not, by any means, ascribe this favorable condition of Kentucky entirely to the judicious management of the banks—so far from it, the banks owe, in a great measure, their successful struggle, under so great and extraordinary pressure, and their present condition, to the signal forbearance and confidence of the community. The people have very generally been satisfied with the currency—the bank circulation—and have rarely manifested a desire to convert it into specie. But the banks have been much embarrassed and crippled in their operations, by the constant drain upon their specie basis, by private bankers or brokers, and have necessarily been compelled to shape their course, and regulate their business, in view of it.

Notwithstanding the very favorable opinion expressed in this report of the condition and management of the banks, and notwithstanding the committee are aware that it is actually necessary that the banks should deal in bills of exchange to an amount sufficient to keep up their specie basis, yet the committee cannot withhold the expression of the opinion, that the banks have extended their bill of exchange business to a disproportionate

and unjustifiable amount, and to some extent have charged too great a rate of exchange, as will appear by reference to their responses.

The committee have had under consideration the propriety of extending the charters of several of the banks, which will expire in a few years. The charter of the Bank of Louisville will expire the 1st of January, 1863; of the Bank of Kentucky, the 1st day of October, 1864; of the Northern Bank of Kentucky, the 1st day of May, 1865. The aggregate capital of these banks is \$7,030,000, their circulation \$4,661,257. They are all in high credit, and the committee have come to the conclusion that it will be good policy to extend their present charters. It is very desirable for them to know, at an early day, whether they are to wind up when their charters expire, or whether their charters will be extended. Their course in business would very much depend upon their known destiny, when their present charters expire.

It is apprehended from the present indications, that the States, in regard to currency and exchanges, will have to take care of themselves. Little can be expected from the General Government. In that view, Kentucky can hardly hope to do better than to continue her present currency, and, of course, her present banking institutions. They are identified with the business of the country, and possess, in a great degree, its confidence. The extension, at this time, of the charters of the banks alluded to, it is confidently believed, would have a tranquillizing influence upon the public mind, and afford additional assurance of a continuing, sound, and stable currency, and of general prosperity.

The State of Kentucky holds the following amounts of stock in the banks, whose charters are proposed to be extended, to wit:

In the Bank of Louisville.....	\$40,600 00
In the Bank of Kentucky.....	1,013,400 00
In the Northern Bank of Kentucky.....	290,000 00
<b>Total stocks held.....</b>	<b>\$1,344,000 00</b>
The ordinary dividend on this stock, of ten per cent. per annum, amounts to.....	\$134,400 00
State tax on stock in said banks.....	35,150 00
<b>Showing an annual income from these banks to the State of.....</b>	<b>\$169,550 00</b>

While, therefore, the extension of the chartered lives of these banks would certainly promote the interest of the individual stockholders, the pecuniary interests of the State would be promoted in an equal or greater ratio; conceding, as the committee do, that this pecuniary interest should be made to yield to the general welfare, they are not aware of any seriously contemplated policy of attempting to dispense with the aid and facilities of State banks. The banks of this State, and their branches, extend to almost every section of the State, and where located, the people manifest no disposition to be rid of them, and those sections which have not a conveniently accessible bank, manifest an earnest desire for the location of a bank or branch in their midst.

Surrounded, as we are, with States flooded with a paper circulation, a purely metallic currency, however desirable, would be an impossibility. While there is no difference of opinion as to the superiority of the cur-

rency afforded by our own banks, with whose condition we are acquainted, and whose soundness is undoubted, over that afforded by the banks of other States, which would necessarily flow in upon the withdrawal of our own, the committee regard the currency afforded by the banks of this State as the full equivalent of a gold and silver currency; the ease of transportation, and the facility of transacting business, being more than equal to the trouble and delay of converting into coin, in the few instances in which such conversions are desirable, in the ordinary business of the country. The committee therefore assume, that the policy of having our own State institutions is the settled policy of Kentucky, sanctioned by the unmistakably expressed wishes and conviction of the people for more than twenty years.

The committee would not, under these circumstances, regard it as the part of wisdom, to prevent the continued existence of these banks, which have been tried by commercial convulsions as violent as any that we have reason to expect in the future, and whose solvency and soundness, during a period of more than twenty years, have never been doubted for a single day. It will be seen, by an examination of the statement of the condition of these banks, that each of them has a considerable amount of accumulated surplus profits. The Bank of Louisville has \$170,358. The Bank of Kentucky, \$841,219, and the Northern Bank, \$454,480. If the whole suspended debt of these banks be deducted from the accumulations, there will still be found belonging to each a large surplus. This is really an addition to the capitals of those banks, upon which business has been legitimately done, and profits made, thereby considerably swelling the profits on the nominal capital of the banks. These profits might now be permitted to be legally converted into capital, and used for forming an additional branch to each of those banks, to be located at points most destitute of, while needing and desiring bank facilities. The committee have, in accordance with the views here presented, drawn up a bill, which they report, for extending the charters of the Bank of Louisville, the Bank of Kentucky, and the Northern Bank of Kentucky. Among the few additional conditions imposed is, that of each bank, within one year from the 1st of June next, locating an additional branch. The committee have understood there are at least that number of sections of the State destitute of banking facilities, yet greatly desiring them, and fairly entitled to them by the amount of their business and commerce. These are restrictions which they would feel disposed to favor, in a general law applicable to all the banks of issue, which they are not in favor of applying specially to these banks.

DAVID IRVINE,

*Chairman Senate Committee on Banks.*

*January 23, 1858.*



## MONEY AND USURY IN NEW YORK.

*For the Bankers' Magazine.*

THE only fair and honest purpose of a Usury Law is claimed to be to secure moderation and stability in the price for the use of money. Our absurdly severe law of 1837, has shown itself to be a failure. For more than fifteen years we have had wild spasmodic fluctuation and extortion in our rates of interest in this city, beyond any thing of the kind that has ever been known of in any other town, city or State in the Union. The very fact that none of this has been checked at all, but has been aggravated by the enactment referred to, is of itself a convincing proof that such an incumbrance should be forthwith removed from our statute books. The more prominent reasons now given for continuing this most unfortunate error in our currency measures, are to be found in a little pamphlet, written twenty-two years ago, by Mr. John Whipple, of Rhode Island, and are briefly as follows :

1st. Money is created by government, the government stamp imparting the chief value to the precious metals.

2d. Money is unlike any other article, especially in its being the only legal tender in the payment of debts.

3d. Lenders comprise the principal class calling for relaxation in Usury Laws.

4th. The farmers and others in the interior of our State do not want any change in those laws.

Not one of these four reasons stand upon tenable ground, nor is there any sound logic in the other minor thoughts put forth in this little textbook of the restrictionist. We will notice the four as above stated, in their order.

I. To the first we reply, that as a mere matter of convenience, it has been found better to have the government of the United States to employ competent artisans to refine the metals and form them into pieces of uniform weight, and at the same time stamp the relative value upon the pieces. Here the duty of government stops. Were they to discontinue coining our money, business men would immediately arrange to have the coining done in some other way. All the value added by this governmental process of coining, is the cost of the artistic skill in refining and forming the metal into pieces. The stamp is merely a certificate of value, and not its cause. We have never as yet seen a stamp that could make copper or silver quite so valuable as gold.

II. To the second point, as to money being unlike any other article, we reply, that there are probably no two articles in the world exactly alike; still, it would hardly do to claim such dissimilarity as a reason for adjusting the price and the movement of *every thing* by legislative enactments. The debt-paying quality of money presents a much stronger reason for *freedom* than it does for restraint.

III. To the third we reply, that we are ready to show written proof

that more than nine-tenths of the thousands upon thousands of names that have been put on the memorials from New York during the past five years, are borrowers of money, borrowing probably four times as much as they lend. It can also be shown,\* that more than three-quarters of our bank directors had rather have the interest of money rule low than high.

IV. To the fourth and last (as to the feeling in the country), we reply, that this was tested some two years ago by the issuing of a circular from the Chamber of Commerce, in which a specific inquiry was made, as follows: "How far, in your opinion, will the movement for this most vitally important reform be sanctioned and concurred in by the great trading cities and towns of our rivers and lakes; also by the great agricultural and manufacturing interests of the State?"

This circular was sent to every town in the State; to every postmaster; to all the principal County officers, including judges, sheriffs, surrogates, County clerks, County treasurers, and District attorneys; also to all the members and officers of the Legislature, comprising more than three thousand persons, and all occupying official positions. Multitudes of answers were received, all heartily condemning the laws as they now stand. *Not a single one was received in their justification.* Again, as early as 1852, one of our active members of Assembly, from Kings County, brought in a bill for some essential relaxation of the Usury Laws; it was lost by mere accident, because it came up for action too near the close of the session. The measure of reform then received nearly two votes to one of those present, but not quite a constitutional majority of the whole number elected. Its supporters were from forty-six out of the then fifty-nine counties. Twenty of the interior counties were unanimous in favor of the change. In view of these facts, can there be any reasonable doubt that the public feeling of this State is almost universally favorable to a full repeal or an essential modification of these statutes?

This city possesses great natural advantages for the concentration of financial movements. In order to have such favorable position fully availed of, we must make our currency laws as free and liberal as they are in any other part of the commercial world. If we had had more liberal currency laws during our recent panic, the alarm would never have attained the degree of severity which we witnessed, nor would the duration of the panic have been half so long. In England and in Hamburg their commercial revulsion commenced with much severity, but their legal power of gradually advancing the rate of interest, soon caused the alarm to subside, and consequently business recovered its natural flow a vast deal sooner than it did in this country.

In conclusion, the writer hereof would urge our merchants and other business men to bestir themselves at once, and not leave the work of reform to be done by the Chamber of Commerce alone. We ought immediately to memorialize the Legislature for a full repeal or essential modification of our present Usury Law, leaving the present legal rate to govern when no written contract has been made for some other rate. Government should extend all proper influences towards *increasing*, instead of abridging the freedom of citizens in the use of any of their own property, that possesses rare and valuable endowments.

A NEW YORK MERCHANT.

February 13th, 1858.

## BANK NOTE PRINTING.

IN consequence of the great danger to our paper currency from successful counterfeits, made by photography and kindred processes, it has become evident that a **NEW SECURITY** is needed, which, while it shall perfectly protect our bank notes from photographic imitations, and from alterations in their denominational value, shall, at the same time, preserve that security which is always afforded by artistic and highly finished engraving.

Any one who has properly examined this subject, will acknowledge that the only means of securing our bank notes against photographic copies and alterations, is to *print them in two permanent inks*. One of these inks must be the ordinary black ink in which bank notes are printed, which, having a basis of carbon, is insoluble and indestructible. The other must be an equally insoluble and indestructible colored ink. Neither of these inks, used conjointly, can be removed from the paper without removing the other, and thus destroying the note.

It is an established principle in photographic chemistry, that red, yellow, and green colors act upon photographic plates precisely like black; so that lines or figures printed in any one of these colors will appear *black* in the photographic copy. Hence the necessity of a colored ink in printing a bank note, to prevent photographic counterfeiting. Unfortunately, however, all the colored inks heretofore used for this purpose, can be easily removed by chemical means, while the black carbon ink on the note remains undisturbed. Let the colors be thus removed;—the black note is now reproduced perfectly by photography, the colors are then restored by lithography, or, perhaps, by hand, and a dangerous counterfeit is immediately obtained.

The use of *fugitive* black or blue inks, printed upon a colored ground, offers, it is true, a protection against photography. But these inks will fade on exposure to light or air; and as the one can be removed from the face of the note without removing the other, they render *alterations* very easy, and also destroy all the distinctive characteristics of fine engraving.

But a bank note printed in *two permanent inks* could neither be copied by photography, lithography, nor the anastatic process, nor could it be altered by any chemical means. A green colored ink recently patented (and which we notice upon the new Treasury Notes), is, we are satisfied, that permanent, indelible, and indestructible ink which is now needed, in conjunction with the black Carbon Ink, to give to bank notes that **NEW SECURITY** of which we have spoken. This ink has been submitted to the examination of several of our most distinguished chemists, and to other gentlemen whose practical experience renders them competent judges of the matter. They have subjected it to searching chemical tests, and have pronounced it to possess all the qualities requisite to make it a valuable security for our paper currency. Should their opinions be sustained, it will lead to an important reform in the process of bank note printing.

Deeming this discovery a matter of interest to our readers at this time, we propose to insert various specimens of printing in these two permanent inks to show the progress recently made in bank note printing.

## BANK STATISTICS.

## I. DISTRICT OF COLUMBIA.—II. PHILADELPHIA.

## III. MASSACHUSETTS.

## I. CONDITION OF THE BANKS OF THE DISTRICT OF COLUMBIA.

The Bank of Washington was incorporated February 15, 1811; the Farmers and Mechanics' Bank (Georgetown), Patriotic Bank, and Bank of Metropolis, March 3, 1817. By the act of March 2, 1821, the charters of all these banks were extended to March 3, 1836; and by act of February 9, 1836, they were further extended and limited to October 1, 1836; and again, on July 2, 1836, extended to July 4, 1838; on May 31, 1838, they were extended to July 4, 1840; on July 3, 1840, they were further continued to July 4, 1844, since which time (the charters having expired) they have been acting under trustees. The statement of the condition of these banks is as follows: January 1858.

## LIABILITIES.

	Capital.	Circulation.	Individual Deposits.	Due to Banks.	Total.
Bank of the Metropolis.....	\$353,300	\$124,416	\$316,573	\$38,658	\$871,903 64
Bank of Washington.....	178,160	92,052	207,427	13,292	526,300 45
Patriotic Bank.....	123,895	23,115	31,452	66,809	246,457 82
Farmers and Mechanics'.....	288,730	47,350	127,264	30,183	505,616 00
Bank of Commerce.....	106,000	28,995	55,382	499	207,378 25
<b>TOTAL Liabilities.....</b>	<b>1,052,085</b>	<b>315,929</b>	<b>639,286</b>	<b>149,442</b>	<b>2,357,556 17</b>

## ASSETS.

	Loans.	Specie.	Stocks.	Real Estate.	Due by Banks.
Bank of the Metropolis.....	\$572,483	\$130,464	\$4,116	\$36,875	\$29,953 21
Bank of Washington.....	274,252	81,341	55,262	23,827	14,812 15
Patriotic Bank.....	90,430	12,409	27,020	27,500	60,004 48
Farmers and Mechanics'.....	349,962	58,142	233	26,368	29,199 48
Bank of Commerce.....	111,899	28,288	13,649	13,314	29,698 06
<b>TOTAL Assets.....</b>	<b>1,399,028</b>	<b>310,646</b>	<b>100,281</b>	<b>168,663</b>	<b>163,667 38</b>

## II.—PHILADELPHIA.

The Philadelphia banks by their Weekly Statement to the 22d instant, show ample specie reserve to meet their liabilities. Their loans, specie, deposits and circulation, for January and February, were as follows:

	Loans.	Specie.	Deposits.	Circulation.
January 11,.....	21,302,374	3,770,701	11,465,253	1,011 033
January 18,.....	21,068,952	4,018,295	11,512,765	1,046,545
February 1,.....	20,433,704	4,475,693	12,195,126	1,096,463
February 8,.....	20,359,226	4,688,085	11,904,519	1,223,046
February 15,.....	20,071,414	4,823,989	11,687,342	1,539,318
February 22,.....	20,161,260	4,934,906	12,014,604	1,686,609

## III. MASSACHUSETTS COUNTRY BANKS.

A comparison of the footings of the monthly statements of the banks of Massachusetts, out of Boston, with those of the statement for the previous month, exhibits a decrease in the item of capital amounting to \$136,410, which is caused by the fact that the Western Bank of Springfield, capital \$250,000, is now withdrawn from the table, while several other banks have paid up a portion of the increased capital authorized by the legislature of 1857. The loans and discounts have increased \$97,658; the specie has increased \$73,710; balances due from the other banks have increased \$440,676; balances due to other banks have decreased \$23,586; deposits have increased \$336,398; circulation has increased \$379,750. We annex the totals for the month, with those of the preceding months of last year:—

Date.	Loans and Discounts.	Specie in Bank.	Deposits.	Circulation.
January 3, 1857.....	\$46,954,342	1,051,770	6,637,513	16,168,812
January 31, ".....	46,538,433	1,070,332	6,721,584	15,977,352
February 28, ".....	47,199,814	1,073,951	6,716,267	15,881,240
April 4, ".....	47,697,488	1,053,003	6,748,861	16,407,552
May 2, ".....	48,002,135	1,068,365	7,214,080	17,468,816
May 30, ".....	47,279,719	1,089,314	6,944,326	16,396,506
July 4, ".....	47,847,487	1,112,818	7,061,861	16,354,512
August 1, ".....	49,019,806	1,116,554	7,102,398	16,235,682
September 5, ".....	49,355,964	1,100,080	6,860,664	15,759,025
October 3, ".....	47,351,000	1,030,631	5,935,275	14,023,092
October 31, ".....	43,393,570	1,005,827	5,643,834	11,090,149
December 5, ".....	41,659,733	1,167,885	5,604,095	10,097,149
January 2, 1858.....	41,224,073	1,294,563	5,651,908	9,580,773
January 30, ".....	41,321,731	1,368,273	6,018,306	9,960,523

Compared with the return of October 3 (the last previous to their suspension of specie payment), the banks now show a gain of \$337,642 in specie; while the circulation has diminished \$4,062,569. It must be remembered that every one of these banks is obliged to keep a deposit of specie in Boston, which is not included in the above returns. The whole number of country banks is now 186.

TABLE OF THE CONDITION OF THE BANKS IN MASSACHUSETTS IN MAY,  
SEPTEMBER, OCTOBER AND DECEMBER, 1857.

	Loans.	Specie.	Deposits.	Circulation.	Aggregate of Deposits & Circulation.
Country, May 2,.....	48,002,135	1,068,365	7,214,080	17,468,816	24,682,896
City, May 4,.....	52,970,3e5	3,720,485	17,643,753	6,934,131	24,577,884
Total May.....	\$100,972,520	4,788,850	24,857,833	24,402,947	49,260,780
Country, Sept. 5,.....	49,355,964	1,100,080	6,860,664	15,759,025	22,619,689
City, Sept. 7,.....	53,029,809	2,865,408	15,798,601	6,993,218	22,791,819
Total Sept,.....	\$102,385,773	3,965,488	22,659,265	22,752,243	45,411,508
Country, Oct. 3,.....	43,933,570	1,005,827	5,643,834	11,080,149	16,723,983
City, Oct. 19,.....	48,454,479	2,560,119	12,776,248	6,071,113	18,847,361
Total Oct.,.....	\$91,848,049	3,565,946	18,420,082	17,151,262	35,571,344
Country, Dec. 5,.....	41,659,733	1,167,885	5,604,095	10,097,149	15,701,244
City, Dec. 7,.....	50,622,268	4,265,530	16,185,465	6,230,151	22,415,616
Total Dec. 1857,...	\$92,482,001	5,433,415	21,789,500	16,327,300	38,116,600

## CONDITION OF THE BANKS OF MASSACHUSETTS FROM 1836 TO 1858.

The Figures indicate the Condition of the Banks to the 1st day of January in each Year, or at a Period shortly prior thereto.

## LIABILITIES.

Year.	No. of Banks.	Capital.	Circulation.	Deposits.	Profits on Hand.
1836.....	130	37,289,585	7,350,383	15,262,444	1,175,631
1837.....	129	38,220,000	7,223,905	14,059,449	1,514,435
1838.....	120	34,630,000	5,519,210	9,621,217	1,697,333
1839.....	118	34,485,600	4,977,528	6,723,718	1,753,772
1840.....	115	33,750,000	6,221,274	8,636,923	2,067,095
1841.....	114	33,260,000	7,147,155	8,604,721	2,792,114
1842.....	111	32,631,060	6,048,223	7,456,504	2,331,475
1843.....	103	31,039,800	7,148,342	10,928,485	2,312,367
1844.....	103	30,020,000	9,526,070	13,031,106	1,989,132
1845.....	104	30,970,000	11,472,785	12,751,253	1,910,466
1846.....	105	31,160,000	11,454,086	10,360,648	2,504,186
1847.....	109	32,113,000	15,624,860	11,030,270	3,499,583
1848.....	112	32,985,000	11,473,827	8,564,985	3,717,435
1849.....	119	34,630,011	12,211,642	10,621,733	3,011,996
1850.....	126	36,925,050	14,139,817	11,618,912	4,627,660
1851.....	130	38,265,000	18,910,599	13,889,903	3,802,680
1852.....	137	43,270,500	17,746,096	15,541,236	5,268,473
1853.....	143	49,050,173	18,891,834	19,007,651	5,039,134
1854.....	151	53,572,652	18,641,402	18,651,929	5,110,371
1855.....	168	57,314,603	16,319,568	18,608,631	5,367,991
1856.....	169	58,187,000	18,057,762	20,730,217	5,995,950
1857.....	173	58,371,930	17,404,232	23,813,096	6,267,601
1858.....	173	60,386,960	9,795,630	22,725,660	7,153,680

## RESOURCES.

Years.	Notes, Bills of Exchange, &c. &c.	Specie.	Real Estate.	Total.	Ratio of Circulation to Specie.
1836.....	58,482,809	1,455,280	1,140,004	61,078,043	6 45
1837.....	58,414,182	1,517,984	1,155,723	61,087,889	4 77
1838.....	48,206,809	2,394,624	1,066,327	51,677,760	2 31
1839.....	44,967,750	1,838,373	1,141,595	47,547,618	2 71
1840.....	46,513,685	2,991,685	1,169,803	50,675,292	2 08
1841.....	47,553,961	3,111,838	1,238,191	51,903,990	2 30
1842.....	44,610,391	2,632,310	1,174,460	48,467,161	2 25
1843.....	42,993,292	7,298,816	1,181,886	51,473,994	0 98
1844.....	48,770,975	4,587,141	1,208,192	54,566,308	2 08
1845.....	52,648,730	3,357,904	1,097,969	57,104,603	3 42
1846.....	51,326,114	3,054,756	1,098,000	55,478,870	3 75
1847.....	57,260,939	3,943,974	1,062,950	62,267,863	3 96
1848.....	53,110,100	2,578,030	1,073,117	56,761,247	4 45
1849.....	56,599,310	2,749,917	1,126,161	60,475,388	4 44
1850.....	63,330,025	2,993,178	988,236	67,311,439	4 72
1851.....	66,341,109	2,478,859	998,214	69,818,182	5 61
1852.....	77,172,079	3,568,783	1,090,463	81,826,325	4 98
1853.....	87,187,177	3,731,765	1,069,452	91,988,394	5 06
1854.....	90,833,439	3,456,406	1,186,509	95,476,354	5 40
1855.....	90,689,771	3,727,512	1,186,610	95,603,793	4 37
1856.....	97,222,876	4,497,731	1,250,342	102,970,949	4 01
1857.....	99,723,161	4,880,756	1,250,342	105,856,259	3 57
1858.....	92,130,832	6,322,485	1,608,613	100,061,930	1 54

## BANK ITEMS.

**NEW YORK.**—Augustus E. Silliman, Esq., who for many years has been cashier of the Merchants' Bank in this city, succeeds Mr. Palmer, whose death was announced on the 1st inst. J. D. Vermilye, Esq., of the Newark Banking and Insurance Company, has accepted the cashiership of this Bank. Mr. Vermilye, during his long residence in Newark, has won the entire confidence of the Company he has so well and faithfully served, and the respect of the community as a worthy citizen, and his removal to a wider sphere of usefulness will be at once a subject of regret and congratulation—the one for the loss of a valued officer, and the other that a faithful discharge of duty has brought so great a reward.

**Bank of New York.**—Anthony P. Halsey, Esq., late Vice President of the Bank of New York, was, on the 2d February, elected President in place of Mr. Oothout, deceased. Charles P. Leverich has been elected Vice President, vice Mr. A. P. Halsey, elected President.

**Suspended Banks.**—The Grocers' Bank, 59 Barclay street, resumed business on the 25th January. The amendments to the charter of the Mechanics' Banking Association, proposed at the meeting of stockholders, are, in effect, to reduce the capital of the Bank to \$316,000 (shares \$12 50 each), with power to increase the amount again, if desired; to strike out the sixth article, which requires 40 per cent. of the capital to be invested in Government, State, or City stocks, or in bonds and mortgages; to reduce the number of Directors from twenty to eighteen, abandoning the present division into three classes.

**New Banks.**—During the last fiscal year nine banking associations in this State, with an aggregate capital, as shown by their certificates of associations, of \$6,275,000, have deposited the requisite securities, and commenced the business of banking, viz :

<i>Name of Bank and location.</i>	<i>Capital.</i>
Bank of the Interior, Albany.....	\$700,000
Lake Ontario Bank, Oswego.....	250,000
Merchants' Bank in the City of New York, New York.....	3,000,000
Mechanics and Traders' Bank, New York.....	400,000
Montgomery County Bank, Johnstown.....	100,000
Monroe County Bank, Rochester.....	100,000
National Bank in the City of New York.....	1,500,000
Saratoga County Bank, Waterford.....	100,000
Walkil Bank, Middletown.....	125,000
<b>Total capital.....</b>	<b>\$6,275,000</b>

Three individual bankers have also deposited securities and commenced the business of banking under the name and title of the

Addison Bank, Addison.—Bank of Lima, Lima.—J. T. Raplee's Bank, Dundee.

**Troy.**—Mr. Philander Wells, of the Farmers' Bank of Troy, has resigned his post as cashier. Mr. Chas. P. Hartt, cashier of the Manufacturers' Bank, has been elected his successor. Mr. Wells has been connected with the institution for nearly forty-three years—twenty-one as Teller, the remainder as Cashier. Including its first dividend of  $3\frac{1}{2}$  per cent., paid on the 1st of December, 1802, it has paid in the aggregate of dividends 504 per cent. on its capital—220 per cent. of which has been paid under the administration of Mr. Wells.

**Cazenovia.**—The charter of the Madison County Bank expired 1st day of January, 1858; its Trustees will proceed to close up its affairs. It is designed soon to organize a new association to take its place.—The outstanding circulation of the Bank will be redeemed at the Banking House in Cazenovia, at the Metropolitan Bank in New York, the Bank of Albany, or the New York State Bank, Albany. This institution was chartered March 14, 1831, with a capital of \$100,000, and has conducted a successful

business for more than twenty-six years. It has paid its stockholders \$315,000 in dividends, being an average of somewhat more than 12 per cent. per annum (the dividends for the last ten years averaging 14 per cent. per annum), and its capital has not been impaired by the financial disasters which have recently overswept the Union. The following is a list of the officers of the Bank since its organization: Presidents, Perry G. Childs, Jacob Ten Eyck, William M. Burr; Cashiers, Nathan T. W. Williams, William K. Lothrop, Charles D. Miller, Thomas W. Seward, B. Rush Wendell.

OHIO.—C. A. Phelps, Esq., hitherto Teller of the Springfield Bank, was on the 20th Jan., elected Cashier, in place of W. McMeen, Esq., resigned.

Cleveland.—The Treasurer of the State of Ohio having discovered an over-issue in the circulating notes of the Canal Bank of Cleveland, he gave notice on Saturday that the work of redemption would be suspended. It will be necessary, we suppose, for parties who hold the notes, to present them before the 12th of March, in accordance with notice heretofore given. We have no particulars with reference to this newly discovered fraud, but the effect of it will be to bring the notes of all the State Stock Banks into discredit for the time being. This over-issue is, we suppose, another feature of the great Brealin-Gibson frauds, so that the bottom of those villanous transactions has not yet been reached.

KENTUCKY.—The bill to extend the Charters of the Bank of Kentucky, Bank of Louisville, and Northern Bank of Kentucky, passed the Senate by a large majority last week, and has since passed the House also by a decided vote. It provides for an extension of the present charters for twenty years from the expiration of each, and we believe imposes no additional restrictions, nor takes away any of the powers or rights which said Banks now enjoy. The bill also establishes a new branch of the Bank of Louisville to be located at Glasgow, a branch of the Bank of Kentucky at Columbus, and the Northern Bank is also to have additional branches at Burkeville and Paducah. An effort was made to restrict said Banks in the issue of small bills, but it was not successful, the profits on Bank circulation being found to outweigh the discretion of the members.

INDIANA.—It has been stated that blank bills of the Huntington County Bank, one of the Indiana stock banks, some of which were fraudulently filled up, have been set in circulation.

The blank bank bills of the Huntington County Bank got into the hands of the public unregistered, and without being countersigned, some three or four years since, while some repairs were making in the Auditor's office. About \$15,000 of these blank bills were set afloat in this way. Several thousand were afterwards discovered and destroyed, but it is supposed that the major portion of the bills got into the hands of men who kept them for illegal purposes. Those that have been filled up can readily be told when compared with the genuine bills. The filling up, in most cases, has been done very awkwardly.

LOUISIANA.—In the Louisiana Legislature the special committee on the banks have completed their labors, and will, doubtless, be in readiness to report elaborately at an early day. There is no reason to believe that they will recommend severe measures against these institutions for the temporary and inevitable infractions of the law during the recent panic. Such a course would be not only inexpedient but unjust.

The *New Orleans Bee* says: "No State in the Union possesses a more solidly contrived and better working banking system than Louisiana, and in none have the banks stood up so bravely and strongly against the pressure of a terrific revulsion, or have so well maintained their own solvency, while extending timely relief to all honest debtors. The fact of their being out of line for a short time is one of those exceptional cases—the inevitable effect of unexpected and serious monetary disasters—which should be indulgently pardoned by the Legislature. The proposition to prohibit bank notes under the denomination of five dollars will probably be adopted. It can be accomplished only with the consent of the banks themselves, which will no doubt ask and receive as an equivalent, the privilege of increasing the rates of interest on long paper beyond the present limits. It is rumored that the banks are entirely willing to accept the contemplated modification of their charters."

GEORGIA.—W. J. Sams, Esq., was, in October last, elected Cashier of the City Bank, Augusta, in place of James C. Fargo, Esq., resigned.



**MICHIGAN.**—The Farmers and Mechanics' Bank, at Detroit, resumed business on the 16th January. The Peninsular Bank resumed business on the 15th February. The total bank capital of the State is only \$1,200,000.

**MARYLAND.**—The banks in Baltimore city resumed specie payments on Friday, February 5. The Board of Directors of the several banks in Baltimore, met on the 4th, and by resolution, empowered the Presidents of said banks to assemble and decide upon the propriety of resuming specie payment. Accordingly the several Presidents met at the Cashier's room of the Union Bank, and after a short session, unanimously resolved that the banks of Baltimore resume specie payment forthwith. The following is the resolution as passed :

*Resolved*, That the banks of Baltimore resume the payment of specie on all their liabilities forthwith.

J. HANSON THOMAS, *Secretary*.

*Tax on Bank Capital.*—The total receipts from the 20 cents tax on capital of banks during the year, and applied to the School fund, were \$22,911 27, of which Baltimore banks paid the following amounts :

Merchants' Bank of Baltimore.....	\$3,000
Marine Bank of Baltimore.....	733
Citizens Bank of Baltimore.....	1,000
Union Bank of Maryland.....	2,516
Chesapeake Bank of Baltimore.....	728
Franklin Bank of Baltimore.....	1,200
Farmers and Merchants' Bank of Baltimore .....	1,034
Farmers Bank of Maryland.....	503
Western Bank of Baltimore.....	1,200
Commercial and Farmers' Bank of Baltimore.....	1,025
Howard Street Savings Bank.....	217
Bank of Baltimore.....	2,400
Mechanics' Bank of Baltimore.....	1,200
Farmers and Planters' Bank of Baltimore.....	1,600
Bank of Commerce.....	1,100
Fell's Point Savings Institution.....	330

**PENNSYLVANIA.**—The banks in Philadelphia resumed specie payment in full on the 3d February; those of Pittsburg following the example at once. The notes of the Philadelphia banks, and those of Pennsylvania which are at par in Philadelphia, are received on deposit at the Metropolitan Bank at one-fourth per cent. discount.

*Bank of the United States.*—The long-pending suit of the Bank of the United States against the Philadelphia, Wilmington and Baltimore Railroad Company, in which was claimed about \$135,000, has been compromised, settled, and discharged from the docket. The settlement is considered highly advantageous to the company—removing, as it does, a claim for a very large sum by the comparatively small payment of about \$20,000, at the same time dispersing a cloud which was regarded as threatening. The effect of this settlement will, no doubt, tend further to improve the credit of this Company—both the stock and shares of which have been looking up for the last two or three months.

*Clearing House.*—The Philadelphia banks have formally adopted the articles of association for the new Clearing House, and it will go into operation in a few days. The features of the establishment are substantially those of the New York institution. The superintending committee are: Mr. Rogers, of the Tradesman's Bank; Mr. Jordan, of the Manufacturers and Mechanics'; Mr. Dickson, of the North America; Mr. Lewis, of the Farmers' and Mechanics'; Mr. Comegys, of the Philadelphia Bank. The Farmers and Mechanics' Bank has been selected as the depository.

*Bank of Pennsylvania.*—The affairs of the Bank of Pennsylvania will be made public, and a lesson given to incompetent and criminally careless directors, if the present committee are allowed to proceed in their investigations. We give one or two of the resolutions at the last meeting as samples :

*Resolved*, That the Bank of Pennsylvania has been prostrated by the faithlessness and dishonesty of its late President, Thomas Allibone; and that whatever punishment

the criminal law inflicts on such dishonesty ought to be visited to its utmost extent upon him.

*Resolved*, That the conduct of Daniel Deal, who, while a Director of the bank, drew from it, by collusion with the said Allibone, and unknown to the Board, \$289,000, leaving the bonds of the Hempfield Railroad Company as collateral, at a time when there was no sale in the market for such bonds, as he well knew, being a Director of the Hempfield Railroad, was, in the opinion of this meeting, a gross and dishonorable violation of his duty as a Director of the bank, and deserving the condemnation of every honest man.

*Resolved*, That as appearances warrant us in believing that parties whose names are now concealed have colluded together in a common plunder of the bank, no reasonable cost or labor should be spared to uncover their tracks and obtain restitution.

The Directors made an assignment of the effects of the bank on the 17th February, for the benefit of creditors, in order to avoid judgments then pending.

**NEW JERSEY.**—The Directors of the Newark Banking Company have selected as Cashier, in place of Mr. Vermilye [who has accepted the appointment of Cashier of the Merchants' Bank, N. Y.], Charles G. Rockwood, Esq., the present Cashier of the Norwalk Bank, Connecticut. Mr. Rockwood was formerly Cashier of the Orange Bank, New Jersey, and latterly engaged as private banker at Manch Chunk, Pennsylvania.

**CONNECTICUT.**—The injunction on the Bank of Hartford County of Hartford, Ct., has been removed, and it has commenced business, and made arrangements for the redemption of its circulating notes at the Suffolk Bank in Boston. George M. Bartholomew has been elected President of the institution.

**TENNESSEE.**—The Bank of Tazewell, Bank of Claiborne, Bank of Jefferson, and Bank of Trenton, Tennessee (Free Banks), having failed to make the additional deposit of 10 per cent. in bonds, called for by the Comptroller, are being put into liquidation. All the other free banks have made good the additional call, and have now on deposit 20 per cent. in bonds above their circulation.

**KANSAS.**—The bill chartering the Lawrence, Leavenworth, and Wyandot Banks, has become a law over the Governor's veto. The Acting Governor's veto message is a well-written document in some respects, although taking extreme anti-bank ground. He holds, first, that a Territorial Legislature has no power to charter a bank; secondly, that the bank in question is objectionable; thirdly, that they have no right to make any thing else than gold or silver a legal tender; and, also, that there is an attempt in this bill to bind and anticipate the action of any future State Legislature. The Kansas Bank Bill contains the following provisions: It provides for three banks—one at Lawrence one at Leavenworth, and one at Wyandot. Each has a distinct set of corporators. The capital stock of each is \$100,000, but capable of indefinite extension. The basis of the bank is interest-paying State stocks at the current rates of the New York Stock Exchange. These are to be deposited with the Comptroller as collaterals. When \$25,000 of these have been paid in, the Comptroller shall sign bills to that amount, which may be in the denomination of \$1, \$2, \$3, \$5, \$10, 20, \$50, \$100, \$200, \$500. Fresh securities shall be deposited and fresh issues made from time to time. The bank shall regulate its own rate of interest. Ten per cent. of the additional securities shall be specie, for the purpose of redemption. Issuing of notes without such securities is made a punishable offence, liable to fine of the amount thus issued. Stockholders shall be responsible to the amount of their individual stock. The bank shall discount its bills, when called on, in specie, only they are allowed to pay in the *secured notes* of other banks in the Territory, or in the States, in bankable drafts or certificates of deposit, as specie. Should the bank refuse to redeem, its notes shall bear from such date a double rate of interest. A suspension of 80 days occurring, the Comptroller may proceed to sell its securities at auction in the stock market for its liquidation. The charter extends its provisions to the authorities under the State Government, stating that such and such officers shall act in the place of the Comptroller of the Territory.

*Bank Dividends for February.*—Bank of the Republic 5 per cent., Leather Manufacturers' Bank 5, Manhattan Company 4, Oriental Bank 3½, Ocean Bank 3, Corn Exchange Bank 3, Citizens' Bank 4, Long Island Bank, Brooklyn, 5. The bank capital in this city now exceeds sixty-six millions.

**Bank Stocks.**—We refer our readers to the well-digested circular of Mr. Geo B. Satterlee, published semi-monthly, at No. 49 Exchange Place. This circular embraces ample information as to bank and insurance shares, &c., and will be mailed (gratis) to those wishing to receive it regularly.

**Collections in the South and West.**—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking houses, as well as of all the banks, in the United States, may be found in the ‘*Merchants and Bankers’ Register*,’ for 1858, published early in February. The cards of bankers in the following places may be found on the cover of this Magazine :

MASSACHUSETTS.—Boston.  
 NEW YORK.—New York City, Buffalo.  
 PENNSYLVANIA.—Philadelphia, Pittsburg, Scranton.  
 MARYLAND.—Baltimore.  
 DISTRICT OF COLUMBIA.—Washington.  
 VIRGINIA.—Fredericksburg, Lynchburg, Richmond.  
 ALABAMA.—Mobile.  
 ARKANSAS.—Helena.  
 CALIFORNIA.—Sacramento.  
 ILLINOIS.—Beardstown, Chicago, Decatur, Dixon, Moline, Peoria, Peru, Port Byron, Rockford, Quincy, Sterling.  
 INDIANA.—New Albany, Richmond.  
 IOWA.—Cedar Rapids, Council Bluffs, Chariton, Clinton, Fairfield, Davenport, Des Moines, Dubuque, Fort Dodge, Iowa City, Keokuk, Muscatine, Sioux City.  
 KENTUCKY.—Lexington, Louisville.  
 LOUISIANA.—New Orleans.  
 MICHIGAN.—Battle Creek, Grand Rapids.  
 MINNESOTA.—Minneapolis, St. Paul, St. Anthony.  
 MISSOURI.—Boonville, Glasgow, Hannibal, Lexington, St. Louis.  
 OHIO.—Cincinnati, Cleveland, Newark, Sandusky, Toledo.  
 TENNESSEE.—Nashville.  
 TEXAS.—Galveston, San Antonio.  
 WISCONSIN.—Milwaukee, Mineral Point, Sheboygan, Fond du Lac.  
 CANADA.—Kingston, &c.

In order to furnish information to bankers and those who have frequent occasion to ascertain, at this office, the names of responsible banking firms in the interior, the Publisher of this work will hereafter keep in his office “*A REGISTER OF PRIVATE BANKERS IN THE U. S.*,” containing printed cards of bankers in various cities, with the names of their references. This will show, 1. The style of the firm; 2. Individual names of partners; 3. The location and county of each; 4. Their references (or parties in the Eastern cities on whom they draw). For the convenience of merchants and bankers in New York, Boston, Philadelphia, Baltimore, &c., this Register will be available at all times. Those gentlemen who wish their names registered will please send their PRINTED CARDS [not printed circulars] for this purpose.

**PRIVATE BANKERS.**—At Louisville, Ky., the banking firm of Messrs. Tucker, Brannin & Co. is succeeded by Messrs. Shreve & Tucker. *See card on the cover of this work.*

**WASHINGTON CITY.**—The Washington City Savings Bank (established in 1847), which went through the revulsion of 1857 successfully, is succeeded by the banking firm of Lewis Johnson & Co., well-known capitalists in that city. *See card.*

**IOWA.**—The banking firm of Denning & Love, at Keokuk, is succeeded by that of Messrs. H. K. Love & Co. *See card.*

**CALIFORNIA.**—Messrs. Sather & Church, Sacramento, are succeeded by Messrs. Thomas S. Fiske & Co. *See card.*

**ILLINOIS.**—Messrs. Dickerman, Wheeler & Co., at Rockford, have dissolved, and are succeeded by the banking firm of Lane, Sanford & Co. *See card.*

**NEW YORK CITY.**—The firm of Peters, Spence & Co., Lynchburg, Va., have established a branch of their banking house at New York, under the name of Peters, Campbell & Co., at No. 52 Wall street. *See card.*

**BANK CHANGES.**—The following changes of Cashiers have recently taken place, and are fully shown in the Bankers' Register for 1858, together with the recent changes of Bank Presidents in every State in the Union.

<i>Place and State.</i>	<i>Bank.</i>	<i>Appointed.</i>	<i>In place of</i>
Auburn, Me.,	Auburn Bank,	William Libby,	E. F. Packard.
Bath, “	Bath “	F. Partridge,	E. C. Hyde.
Newcastle, “	Newcastle “	D. W. Chapman,	Thaddens Weeks.
Searsport, “	Searsport “	Charles Gordon,	John H. Lane.
Thomaston, “	George's “	J. G. Levensaler,	S. E. Smith.
Waterville, “	Ticonic “	S. Redington,	Edward G. Hoag.
Somersworth, N. H.,	Somersworth Bank,	Geo. L. Dearborn,	Edw. A. Rollins.
Chelsea, Vt.,	Orange County Bk.,	Preston S. Smith,	George Leslie.
Wells River, “	Bank of Newberry,	George Lealie,	Oscar C. Hale.
Boston, Mass.,	Maverick Bank,	Saml. Phillips, Jun.,	Calvin S. Lane.
New Bedford, “	Mechanics’ “	E. Williams Hervey,	Joseph Congdon.
Worcester, “	City “	Nathaniel Payne,	Parley Hammond.
Taunton, “	Bristol Co. “	Wm. Brewster,	Wm. Muenscher.
New Bedford “	Merchants’ “	P. C. Howland,	James B. Congdon.
Cranston, R. I.,	Elmwood Bank,	C. H. Bassett,	D. L. Rawson.
Providence, “	Globe “	T. Salisbury,	John L. Noyes.
“ “	Providence “	Isaac Brown,	C. L. Bowler.
“ “	Traders’ “	Edwin Knight,	Henry A. Webb.
Warren, “	Sewamset “	Wm. T. Freeborn,	Theodore Andrews.
Providence, “	Grocers & Producers’	H. J. Steere,	Wm. J. Dexter.
“ “	State Bank,	Fayette P. Brown,	T. H. Rhodes.
New Haven, Conn.,	City Bank,	Henry C. Young,	Francis Bradley.
Norwalk, “	Bank of Norwalk,	R. B. Craufurd,	Charles G. Rockwood.
New Milford, “	B. of Litchfield Co.,	John S. Conklin,	G. W. Whitlesley.
Brooklyn, “	Windham Co. Bank,	A. F. Fisher,	E. S. Chase.
Waterbury, “	Waterbury “	B. H. Dewey,	A. S. Chase.
East Haddam, “	Bk. of New England,	T. Grow,	O. B. Arnold.
Hartford, “	Exchange Bank,	A. G. Hammond,	Henry L. Bidwell.
Norwich, “	Thames “	C. Bard,	Lyman Brewer.
Meriden, “	Home “	S. Dodd, Jun.,	Henry C. Young.
West Winsted, “	Hurlbut “	R. T. Holmes,	George Alvord.
Woodbury, “	Woodbury “	W. S. Curtis,	Lewis Judd.
New York City,	Nassau Bank,	F. M. Harris,	R. A. Tooker.
“ “	Artisans’ “	R. A. Tooker,	Charles T. Leake.
“ “	National “	F. D. Tappen,	B. T. Hoogland.
“ “	Merchants’ “	J. D. Vermilye,	A. E. Silliman.
Albany, N. Y.,	Union “	Adam Van Allen,	J. F. Batchelder.
Batavia, “	Exchange “	M. L. Babcock,	Henry T. Cross.
Buffalo, “	Manuf. and Traders’	F. F. Fairman,	D. F. Prazell.
“ “	Clinton Bank,	James M. Smith,	Wm. Williams.
“ “	White's Bank,	F. Gridley,	James M. Smith.
Canandaigua, “	Bk. of Canandaigua,	H. J. Messenger,	John Mosher.
Frankfort, “	Frankfort Bank,	R. Ethridge,	R. H. Pomeroy.
Goshen, “	Bk. of Orange Co.,	Charles J. Everett,	Wm. T. Russell.
Kingston, “	Ulster County Bank,	C. D. Bruyn,	James S. Evans.
Lockport, “	Niagara Co. “	S. R. Daniels,	Wm. T. Rodgers.
Rhinebeck, “	Bank of Rhinebeck,	John T. Banker,	D. C. Marshall.
Syracuse, “	Central City Bank,	A. T. Butler,	E. W. Leavenworth.
“ “	City Bank,	J. Sherman,	Wm. W. Teall.
Genesee, “	Genesee Valley Bk.,	James S. Orton,	Wm. H. Whiting.
Rochester, “	Eagle Bank,	Ralph Lester,	J. B. Robertson.
“ “	Manufacturers’ Bk.,	James W. Russell,	R. S. Doty.
“ “	Farmers and Me- chanics’ Bank,	Wm. R. Seward,	James S. Tryon.

<i>Place and State.</i>	<i>Bank.</i>	<i>Appointed.</i>	<i>In place of</i>
Troy, N. Y.	Manufacturers' Bank,	C. M. Willington,	Charles P. Hartt.
Watertown, "	Union Bank,	Samuel B. Upham,	Wm. K. Hawks.
Rockaway, N. J.,	Iron Bank,	Wm. J. Wood,	G. S. Corwin.
Newark, "	Banking & Ins. Co.,	Chas. G. Rockwood,	J. D. Vermilye.
Philadelphia, Pa.,	Southwark Bank,	Francis P. Steel,	John B. Austin.
Pittsburg, "	Farmers' Dep. Bk.,	A. P. McGrew,	John Magoffin.
Washington, "	Franklin Bank,	James McIlvaine,	John Marshall.
Pottsville, "	Farmers' "	Joseph W. Cake,	Henry Saylor.
Lewisburg, "	Lewisburg "	William Pollock.	H. P. Shellon.
Baltimore, Md.,	Franklin Bank,	John M. Buck,	George W. Grafflin.
Charlotte, N. C.,	Bank of Charlotte,		William A. Lucas.
Morganton, "	Bank State, N. C.,	E. J. Erwin,	Isaac T. Avery.
Augusta, Ga.,	City Bank,	W. J. Sams,	J. C. Fargo.
Charleston, S. C.,	Union Bank,	William D. Clancy,	Aaron C. Smith.
Hamburg, "	Bank of Hamburg,	A. C. De Cott,	John J. Blackwood.
Brunswick, Geo.,	Commercial Bank,	W. W. Barker,	T. G. Moffitt.
Montgomery, Ala.,	Central Bank,	H. W. Cater,	John I. Noble.
Washington, Ill.,	Prairie State Bank,	A. G. Danforth,	E. Ladd.
Decatur, "	Railroad Bank,	H. B. Durfee,	C. H. Fuller.
Wabash, Ind.,	Bank of Indiana.	J. L. Knight,	R. E. Rockwell.
Greensburg, Ky.,	Bank of Kentucky,	Henry C. Wood,	William B. Allen.
Flemingsburg, "	Bank of Louisville,	D. K. Stockton,	Hiram Powers.
New Orleans, La.,	Louisiana State Bk.,	C. A. F. Rondeaux,	Richard Relf.
" " "	Southern Bank,	Thomas Layton,	James L. Wilray.
Mt. Vernon, Ohio,	Knox County Bank,	J. Frank Andrews,	L. S. Lewis.
Athens, "	Branch State Bank,	L. H. Stewart,	J. R. Crawford.
Rogersville, Tenn.,	Bank of America,	J. F. Hoard,	J. E. Wilcox.
Beloit, Wis.,	Rock River Bank,	E. R. Wadsworth,	F. T. Wheeler.
Fox Lake, "	Bank of Fox Lake,	Wm. J. Dexter,	Charles Luling.
Janesville, "	Rock County Bank,	James L. Kimball,	James E. Crosby.
" " "	City Bank,	H. Richardson,	Samuel Lightbody.
Madison, "	Bank of the Capitol,	J. M. Dickinson,	Edward T. Martin.
Kenosha, "	City Bank,	E. G. Durant,	Samuel B. Scott.
La Crosse, "	B. City of La Crosse,	Frank Hatch,	E. D. Caupbell.

Our subscribers are requested to examine carefully the List of Bank Officers, as contained in the Merchants and Bankers' Register for 1858, and report any inaccuracies.

NOTICE.—We have received, from several subscribers, suggestions that the letters of Mr. Henry C. Carey, on the currency, be published in the Bankers' Magazine. Upon inquiry, we find that these interesting letters, which have been recently published in the Boston Daily Advertiser, will occupy some 150 or 200 pages, and will be republished shortly in pamphlet form. In this shape they will be more acceptable to the readers of the Magazine than if issued in several consecutive Nos. of the work.

## FOREIGN ITEMS.

**EAST INDIA COMPANY.**—The capital of the East India Company is 6,000,000*l.*, and under the Act of 1833, which extinguished the trading powers of the Company, it was provided that 2,000,000*l.* should be set apart as a security fund to be applied ultimately, with its accumulated interest, to pay off the 6,000,000*l.* of Stock at the rate of 200 per cent. A Parliamentary return shows the total receipts on account of this fund up to the present time to have been 4,282,594*l.*—namely, 2,000,000*l.* the original appropriation, and 2,282,594*l.* for dividends. These have been invested in the purchase of 806,420*l.* Consols, and 3,800,240*l.* Reduced, making a total of 4,705,660*l.* Three per Cent. Stock, which at the prices of this evening would be worth 4,251,732*l.*, or within 30,862*l.* of its cost.

**PARIS.**—In the Paris correspondence of *The London Chronicle* we find the following intelligence under date of Dec. 24 :—“ The American bankers, Munroe & Co., have resumed payment under circumstances as honorable to themselves as welcome to their constituents. They have returned all the deposits they had received, and the Bank of France, on being informed of their position, has, with the liberality and caution that it has evinced throughout the whole of the monetary pressure, consented to receive their acceptances, and to place them precisely on the same footing of credit they enjoyed before they were compelled, by the failure of their correspondents in the United States, to wind up their affairs.”

**THE WESTERN BANK OF SCOTLAND.**—The *London Times* contains an account of the meeting of the stockholders of the Western Bank of Scotland, at Glasgow, on the 17th ult. The committee of investigation reported the losses at something over £2,000,000 sterling. Much hard language was applied to the directors at the meeting, but it was averred that any interference with the directors would be disastrous to the interests of the stockholders, and it was, after debate, unanimously voted that they should continue to act.

**THE IRISH BANKS.**—The Dublin trade reports speak in highly laudatory terms of the conduct of the Bank of Ireland during the continuance of the commercial crisis. A spirit of judicious liberality on the part of the Bank and its branches helped to avert many of the difficulties that beset the mercantile community there. The dividend declared by the Hibernian Bank is at the rate of 6 per cent. per annum, free of income tax, after the payment of which, and setting aside £6,000 for bad and doubtful debts, there remains a sum of £5,790 to be added to the “rest,” or undivided profits. The net profits of the year 1856 were £23,933, out of which the bank declared the annual dividend of 6 per cent., together with a bonus of 3 per cent. The net profits this year are put down at £26,790., or nearly £3,000 in excess of last year, but no bonus is declared.

**THE BANK PANIC AT GLASGOW.**—One gentleman, during the heat of the excitement, went into the Union Bank and presented a check for £500. The teller asked him if he wished gold. “Gold!” replied he, “no; give me notes, and let the fools who are frightened get the gold.” Another gentleman rushed into the same bank in a great state of excitement, with a check for £1,400. On being asked if he wished gold, he replied, “Yes.” “Well,” said the teller, “there is £1,000 in that bag, and £400 in this one.” The gentleman was so flurried by the readiness with which the demand was granted, that he lifted up the bag with the £400 only, and walked off, leaving the £1,000 on the counter. The teller on discovering the bag, laid it aside for the time. Later in the day the gentleman returned to the bank in great distress, stating he had lost the bag with the £1,000, and could not tell whether he dropped it in the crowd or left it behind him on leaving the bank. “Oh, you left it on the counter,” said the teller, quietly, “and if you will call to-morrow you will get your £1,000.”—*Glasgow Bulletin*.

**Bank of France.**—The *Moniteur* publishes the monthly statement of the Bank of France, in which it appears that the cash in hand, including the branches, amounts to

251,353,000 francs, an increase since the December return of 25,800,000 francs. The commercial discounts reach 292,119,000 francs against 269,908,201 francs December 1st.

ENGLAND.—The London *Bankers' Magazine* furnishes the returns of the circulation of the private and joint stock banks in England and Wales for the four weeks ending the 19th of December last. These returns, combined with the circulation of the Irish and Scotch banks for the same period, and the average circulation of the Bank of England for the four weeks ending the 16th of December, (the nearest date furnished by their returns,) will give the following results of the circulation of notes in the United Kingdom, when compared with the previous month :

	Nov. 1857.	Dec. 1857.
Bank of England.....	20,557,120	20,556,266
Private Banks.....	3,456,577	3,174,645
Joint Stock Banks.....	3,026,590	2,602,299
Total in England.....	27,239,287	26,334,210
Scotland.....	4,344,222	4,306,251
Ireland.....	6,772,645	6,075,723
Total United Kingdom.....	38,356,154	36,715,184

The following is the amount of specie held by the Scotch and Irish Banks during the month of December :

Gold and silver held by the Scotch Banks.....	£2,210,000
Gold and silver held by the Irish Banks.....	2,420,000
Bank of England.....	8,035,000
Total Coin.....	£12,665,000

*Bank of England.*—Yesterday the Bank of England reduced the rate of discount from 6 to 5 per cent., or just one-half what it was previous to the 24th ultimo. This is the lowest point touched since the 6th October, 1856, a period of fifteen months. This reduction was by no means unexpected, the precise day on which it was to take place only being doubtful. There were various palpable reasons why the Directors should lower their rate. Large amounts of bullion have been steadily flowing into the coffers of the Bank of late, for which there was very little demand, and it was therefore evident that the position of that establishment was quite strong enough to warrant the reduction that has taken place to-day. There was another element that may doubtless have had its influence upon the Directors. While they were charging 6 per cent., good bills could be freely discounted in the open market at 4½ to 5 per cent. Many persons expect a further reduction, but that must depend on the present influx of bullion steadily continuing for some few weeks. The total of last week's return was £12,643,193; and notwithstanding the payment of the dividends, it has since received an increase of £713,914. Still, the amount is rather below the average held at periods when 5 per cent. discount has prevailed. Money has now become so plentiful that there is great difficulty in disposing of it. In illustration of this statement, the London and Westminster Bank, without waiting for the result of yesterday's weekly court at the Bank of England, reduced their rate of allowance on deposits to 3 per cent. per annum. On sums below £500 they allow only 2 per cent. The rate for loans on government securities is only 2 to 3 per cent. At the Bank, yesterday, after the reduction to 5 per cent., there was a slight increase in the applications, although in the discount market choice paper is negotiable at from 3½ to 4 per cent.—*Times*, Jan. 15.

## NEW PUBLICATIONS.

I. *Gilbart's Prize Essay on Banking*.—The Prize Essay on Banking, Bank Architecture, and Bank Furniture, &c., (for which J. W. Gilbart, Esq., of the London and Westminster Bank, paid £100 sterling,) is contained in the "Merchants and Bankers' Register" for 1858, published at the office of the Bankers' Magazine. Also, the following articles:

1. A List of the Banks, in every State and City of the Union, arranged alphabetically, December, 1857—President and Cashier—Capital of each. 2. A List of Private Bankers in Four Hundred Cities and Towns of the U. S. and Canada, December, 1857. 3. A List of the Banks in Canada, and their Foreign Agents. 4. A List of Banks and Private Bankers in London, November, 1857. 5. An Alphabetical List of the Cashiers of the Banks in the United States. 6. The Usury Laws of the States, with the damages allowed in each State on Bills of Exchange returned under Protest—The Law of Sight Bills, etc. 7. An Essay on Paper Money and Banking. By J. R. McCulloch, Esq. 8. A List of Private Bankers in Europe, Asia, South America, and West India. 9. Premium Engraved Plans for Banking Houses. One volume, octavo, \$1 25.

The publisher requests that any errors or omissions in the Lists of Bank officers and private bankers, in the above work, may be made known to him IMMEDIATELY.

II. *The Banking Almanac, Directory, Year Book, and Diary, for 1858*. London: Groombridge & Son, Publishers. 8vo., price 5s.

This volume contains a list of Banks throughout England, Ireland, and Scotland; Private Bankers in London and in Europe—with various statistics relating to Finances, Revenue, Debt, Commerce, &c., of Great Britain. With blank pages for every day in the year.

III. *A Sketch of the History of the Currency, comprising a brief review of the opinions of the most eminent writers on the subject*. By JAMES McLAREN. London: Groombridge & Sons, 1858. 12mo., pp. 400, price 6s. sterling.

IV. *An Analytical Digest of the Laws of the United States, from the adoption of the Constitution to the end of the Thirty-Fourth Congress*. By FREDERICK G. BRIGHTLY, of the Philadelphia Bar. Royal 8vo., pp. 1083. Published by Kay & Brother, Philadelphia.

Mr. Brightly has already acquired a professional reputation by his works on *The Law of Costs, Equity Jurisprudence*, and as editor of *Purdon's Digest of the Laws of Pennsylvania*. This volume is arranged strictly in alphabetical order; the text given in the words of the statute book. The notes and references are copious, including the decisions of all the Courts, both State and Federal, in which the construction of the Statute Law of the U. S. has been the subject of adjudication during the long period from 1789 to 1857—together with references to the decisions of the Heads of Department. Mr. Brightly's volume comprises 1083 pages, royal octavo; and may be said to furnish to the professional man, to the legislator, to the merchant, a complete index to all the Statutes of the United States now in force. The great value of the work is enhanced by an alphabetical table of 2,200 cases that are cited—a chronological table of the Statutes—thus showing the important subjects decided each year by Congress.

V. *The Bank Act: What it is and what it does, and the laws which regulate the price of money, briefly explained*. By JOHN INCHBALD, of the London Stock Exchange. London, 1858: Published by Wilson, Royal Exchange. Price 1s.

VI. *How to Detect Forged Bank Notes*. By J. SMITH, Bank Note mould maker to the Bank of England. London: Effingham Wilson, Royal Exchange. Price 1s.

VII. *A Treatise on Metallic and Paper Money, and Banks*. By J. R. McCULLOCH. (From the eighth edition of the Encyclopædia Britannica, Edinburgh, 1858.) Published by Longmans & Co., London. 4to., 5s.



VIII. *A Letter on Banking with Limited Liability.* By EDMUND POTTER. London: Published by John Chapman, 1858. 1s.

IX. *The Currency under the Act of 1844; together with Observations on Joint Stock Banks, and the Causes and Results of Commercial Revolutions.* From the City Articles of the London Times. London: Published by John Van Voorst, Paternoster Row, 1858. 8vo., pp. 150. 6s.

X. *A Treatise on the Law Relating to Bankers and Banking.* By JAMES GRANT, M. A., of the Middle Temple, Barrister-at-Law. 8vo., pp. 454. Price 43s.

The subjects discussed in this volume are as follows:—1. The relation between banker and customer. 2. Checks or drafts on banks. 3. Orders on bankers. 4. Accountable receipts. 5. Deposits of securities. 6. Guarantees, bonds, &c. 7. Lien. 8. Partnership at Common Law. 9. Bankruptcy of banker. 10. The relations of public societies and corporations to bankers. 11. Discounts. 12. Country banks and bank notes. 13. Banking copartnership. 14. Joint Stock Banks. 15. Savings Banks. The English work has been in the present case reprinted verbatim; although the subjects under discussion seem peculiarly to require the emendations of an American editor, so as to exemplify the American law. Hence the value of the work is not so great as it might have been to the American banker and merchant. (*Copies will be mailed, to order, to distant persons, 43s, post paid.*)

XI. *The Banker's Common-Place Book.* New York: Published at the office of the Bankers' Magazine. 1857.

This is a useful little volume, which has received general commendation. It contains a treatise on banking, by one of the oldest practical bankers in the country, advice on keeping a banker, remarks on bills of exchange, and on the foreign law of bills of exchange, forms of bills of exchange in eight languages, forms of notice of protest, decisions on banking, suggestions to young cashiers, on the doings and misdoings of bank directors, a numismatic dictionary, or an account of coins of all nations, &c. The work it will be seen has a peculiar value to a large class of persons in every business community. Received through A. Williams & Co., Boston, and for sale by E. F. Duren.—*Bangor Daily Journal.*

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## MISCELLANEOUS ITEMS.

**SHORT CREDITS.**—The following are the resolutions that were adopted at the meeting in Philadelphia, in favor of shortening the credits on cotton and woollen manufactures:—Whereas, the manufacturers of Philadelphia and its vicinity are impressed with the growing evil of long credits, which are deleterious to the interests of all classes; and, Whereas, the great amount of mills and machinery necessary to carry on their business are not *credit*, but in almost all cases are cash paid; and, Whereas, all labor entering into the article of manufactures is in all cases cash, as well as all the other expenses, such as oil, coal, flour, leather, and all other findings; and, Whereas, the stock is bought for cash, or on so short credit that it is overdue before it is sold; and, Whereas, there is, in many instances, a long time lost before sales are effected, the time on which sales are made, being eight months or more, as the commission merchant and jobber may agree upon; and, Whereas, the lapping of bills is susceptible of evil in all its ramifications and tendencies; therefore, Resolved, that in the opinion of this meeting the credits ought not to exceed six months. Resolved, that we will use all lawful and honorable means to reduce the trade to a cash principle. Resolved, that a committee of seven be appointed by the meeting to confer with other States on the propriety of shortening credits and, as far as possible, introducing a cash system in the sale of domestic manufactures.

**RHODE ISLAND.**—The Rhode Island Bank Commissioners, in their report to the Legislature of that State, dated Jan. 27, recommend the following additions and alterations to the State laws regulating banking:

1. Making it obligatory upon every bank and institution for savings, to cause a

record to be made in a book kept for that purpose, of all proceedings of the Board of Directors or Trustees at every meeting thereof, and of the names of such Directors as may be present at such meeting.

2. To add to the penalty for an over-issue provided for in the 28th section, chapter 126, such a term of confinement in the State prison as the Legislature may deem proper.

3. Prohibiting Savings Banks from taking security on mortgages on property out of the State.

4. That a deposit of such securities as the Legislature may deem proper, be required for all circulation issued by any bank beyond fifty per cent. of its capital actually paid in.

5. To provide for the making of semi-monthly returns to the Commissioners of the following particulars: capital stock, circulation, deposits, due other banks, loans, specie, bills of other banks, deposits in other banks.

**ILLEGITIMATE CURRENCY.**—Governor Packer, of Pennsylvania, has nipped in the bud a plan devised to create a species of bogus currency called County Treasury notes. An act passed both branches of the Legislature, a few days ago, which, under the guise of providing work for the poor of the borough of Scranton, Luzerne County, was really intended to authorize the Corporation to issue a batch of shinplasters. It was snaked through the Legislature, but could not escape the vigilant eye of the Executive, who at once discovered the "cat under the meal."

This proposition was vetoed by Governor Packer, and the veto was sustained by a unanimous vote of the House. The following is the veto message:

EXECUTIVE CHAMBER, HARRISBURG, Jan. 28, 1858.

*To the Senate and House of Representatives of the Commonwealth of Pennsylvania:*

GENTLEMEN: I herewith return to the House of Representatives, in which it originated, the bill entitled "An act relative to the borough of Scranton," without my approval.

This bill proposes to authorize the burgess and council of the borough of Scranton, in Luzerne county, "to issue orders on its treasury for the payment of laborers employed by said borough, and pledge the taxes for street and borough purposes for the year 1858, for the payment of said orders, and otherwise anticipate the revenue of said borough for the same year for the purpose of providing work for the destitute and unemployed laborers during this winter." The evident object of this bill is to create a species of local currency, upon the credit of the corporation, to be distributed in small amounts among the laboring population. This is in direct conflict with existing general laws of the State. The act of 12th of April, 1828, entitled "An act concerning small notes for the payment of money," and the resolution of the 24th of June, 1842, established a general policy, which it will be wise to maintain. I am not aware of any recent attempt to depart from that policy, nor am I aware of any public opinion which would sanction it. The object of the State should be to furnish her laboring population with a sound currency, and in my opinion, their true interest will not be promoted by laws of the character now proposed.

The objections to small notes apply with peculiar force to those issued by municipalities, depending for their prompt redemption upon the uncertain revenue policy of the Corporation, and partaking generally of the imperfections of paper not redeemable on demand in coin, they are liable to sudden and great depreciation. This bill is also liable to the general objections which apply to special acts for particular localities, exempting them from the operation of general laws. Our laws relating to Boroughs are believed to be liberal, and sufficient for all legitimate purposes. If they should be found to be imperfect, the true remedy is to amend them by provisions which shall operate equally and generally throughout the Commonwealth.

W. F. PACKER.

The veto was sustained by a unanimous vote of the House.

## Notes on the Money Market.

NEW YORK, FEBRUARY 25, 1858.

*Exchange on London, at Sixty days' sight, 109½ a 110.*

The marked features of the month have been increasing ease in financial circles; rapid advance in stock values, and a reduced export of coin to Europe. Exchange at London has been steady during the month at 109½ a 110. We annex the rates of these different periods:

<i>Bills at 60 Days on</i>	<i>Jan. 25.</i>	<i>Feb. 10.</i>	<i>Feb. 25.</i>
London, .....	109½ a 110½	109½ a 110½	109½ a 110
Paris, .....	5 17½ a 5 12½	5 17½ a 5 12½	5 17½ a 5 12½
Basle and Zurich, .....	5 15 a 5 10	5 15 a 5 12½	5 13½ a 5 12½
Antwerp, .....	a .....	a .....	52½ a 520
Amsterdam, .....	41½ a 42	41½ a 42	41½ a 42
Hamburg, .....	37 a 38	37 a 37½	37 a 37½
Bremen, .....	80 a 81	80 a 80½	79½ a 80
Frankfort on the Main, .....	41½ a 42	41½ a 42	41½ a 41½
Berlin, .....	74 a 75	73½ a 74½	73 a 74
Leipzig, .....	74 a 75	73½ a 74½	73 a 74
Cologne, .....	74 a 75	73½ a 74½	73 a 74

The foreign export of coin has declined materially, as the indebtedness of our importers to England and the Continent has been lessened largely during the past two months. Some few persons have ventured to predict, that during the year the condition of our foreign trade will insure an importation of specie from Europe. The prospective improvement in and enlargement of trade will probably counterbalance the export of produce, and enable us to retain a large portion of the product of gold from California. We have had two arrivals of gold during the months of January and February, viz. \$1,565,000, Jan. 27th; \$1,325,000, Feb. 15th.

While the money market in this country has assumed a better shape and more stability, the same circumstances prevail in Europe. On the 15th of January the Bank of England reduced its rate of discount from 6 to 5 per cent., and on the 29th again from 5 to 4. At the same time the London banks and joint stock banks have reduced their rate of interest on deposits from 3 and 4 to 2 and 2½ per cent. There are decided indications of a revival of trade among the manufacturers of Great Britain and the Continent; and a better export trade to the United States was anticipated.

The domestic market is favorably influenced by the resumption of specie payments early in the month by the banks of Philadelphia, Baltimore, Pittsburg, Washington City, and other cities. A restoration of the exchanges to a specie basis at an early day throughout the country, may therefore be relied upon; and the vexatious differences of exchange with Virginia, Georgia, Carolina, and Tennessee, of which our merchants complain, will be done away.

The stock market presents extraordinary features. Speculation has followed the dulness of last Fall; and a rapid advance in prices has followed. The reaction in the value of money, and its marked cheapness, have induced capitalists to venture again the stock arena. State loans have become steady at improved prices. Railroad shares have advanced during the month from 5 to 15 per cent., and all classes of public securities feel the impulse given by the increased volume of money.

**STATE LOANS.**—Ohio 6 per cents. maintain a premium of 4 to 7½ per cent. Those of 1860 are quoted at 100½ a 101; of 1870, 103 a 104; of 1875, at 104 a 105; of 1886, at 106½ a 107½. Illinois Internal Improvement 6 per cents. are quoted at 95½ a 98; Indiana 2½ per cents., 56 a 60; Maryland 6 per cents. are scarce, and holders ask 103½ a 104. The operations in Virginia and Missouri 6 per cents. have been very heavy during the months of January and February. The latter since

the 1st ultimo, have advanced from 78 a to 84. We notice an advance since the 22d ult. in Ohio sixes, 4½ per cent.; Kentucky, firm; Georgia, 1½; Louisiana, 4; Tennessee, ½; California 7 per cents. have advanced from 72½ to 81½. The interest due on the 1st inst. on the Pennsylvania public debt, was promptly met as was anticipated, and the bonds now are well sustained at 81½. We annex a summary of the changes in January and February :

	Dec. 18th.	Jan. 8th.	15th.	22d.	29th.	Feb. 5th.	12th.	19th.
U. S. 6 per cents. 1867-8.....	112	112	112½	113	113½	113½	115	115
Ohio 6 per cents. 1886.....	103	103	105	102	104½	107	106½	106½
Kentucky 6 per cents.....	100	99	102	102	102½	101½	101½	102
Indiana 5 per cents.....	82½	81	81½	81½	81½	84	84	84½
Pennsylvania 5 per cents.....	82½	82½	85	89	88	88½	87	87½
Virginia 6 per cents.....	90	91	93	93	92½	90½	91½	91
Georgia 6 per cents.....	95	90	92	92½	95	95	94	94
California 7s, 1870.....	68	66½	70	72½	75½	80	70	81½
North Carolina 6 per cents.....	87	91	93½	94	93½	94	93½	93½
Missouri 6 per cents.....	80	79½	83½	84½	84½	83½	84	83½
Louisiana 6 per cents.....	85	82	86	86	90	90	86	90
Tennessee 6s.....	84½	82	87½	87½	89½	89	88½	88

We have received a letter from a banking firm at St Louis, dated 15th instant, which says, "The action of our Legislature at its last session placed the payment of interest beyond a contingency, and we consider the payment of the bonds themselves, at maturity, to be equally a matter of certainty. We acknowledge to a reasonable share of State pride in this matter, but can see no good reason why our State bonds should not be classed in your market equal to Virginia or any other State in the Union.

**RAILROAD SHARES.**—The sales have been very heavy during the month, both for cash and on time. Speculation is not confined to the shares known to be paying dividends, but is active also in what may be termed the fancy shares, such as the Erie and Harlem Railroad, Cumberland Coal Company, &c. The New York Central Railroad Company have declared a dividend of 4 per cent.; the shares have advanced from 74½ to 76½. New York and Erie shares have advanced since the 22d ultimo, 12 per cent.; Harlem, 8; Reading, 5½; Hudson River, 10; Michigan Central, 18; Michigan Southern, 6; Panama, 13; Baltimore and Ohio, 5; Cleveland and Toledo, 6; Chicago and Rock Island, 12; Galena and Chicago, 21. We annex a summary of the fluctuations at the close of each week in January and February :

	Dec. 18th.	Jan. 8th.	15th.	22d.	29th.	Feb. 5th.	12th.	19th.
N. Y. Central R. R. shares.....	76½	77½	78½	78½	82	81	83½	86½
N. Y. & Erie R. R. shares.....	18½	19½	20	20½	22½	24	27	32
Harlem R. R. shares.....	7½	6½	6½	5½	7½	8½	14½	13½
Reading R. R. shares.....	54½	58	56	56½	58	57½	56½	62
Hudson R. R. shares.....	20½	19½	19	18	18	19	22	22½
Michigan Central R. R. shares..	54	52	53½	55	60½	62	65	73½
Michigan Southern R. R. shares,	22½	20½	20	20	18	19½	22½	26½
Panama R. R. shares.....	94	90½	91	89½	90½	94½	100	102½
Baltimore & Ohio R. R. shares,	49	49	46½	46	46½	47½	51½	51½
Illinois Central R. R. shares....	92	90	90	93½	96	96	97½	95½
Cleveland and Toledo R. R.....	43	43½	43	41½	42	43	43½	47½
Chicago and Rock Island R. R.	76½	72	70	68½	66½	69½	74½	80½
Milwaukie and Miss. R. R.....	30	31½	31	29	30	32	32½	37½
Galena & Chicago R. R. shares,	76	73½	73	71½	76	80	86½	94½
La Crosse and Missisippi.....	..	..	..	..	..	10	11½	11

The Michigan Central Railroad Company have issued the following circular :

"All persons having over-due obligations of this Company, are hereby notified that the same will be paid on presentation at this office. All other liabilities will be paid at maturity."

**RAILROAD BONDS.**—These securities being generally held for investment and not for speculation, there is less fluctuation observable in them than in railroad shares. Owing to the satisfactory information from Mr. Moran, President of the New York and Erie Railroad Company, who is now in Europe, the bonds of the Company have advanced with the improved condition of the money market. Since the 22d ultimo, Erie first mortgages have advanced 9 per cent.; Sinking Fund

bonds, 33; Convertibles of 1871, 22; Panama Railroad bonds, 15; Illinois Central bonds, 4½; New York Central sixes, 2; New York Central 7 per cents. are held at 100 a 101; Michigan Central, 8 per cents., 98½ a 99; Hudson River Second Mortgages, 88 a 89 We annex the closing prices of miscellaneous securities for January and February:

	Dec. 18th.	Jan. 8th.	15th.	22d.	29th.	Feb. 5th.	12th.	19th.
Erie Railroad 7s, 1859.....	88	87	87	87	89	90	93	96
Erie bonds '75.....	40	41½	44	42	45	52	61	75
Erie Convertibles, 1871.....	31½	36½	35	36	41	45	50	58½
Hudson River Railroad, 1st mort.	96	97	97	97	96	96	97	97
Panama Railroad bonds.....	85	85	91½	85	85	85	85	100
Illinois Central 7s.....	86	86	86½	90½	95	95	95	95
New York Central 6s.....	83	83	85½	86	88	88½	88	88
Canton Co. shares.....	—	19	21	—	22	—	21	24
Pennsylvania Coal Co.....	67½	70½	69	70	73½	71	78	73
Cumberland Coal Co.....	10	11½	12½	15½	15½	18	19½	19½
Del. and Hudson Canal Co.....	108½	110½	111½	110½	112	112	113	113

The latest advices we have from London are to the 6th instant. The London money market continued to grow in ease, and on the 4th the Bank of England further reduced its rate of discount from 4 to 3½ per cent. The announcement caused a slight rise in the funds. The joint stock banks and discount houses generally, had made no alteration in their rates in their allowance. Notwithstanding the low rates of discount, the *Times* considers there is no immediate danger of any undue inflation—the evil being rather on the other side. It says, “the distrust from the recent panic is such, both with regard to mercantile transactions and the management of public companies, that the public are disposed to hold aloof from every thing. On the 5th the funds were quite buoyant, and consols closed at 96 for money and 96½ a 96½ for account. The weekly return of the Bank shows a further increase of £394,972 on coin, and the offers are likely to be filled to overflowing by steady arrivals of the precious metals from Australia (\$7,500,000 now due), the United States and the West Indies. The applications for discount at the Bank continue light, and in the open market the rates are 2½ to 2½ per cent., at which quotations the supply is very abundant. No better evidence of the abundance of money in England can be furnished than is contained in the significant paragraph which announces that subscriptions were invited for £1,184,000 six per cent. debentures of the Grand Trunk Railway of Canada, which were all taken up in one day at 97. The subscription to a six million programme in a single day adds to previous assurance of the extraordinary abundance of capital. The success of this six per cent. scheme also gives assurance that the Erie, Illinois Central, Michigan Southern, and other roads, will be entirely successful in placing their new loans. Cotton is firm. Breadstuffs dull. The Bank of Prussia had reduced its rate to 4 per cent.

Advices from London to the 8th are also received. The foreign news is generally favorable in respect to money matters. Consols had declined ¼ per cent. under the influence of apprehended political difficulties in connection with the conspiracy bill. The arrivals of gold were large, and the Bank was gaining daily, rendering a large increase in the next return certain. Money is stated by the *London Times* to be more in demand; but the significant fact that the Grand Trunk Railway debentures, taken a few days previous at 97 to the extent of \$6,000,000, were selling at from 1 to 1½ per cent. premium, conveys the impression that the supply of capital could not have been much less abundant. Cotton had advanced ¼d. per lb., a very favorable and important item for our commercial interests. The Bank of France has reduced its rate to 4½ per cent. The latest quotations for American stocks received in England at the sailing of the *Arago*, were those of Jan. 26, which were as follows: New York Central, 80½; Erie, 22; Reading, 57; Illinois Central, 95; Michigan Central, 56; Michigan Southern, 20½; Galena and Chicago, 74; Rock Island, 70; Michigan Central 8 per cents., 94.

ENGLISH EXCHEQUER BILLS.—“Exchequer bills experienced a further improvement, but their position compared with other English Government securities is still unsatisfactory. While our Three per Cents. are at 96, the United States Five per Cents. are at only 103, but the American Government can circulate Treasury notes bearing but 3 per cent. interest, while it is found necessary that our Exchequer bills carry £3 16s. This is partly to be accounted for by the fact that the American notes are made receivable for Customs' dues, and will thus at all times be prevented from falling below par. The same rule used many years ago to apply to the English Exchequer bills, but it was abolished without the slightest reason, and that step, coupled with other instances of mismanagement under the predecessors of the present Chancellor of the Exchequer, has

destroyed the repute they once enjoyed, and which properly should always attach to them."—*London Times, Feb. 1858.*

The condition of the banks of this city is fully illustrated by the annexed table of loans, specie, circulation, &c.

1857.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 3,	\$109,149,000	\$8,602,000	\$95,846,000	\$11,430,000	\$11,172,300	\$32,602,300
Feb. 7,	112,876,000	8,426,000	96,029,000	13,618,000	11,143,800	24,761,800
March 7,	111,899,000	8,468,000	95,858,000	15,189,300	11,707,300	26,896,600
April 11,	115,374,000	8,787,000	96,518,000	15,174,800	10,884,400	26,059,200
May 2,	114,409,000	9,006,000	99,159,000	14,408,100	12,009,900	26,418,000
June 6,	115,338,000	8,838,000	96,594,000	12,431,000	13,134,700	25,565,700
July 3,	115,044,000	8,901,000	98,834,000	10,317,000	12,837,300	23,154,300
Aug. 1,	120,597,000	8,665,000	94,445,000	12,161,600	12,918,000	25,079,600
Sept. 5,	112,221,000	8,673,000	79,491,000	11,678,200	10,227,900	21,896,100
Oct. 3,	105,935,000	7,916,000	67,978,000	7,748,200	11,400,400	19,148,600
Nov. 7,	95,866,000	6,434,000	56,424,000	5,407,600	16,492,100	21,899,600
Dec. 5,	96,333,000	6,555,000	78,492,000	3,986,400	26,069,800	30,036,200
1858.						
Jan. 2,	98,549,900	6,490,400	78,635,200	3,259,300	28,561,900	31,821,200
Jan. 30,	102,180,000	6,369,600	83,997,000	3,282,500	31,273,000	34,561,500
Feb. 6,	103,602,900	6,873,000	86,000,400	3,168,700	30,652,900	33,821,600
Feb. 13,	103,783,300	6,602,700	84,229,400	3,384,800	30,226,200	33,611,000
Feb. 20,	103,706,700	6,542,600	86,773,200	3,360,000	31,416,000	34,776,000

## DEATHS.

NEW YORK, Monday, Feb. 1, JOHN J. PALMER, Esq., aged 79 years, President of the Merchants' Bank of the city of New York. Mr. Palmer had been the highly respectable President of this bank for twenty-five years.

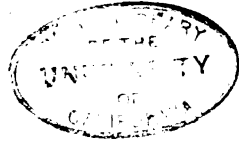
At PHILADELPHIA, Wednesday, February 18, CHARLES S. BOKER, Esq., President of the Girard Bank. No gentleman in Philadelphia stood in higher estimation among all who knew him, than Mr. Boker. His qualities too were best appreciated by those who best knew him; and while all acknowledge his admirable business talents and his integrity, his more endearing qualities were most distinctly recognized in the favored circle of his more intimate friends.

At NEW YORK, Thursday, February 11, JAMES MILLA, Esq., aged 75, late President of the Bowery Savings Bank of New York, who, for a quarter of a century, devoted his time to its interests, and faithfully discharged the duties of his office. Few men have passed through life more honorably, and few leave behind them a more unblemished reputation.

At NEW YORK, Thursday morning, January 28, JOHN OOTHOUT, Esq., in the 70th year of his age, President of the Bank of New York.

At NEW HAVEN, Conn., January 28, JOHN FITCH, Esq., aged 70 years, President of the Mechanics' Bank, New Haven.

At MADISON, Ind., January 28, JOSEPH MCCHEMNEY MOORE, aged 45 years, formerly of Newark, N. J., and President of the branch of the State Bank of Indiana.



THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES.

APRIL, 1858.

No. 10.

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REFORM IN THE CURRENCY.

VIEWS OF ENGLISH AND AMERICAN BANKERS.

WE have taken occasion in a portion of the present number (pp. 795-816) to give our readers a synopsis of the opinions recently given by leading bankers and financiers of England, as to the operation of the present currency laws of that country. These opinions were communicated at a recent commission of inquiry, instituted by Parliament.

The Committee do not recommend an enlargement of the circulation authorized to the Bank of England, but recommended an abolition of the small notes (£1 and £2) now in use in Scotland. This change is urged on the ground that the retail transactions of the country should be carried on by coin instead of paper, because the coin in circulation in the country forms a reserve in cases of great demand upon the resources of bullion in the country during times of war and also in times of failure of crops; and the issues of notes of so small an amount as £1 or £2 is attended with additional risk of forgery. The total amount of gold coin in circulation in Great Britain was estimated in 1851 at £33,000,000, and now increased 30 per cent. The smaller denominations of notes, as far as the experience of the Bank of England goes, *pass amongst a different class, not so intelligent a class, a class that is not able to distinguish.* There is more difficulty in following them, the transition is more rapid, and they are not returned to the bankers so quickly.

The gentlemen consulted as witnesses differ materially in their views of the results of the Bank Charter Act of 1844, whereby the Bank was vir-

tually divided into two separate concerns. For instance, the opinion of Mr. Newmarch was, that the act of 1844 should be repealed as far as regards the Bank of England—that the reserve of bullion should never be less than 10 or 12 millions sterling; and that *this reserve should be defined by law*. He is opposed to any modification of the currency in Scotland, and opposed to the (suggested) introduction of one pound notes into England, on the ground that the Scotch people have for years been accustomed to them; while in England they would be a dangerous innovation.

The revulsion of October and November, 1857, came upon the country soon after the results of the inquiries of the Special and Secret Committee of twenty-five were placed upon record. We therefore do not know how far these new circumstances may affect the views of Mr. Wilson, Sir Francis Baring, Mr. Glyn, Mr. Hankey, Mr. Ricardo, Mr. Gladstone, Sir Charles Wood, and other members of the Board of Inquiry. But of this we think there is some evidence, that the paper circulation of England is placed upon a more secure basis than our own; that it cannot, by existing statutes, be increased at all by the Banks of Issue; nor can it be increased by the Bank of England, unless such increase be represented fully by bullion.

The true policy of the Bank of England should be to restrain, NOT TO ENCOURAGE, trade, whenever the foreign exchanges are unfavorable; and whenever the foreign export of gold and silver is too large, such export may be checked by a conservative course on the part of the Bank, instead of cheapening money (by a reduction of the rate of discount) as was repeatedly done early in 1857. The desire for gain which must, to a great or small extent, *move all managers of individual capital*, should not (especially in an important and powerful semi-government institution) be allowed to interfere with or affect such a policy as may be demanded at times of commercial fluctuations.

Our object, however, in placing before our readers a few of the suggestions of such eminent and practical financiers as have been named, is to show that these suggestions have a practical bearing upon the paper currency of our own country; that there is a growing opinion, among that portion of our mercantile and reflecting citizens whose mental vision is not dimmed by the hope of large bank dividends, that the paper currency of the States should be placed upon a more secure basis than it is at present; that more severe restrictions, of a statutory nature, are demanded for the security of bank note holders; that the volume of the currency shall not be subject to the caprice of individuals nor regulated by irresponsible parties; but that a *solid basis* of issue shall be furnished, and whenever such basis shall be disturbed or lessened *beyond its proper limit* by the fluctuations of foreign trade, that the volume of paper shall be reduced *pari-passu*.

That if the 150 or 180 millions of paper issued be based upon gold, they cannot be subject to any violent revulsion; or, if banks be by law compelled (as recommended by Gov. King, and as practised in Louisiana and Missouri) to keep 25 or 33 per cent. of their liabilities in gold, that whenever unsound foreign trade produces an unfavorable balance, it would be inevitably and necessarily indicated by the gold barometer—that the community at large would be subject no longer to the heavy losses and deep distress arising from violent contractions of bank credit.

In another portion of this work (March number, pp. 722-734; April number, pp. 785-790) our readers will find recorded the able views of ex-



perienced and practical bankers in Massachusetts, as to the operation of the present currency laws in that Commonwealth. We think these views can be with advantage promulgated in our State. A correspondent whose opinions on commercial and financial affairs are generally very sound and conservative, and whose advice, if followed by individuals and corporations, would always lead to caution and the absence of bankruptcy, undertakes to say, that "*now that we have so good a banking law, and our currency so well secured, the less legislating we do for our banks the better.*"

On this point there are well-grounded differences of opinion. We think the Free Banking Law of New York is a beneficial one in many of its features, but yet containing some radical defects; and that now, while the people are smarting under evils and distress arising mainly from this very law, or rather from the absence of more stringent restrictions in it, that now is the time for our legislators to amend it. The positions which we think can be undeniably laid down and demonstrated, in reference to this system and to the events of the year 1857, are the following:

I. The financial revulsion was and is a GREAT NATIONAL CALAMITY. That although bank suspension did not occur in various portions of the country [Kentucky, Indiana, Illinois, Ohio, and in limited portions of Louisiana, and South Carolina, for instance], yet the effects of violent contraction were equally disastrous upon their communities.

II. That the revulsion was produced by unsound banking in New York.

III. That as similar causes will produce similar results, we shall always be liable to a similar financial catastrophe as in 1857, *as long as the present system is in vogue*—and that although suffering severely from the late trials, a few years only will suffice for forgetfulness—and that our successors, without our experience, may, *and inevitably will, fall into the same errors that have misled us.*

IV. That inasmuch as the banks of this city did not restrain themselves within the bounds of prudence, under existing restraints, during the year 1857, that the Legislature, in view of the obvious liability to a recurrence of such lamentable circumstances, should place such additional restrictions and limits upon them as shall, beyond any question or contingency, obviate hereafter any recurrence of such revulsion.

V. That it is the peculiar duty of the New York Legislature to adopt this course, because the commercial relations between this and the sister States, and between this city and foreign nations, are such, that whatever course is pursued by New York is promptly followed by others—that in fact New York *gives a tone*, whether for the better or the worse (*and latterly for the worse*), to the financial movements of the country at large.

We insist, therefore, that the recommendation of Governor King, in reference to a marked specie reserve, is a sound one; and that, if adopted, it will obviate hereafter any recurrence of financial revulsion, not only in this State, BUT IN EVERY STATE IN THE UNION.

It would insure caution on the part of the latter, because New York, being under restraint itself, would, *necessarily and inevitably*, be a check upon them. We would place no restraints whatever upon bank deposits; let every bank get all it can, and pay interest or not as it pleases; but whether the amount be twice or ten times its capital, let its vaults hold in specie 25 per cent. of such borrowed money. The result would be, that whatever might be the spirit of speculation among our importers and merchants, whatever foreign indebtedness might be created temporarily, such indebt-

edness (or absorption of coin for its liquidation) could never disturb the legal reserve. But the spirit of speculation engendered by our banks in June and July, 1857, misled our own importers. If the aggregate loans in those months had not been unwisely, suddenly and enormously enlarged (upon a failing specie basis too!), there would have been no serious failures here or elsewhere.

Let us take the lessons of the past as a guide for the future, and assume that the next generation will be no wiser than the past; and that our successors should have placed upon them, for their government, such restraints as might, if before adopted, have saved us from the national calamity of 1857. Let New York continue to give a tone to the country at large, but let that tone BE A HEALTHY ONE.

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### THE USURY LAW QUESTION.

WE are glad to see that the Usury Laws are attracting general attention throughout the country, and we hope that New York State will be among the first to abolish this restriction upon Commerce. England owes to her repeal of the Usury Laws much of the power which has prevented such an absolute prostration of business as prevails here. All the elements of a panic, without the same commercial elasticity, were in full force in England as here, but their prostration was much less than ours. In regard to the preparations that are being made to ensure a repeal of our absurd Usury Laws, we may mention those in South Carolina.

The Governor of that State, in his last Message, gives the following practical views: "I recommend that the laws against usury be repealed, leaving the legal rate of interest at 7 per cent. where no contract is made. Acknowledging the principle of this reform as sound, I have hitherto, in another capacity, refrained from pressing it, believing that the public mind should be prepared for it by full discussion. I am now of opinion that it should no longer be postponed. Money is entitled to the benefit of a market as well as every commodity; and the owner of money should not be denied the privilege of lending it, except through the artificial and sometimes costly medium of a corporation. Banks, too, should be allowed to take, for the use of money loaned, whatever it is worth in the market, and be thereby relieved from the tempting facility of evading the law in order to increase their profits." And in consequence of this recommendation a bill has passed the South Carolina Senate for a total repeal of the Usury Laws; but this has been rejected by the House, and the present question is either a partial or total repeal. The governors of North Carolina, Georgia, Kentucky, and Alabama, have all advocated a repeal of the Usury Laws. New York has a more stringent law than any other State, having as the penalty for usury, imprisonment and a fine, added to the loss of principal and interest of money loaned. Arguments are not needed to prove the great commercial disadvantages of the Usury Laws. These are generally admitted by all. What we want is *action*. Without this we cannot expect any

change, and unless the merchants of New York, who are the principal sufferers from the Usury Laws, will make the required exertion, we will go on from year to year clinging to an old feudal custom from sheer *inertia*. One of the most earnest advocates for the repeal of the Usury Laws said the other day: "It is for the benefit of the borrower that this change should be made—for generally borrowers pay a higher rate of interest than they would if money were free." This is true. The merchants of New York city, on an average, pay fully 12 per cent. for the money they borrow. Even those who have ample bank accommodations are obliged to keep from one-third to one half of their line of discounts on deposit, thereby paying fully 10 per cent. The profits of our banks show what the merchants pay, thus: the banks in the city of New York made last year over 10 per cent. profits. Who will say, in the face of this statement, that the Usury Laws do not make money dearer? Our greater commercial profits would attract capital from abroad if money were free. But it is in a revulsion like the one just passed through, that we suffer principally from the usury system. What reasonable doubt is there that if receiving high rates of interest were not a crime, that these rates would not lessen the demand, and increase the amount to lend. It may be set down as a commercial maxim, that whenever the *risk* of lending money exceeds the *profit* (or seven per cent. as at present) a panic is the inevitable consequence. The Chamber of Commerce, at their late meeting, appointed a committee to advance this question, and we hope that merchants generally, without being called upon, will take an *active* interest in this matter. Our Legislature met early in January, and no question of greater importance will be submitted to them.

The recent revulsion in the money markets of Europe and the United States has demonstrated the unfitness of usury laws to govern the market value of money or to control money contracts between individuals. England has done away with these laws in toto, without any ill effects. A similar change in this country would be beneficial. We desire the attention of our readers to the following letter on the usury question:

*Copy of a Letter to Mr. Benson, President of Liberia, dated London,  
Dec. 23d, 1857.*

SIR:—I am happy to say that the commercial crisis in this country, as well as in America, is greatly diminishing. I should not be surprised that the rate of interest be reduced by the Bank of England from its present excessively high rate of 10 per cent. down to 5 per cent. before two months pass over. I hope there is no law in Liberia to restrain the rate of usury or charge for the use of money. Usury is especially enjoined by our Lord and Saviour in the parable of the lord and the three servants, to whom he entrusted respectively five talents, two talents and one talent of money. The two first traded with their money, and returned the principal to their lord, increased by one hundred per cent.; but the indolent and stupid third servant hid his talent of money in the ground, and on the return of his lord, gave him back the original amount without any increase, upon which his lord scolded him as a wicked and slothful servant, who had not put out the money "to the exchangers, and then at my coming I should have received my own with *usury*." (Matt. 25th chap., and from 14th to 30th verses inclusive.) Usury is especially recommended, and is the greatest stimulus to

industry, and enterprise and commercial success that can be. The charge of 2 or 3 per cent., or 5 or 6 per cent. for the use of money, is as much usury in principle as the charge of 10, 12, or 20 per cent. The only difference is in degree. If Governments restrain the *maximum* rate of usury, they have an equal right to restrict the *minimum* rate of usury. They have as much reason to declare that usury shall never be less than 3 or 4 per cent. as they have to say that it shall never be higher than 6 or 7 per cent. as many unwise legislators in America—my own native State of Pennsylvania among others—declare and fix as *maxima* rates. I am happy to say that England many years ago abolished the restriction on the rate of usury, and 10 per cent. has been the *minimum* rate (in practice, *not by law*) for two months past; and I am glad to say that France, Hambnrg, Prussia, and other States on the Continent have, within five or six weeks, abolished the restriction and allowed 10 per cent. to be charged for the use of money. As well might we fix the *maximum* price of coffee, sugar, palm oil, flour, &c., as fix the price of money, which fluctuates in value precisely like any other representative of value, according to the supply and the demand. Money has commanded in London, within a few weeks, a price of 20 or even 25 and 30 per cent. It is now only 8 per cent., and in two months it will only be worth 5 per cent., and I have frequently known it since my residence in London, to be worth  $1\frac{1}{4}$  per cent., 2,  $2\frac{1}{4}$ ,  $2\frac{1}{2}$ , and 3 per cent., and so forth. Legislation cannot fix the value of any commodity, and it is unwise to attempt it, particularly in regard to money; for if people want it, they will pay for it whatever will produce it or will command it, and a restriction of the rate of usury prevents conscientious people and capitalists from bringing money into the market when it is most wanted and most dear, and this prevents the ease and lowering of price which would be the effect if all the hoarded money were brought forward in times of panic and commercial crises. Nothing is as unwise as restraining the rate of usury.

GERARD RALSTON.

### THE NEW TREASURY LOAN.

THE Treasury department in February issued proposals for a new issue of Treasury notes, inviting bids for \$5,000,000. Capital is abundant for such loans, and if the Treasury will pay four per cent. interest, the notes would be taken readily. This issue is only a preliminary to two or three of a similar kind during the year 1858. The government will probably require at least twenty millions of dollars beyond its actual receipts for the current fiscal year.

This we think will appear from the following official data, made public this month :

<i>Revenue.</i>	<i>First Quarter to Sept. 30.</i>	<i>Second Quarter to Dec. 31.</i>
From Customs.....	\$18,573,729	\$6,237,723
Public Lands.....	2,059,450	498,781
Miscellaneous.....	296,641	356,160
Total six Months.....	\$20,929,820	\$7,092,665

The expenses during the same period were, viz :

Expenses, Civil.....	\$7,815,789	\$5,475,180
“ Interior Department.....	3,240,098	934,696
“ War “ .....	7,290,951	4,201,184
“ Navy .....	8,915,907	3,140,474
Public Debt.....	1,951,783	3,284,169
<b>Total six Months.....</b>	<b>\$23,714,528</b>	<b>\$17,035,653</b>

The estimates of Custom House revenue by Secretary Cobb, were—

First quarter (actual).....	18,573,000
Second, third, and fourth quarters.....	33,000,000
	<b>\$51,573,000</b>

The proposals for the issue of any portion or the whole of five millions of dollars in Treasury notes in exchange for gold coin of the United States, were opened at Washington on 15th March. The bids were as follows:—

<i>Name of Bidder.</i>	<i>Rate per cent.</i>	<i>Amount Bid.</i>	<i>Amount Allotted.</i>
NEW YORK, Victor Barcalon.....	3½	\$7,000	7,000
“ do do .....	3¾	10,000	10,000
“ do do .....	4	13,000	13,000
“ do do .....	4½	14,000	14,000
“ C. Harris.....	6	30,000	...
“ Bank of Commerce.....	5	1,500,000	750,000
“ Benjamin H. Field.....	4½	100,000	100,000
“ do do .....	4½	150,000	150,000
“ do do .....	5	50,000	...
“ Trevor & Colgate.....	4½	200,000	200,000
“ do do .....	5	200,000	100,000
“ Joseph Lawrence, United S. Trust Company.....	5	250,000	125,000
BROOKLYN, N. Y., Mechanics' Bank.....	4	25,000	25,000
WASHINGTON, D. C. Riggs & Co. ....	4	200,000	200,000
“ do .....	4½	300,000	300,000
“ do .....	4½	700,000	700,000
“ do .....	4½	100,000	100,000
“ do .....	5	1,700,000	850,000
“ Bank of the Metropolis.....	4½	50,000	50,000
“ do do .....	5½	50,000	...
“ Thomas J. Abbot.....	5	12,000	6,000
“ C. De Ronceray.....	6	1,000	...
PHILADELPHIA, Philadelphia Bank.....	4	100,000	100,000
“ do do.....	4½	100,000	100,000
“ do do.....	4½	100,000	100,000
“ Bank of North America... ..	4	200,000	200,000
“ Lewis Walm Savings Fund Society.....	4	100,000	100,000
“ Drexel & Co.....	5	1,000,000	500,000
“ J. B. Austin, Southw. Bk..	4½	100,000	50,000
“ do do.....	5	100,000	50,000
BOSTON, Suffolk Bank.....	4½	50,000	50,000
“ do .....	5	50,000	25,000
MONTPELIER, Vt., J. R. Langdon.....	5	25,000	15,000
“ do .....	5½	50,000	...
“ do .....	6	50,000	...
NORRISTOWN, Pa. Thomas P. Bailey.....	4	10,000	10,000
<b>Total allotted.....</b>			<b>\$5,000,000</b>

While there is a decrease in the revenue beyond the estimates, there is a contemporary increase of government expenditure. The large appropriations of last year must be carried through, and the expenditure of the War Department will probably exceed the calculations made by Secretary Floyd. These circumstances need not, however, lessen the credit of the general government. They have been paying  $7\frac{1}{2}$  and 8 per cent. for money for some years (viz. 6 per cent. interest and over  $1\frac{1}{2}$  per cent. premium), but their prospective condition and resources should enable them to borrow now at four per cent. per annum or less.

There is an obvious indisposition among capitalists to take the new Treasury notes under 4 per cent. Such parties prefer long loans, 10 to 20 years. The United States bonds at their present market value, pay about  $3\frac{1}{2}$  per cent. on the investment; and as long as these can be obtained, they would prefer them to Treasury notes, which are only temporary security, at 3 per cent. The government was glad to sell their six per cent. bonds in 1847, at par. An improved condition of the public finances may lead capitalists to take government notes at 4 per cent., but a lower rate seems impracticable at present, except in small sums.

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### MISSOURI STATE BONDS.

THE large sales of Missouri State bonds during the past month, and the low price now ruling for a State security, hitherto untarnished, have led us to examine into her financial condition and resources, with a view of presenting to our readers a detailed statement of her indebtedness, as connected with the extensive railroad system to which she has so liberally contributed.

We find from the annual report of the Board of Public Works, submitted to the Legislature at its last session (Oct. 1857), that the aggregate State credits granted in aid of the railroads of Missouri were as follows:—

To the Pacific Railroad.....	\$7,000,000
Hannibal and St. Josephs Railroad.....	3,000,000
North Missouri do .....	5,500,000
St. Louis and Iron Mountain do .....	3,600,000
Cairo and Fulton do .....	650,000
Platte County do .....	700,000
S. W. Branch Pacific do .....	4,500,000
<b>Total for Railroads.....</b>	<b>24,950,000</b>
To which add State debt proper.....	602,000
<b>Total State debt of every kind.....</b>	<b>25,552,000</b>
Of the amount authorized for railroads, the State aid is in bonds direct.....	20,450,000
Endorsements or guarantee for principal and interest, of the 7 per cent. bonds of the South-West Branch of the Pacific Railroad Company.....	4,500,000
<b>As above.....</b>	<b>\$24,950,000</b>

It being our purpose to make an exhibit of the direct liability of the State in her 6 per cent. bonds of \$1,000 each, we shall hereafter omit in our tables the contingent liability for her endorsement of the bonds of the South-West Branch of the Pacific Railroad.

There had been issued, up to July 1857, to the		
Pacific Railroad.....	6,880,000	
Hannibal and St. Josephs Railroad.....	3,000,000	
North Missouri do .....	3,150,000	
St. Louis and Iron Mountain do .....	2,600,000	
Cairo and Fulton do .....	180,000	
	<u>\$15,810,000</u>	
Leaving to be issued.....	5,140,000	20,450,000
To be further distributed as follows:—		
Pacific Railroad Co.....	620,000	
North Missouri Railroad.....	2,350,000	
St. Louis and Iron Mountain Railroad.....	1,000,000	
Cairo and Fulton do .....	470,000	
Platte County do .....	700,000	
	<u>\$5,140,000</u>	
Of the \$15,810,000 already issued, there had been sold up to 1st July, 1857, by the		
Pacific Railroad Company.....	4,917,000	
Hannibal and St. Josephs Railroad Company.....	1,140,000	
North Missouri do do .....	1,954,000	
St. Louis and Iron Mountain do do .....	2,145,000	
Cairo and Fulton do do .....	100,000	
	<u>\$10,256,000</u>	
Average price brought 90 04-100ths per cent.....	\$10,256,000	
Hypothecated (many of which have subsequently been sold) and in the hands of treasurer and fiscal agents.....	5,054,000	
	<u>\$15,810,000</u>	
Hypothecated or unsold as follows:		
	<i>Hypothecated.</i>	<i>In Agent's Hands.</i>
Pacific Railroad.....*	\$1,117,000	346,000
Hannibal and St. Josephs R. R. ....		†1,860,000
North Missouri Railroad.....	50,000	1,146,000
St. Louis and Iron M. Railroad. ....		455,000
Cairo and Fulton do .....		80,000
	<u>\$1,167,000</u>	<u>3,887,000</u>
		<u>5,054,000</u>

The conditions of the loans to the several roads are thus:—When the directors report that \$50,000 are subscribed *bona fide* by individuals, the State issues its bonds for a similar amount; and for each similar subscription of \$50,000 until the appropriation is exhausted. To secure the State, the entire franchise of the roads, their lands, buildings, furniture and equipment, are mortgaged to the State, and the interest must be promptly paid as it accumulates. To guard, however, against any delinquency that might possibly arise with any of the roads, the Legislature, at its last session, passed an act to provide, by taxation, a sum sufficient annually to protect the integrity of the State at all hazards, so that hereafter the prompt and certain payment of the interest on her public debt need not rest upon the

\* \$352,000 reported sold at an average of 75½.

† In hands of fiscal agent, Boston, a portion of which has been sold

expectations or performances of the different railway companies, for whose benefit it was issued.

The following amounts have been expended on the different roads, mortgaged to the State for the loan of her bonds.

Pacific Railroad to July 1, 1857.....	\$9,717,680
S. West Branch do do .....	606,372
Hannibal and St. Josephs, to July 1, 1857.....	5,185,628
North Missouri, do do .....	3,824,218
St. Louis and Iron Mountain, do do .....	3,367,142
Cairo and Fulton do do .....	198,000
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Total amount expended.....	22,899,040
In addition to this amount, the State holds as security, besides the mortgage upon the Branch Road for her guarantee of its bonds, one million acres of lands along the line of said road, valued at \$5 per acre.....	
	5,000,000
She holds in her own right, donated by Congress, under the Acts of March 2d, 1849, and Sept. 28, 1850, three million acres valued at \$1.25 per acre.....	
	3,750,000
She has Bank Stocks and other property, as per schedule of 1856, valued at.....	
	954,000
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	\$32,603,040

## THE REVULSION OF 1857.

### MR. NATHAN APPLETON TO THE HON. SAMUEL H. WALLEY, ON THE MONEY CRISIS AND THE NEW YORK BANKS.

MY DEAR SIR:—I have read your address before the American Statistical Association, on the Financial Revulsion of 1857, with much satisfaction. It shows a great deal of research, and attention to this difficult subject, with many just and striking views. I am obliged to you for the complimentary terms applied to myself, at the same time that I feel called on to notice some of your views in connection with my opinions.

In the first place, you make a mistake in a quotation from my letter of 12th October, in making me attribute to Mr. Biddle the pressure of 1837, whereas you will find on recurring to my letter, that it was the pressure of 1834, which I attribute to the action of Mr. Biddle. He had nothing to do with the crisis of 1837, except by aggravating the inflation of 1835 and 1836, by increasing his loans sixteen millions in the course of nine months. In fact, Mr. Biddle was as ready to yield to the suspension of 1837 as any bank in the country. In the next place you think I attribute more to the misconduct of the New York banks in their violent contraction of the currency than they deserve, inasmuch as you think they could not have so disturbed the financial condition of the whole world by any action of theirs. On a full consideration of the subject in all its bearings, I am well satisfied that I have not overstated the consequences of their action, in my letter of the 12th of October, as I think I can show.

On the 3d July the banks of New York were a good deal expanded, their liabilities amounting to 101 millions, and shipments of specie were



taking place. A violent contraction commenced in August very properly, as necessary to stop the efflux of specie; so that on the 5th of September their liabilities were reduced to 88 millions. This produced a stringent money market, and the shipment of gold had ceased entirely. Here I contend the banks should have stayed their hand. They were safe from the only danger, the export of specie. A stream of three or four millions of gold from California, was passing monthly through New York, in its course of distribution through the world. Here was a source from which the banks could have increased their stock of specie, if thought necessary, by continuing a state of stringency without the violent course which they pursued.

What did they do in fact? They continued this course of contraction, which on the 3d of October had reduced their liabilities to 76 millions, to the paralysis of all trade, with mercantile houses in good standing suspending payment all around them; the price of the best bank stocks reduced from above par to 25 per cent. below; bills on London selling at five per cent. below the real par, and giving a profit to that extent on an order for sovereigns which might be returned by steamer within thirty days.

It was at this time that my attention was called to this state of things. On looking into it I was greatly alarmed at the prospect before us. I wrote my letter of 1st October to Mr. Stevens, president of the Bank of Commerce, with the largest capital in the country, advising "a liberal increase of discounts." I had been for many years acquainted with Mr. Stevens. We had corresponded, and co-operated in 1840 in inducing the banks of Philadelphia (then crippled by a large debt from the U. S. Bank) to resume specie payments, by making them a loan of two and a half millions of dollars, of which Boston furnished the greater part. I had therefore reason to hope that I might through him have some influence in inducing the New York banks to relax in their ruinous course. At the same time a meeting of the merchants and bankers of Boston was held, at which it was agreed that the Boston banks would increase their discounts, provided New York would do the same. A meeting of merchants was also held in New York, at which the highly respectable James Brown presided, at which a resolution was proposed by Mr. Tileston, president of the Phenix Bank, recommending an immediate enlargement of their discounts, to the extent of five to ten millions of dollars. This resolution was adopted and communicated to the banks, a majority of whose officers assembled at the clearing house, and passed resolutions in favor of an increase of discounts to the extent of three millions. But instead of carrying out even this pittance, the next weekly return of October 10th showed a further contraction of five millions! reducing their liabilities to seventy-one millions! a reduction of more than 30 per cent. in the circulating medium from its average quantity through the year.

This was the climax. The camel's back could bear no more. It was like the last turn of the screw in an instrument of torture. A crisis was inevitable. It took place on the 12th, in the suspension of all the Banks. You naturally ask how it is possible that the men who controlled the immense banking interest of the country could make such a mistake as I attribute to them? I have no doubt it was in the belief that under the provision of the Constitution of the State, adopted in 1847, providing that the legislature should have no power to legalize a bank suspension, the consequence of a suspension by any bank, would be to throw it into chan-

cery under their insolvent law, with the loss of its charter. I have good reason for their opinion that this belief led them to the unduly selfish policy of preserving their charters, at whatever sacrifice and ruin of the mercantile community. It is true that a decision of the Court of Appeals was made at Albany, on the 4th of July, 1857, in the case of *J. Horsely Palmer and others against a defunct Banking and Trust Company*, that inability to pay coin on demand was not evidence of insolvency. I have a letter from one of the most intelligent merchants in New York, stating that *he knows the fact*, that it was ignorance of this decision which led the banks to persevere in their disastrous course, until the final catastrophe. He gives this as their best apology. The same decision was repeated by Judge Roosevelt, after the suspension, to the great relief of the banks.

It is well known how the final suspension by the banks was brought about. It was not by a panic. It was the concerted action of the more independent merchants and capitalists of New York and Albany, who viewed the proceedings of the leading bankers in its true light,—that of a criminal disregard of the great interests of the country. They simultaneously withdrew their deposits, not from panic, for the deposits were for the most part immediately returned, but to show the banks there was still a power in the mercantile community, as well as in the banks themselves. It was a measure of doubtful expediency. As a remedy, it was too late, the mischief done was irreparable; prostrate houses could not be re-established. The channels of trade were choked up with the wrecks of the traders. Every thing was brought to a dead lock. And all this during the two most important months of the year—October and November—equally important for the distribution of goods or the bringing of crops to market. It was very like imposing a sleep of six months on the trade and industry of the country, from which it is now only beginning to awake.

It is this paralysis of trade and industry, which I attribute to the New York banks, by their unprecedented and unnecessary contraction of the circulating medium. I do not attribute to them all the bankruptcies in this and other countries, as you seem to think. On the contrary, we all know that a long period of prosperity leads to over speculation and overtrading in individual cases, and that even a moderate pressure on the money market reveals the weak spots, the unsound parts in the body politic, the knowledge of which no one regrets.

Thus the action of the banks had nothing to do with the failure of the Ohio Life and Trust Co., in New York, nor our two largest failures in this city, nor that of some large manufacturing corporations. These were cases of incurable disease. But the fact of their failure furnishes no justification, as some would pretend, for the action of the New York banks.

You ask, "Is the whole civilized world so subordinate to New York that fortunes come and go at her bidding? the banks of England and France raise the rate of interest to an unprecedented height? And all for the want of a few millions added to their line of discounts?" I do not admit that the failures of the Borough Bank of Liverpool, the Eastern Bank of London, or the two Glasgow banks, were owing to the action of New York. They were large, reckless, if not fraudulent, concerns, and their failure caused a great sensation, and something like a panic in Scotland. About the same time arrived the astounding news from New York, of the unnatural call for specie from London, of the suspension of the banks, and a total loss of confidence, so that no banker's bills could be negotiated; of course no remit-

tances could be expected. This happened at a time when there had been a great drain upon the Bank for bullion for the continent and for the East, and an increased demand for bank notes to relieve the panic in Scotland relating to their local notes. Now, under these circumstances what did the Bank of England do? She stopped the efflux of specie, by raising the rate of discount to the unprecedented rate of ten per cent. With the permission of the government, she relieved the merchants and bankers by increasing her discounts, which she could only do by the issue of notes beyond the amount allowed by her charter. What a perfect contrast with the conduct of the New York banks, who disregarded ruining the merchants when there was no call for specie, under the pretence that their first duty was to take care of themselves. It is not of a few millions, but the contraction of twenty millions beyond what was necessary, of which I complain.

And what has been the consequence? The piling up of fifteen millions for which they have no use. They have killed the goose which laid the golden eggs. With the destruction of trade, they have destroyed the production of that mercantile paper which is their proper food.

When we consider the immense amount of our imports from England and her dependencies, of 150 millions per annum, with our exports to a like amount, and that most of our negotiations in relation to both of them go through the New York bankers, I cannot think the shock produced in London and Paris greater than was to have been expected. The financial sympathy between the great cities is very rapid. On a similar crisis in 1819, when the Bank of France suddenly checked its discounts, John Irving, Esq., says, before a committee of Parliament—"The panic of Paris spread with instant and rapid effect to Amsterdam, to Hamburgh, to Frankfort, to Leipsic, to Vienna, and every other commercial place in the North of Germany. Interest rose to nine and ten per cent." &c.

Take, as an instance, the case of George Peabody & Co. Their acceptances at the time they heard of the crisis in its severity amounted to eleven and a half millions of dollars, so that, rich as they are, they felt obliged to obtain assistance from the Bank of England to the extent of four millions of dollars, only a part of which they have found it necessary to use.

I am thus compelled to retain the opinion that I have done the New York banks no injustice in attributing to them the paralysis of trade and industry, and the suspension of the banks, both of which I consider to have been wholly unnecessary. And I cannot but think that on a full review of the subject you will agree with me, as I am happy to say, so far as I know, the most intelligent merchants and bankers of New York and Boston do. I have been obliged to consider the action of the New York banks in the aggregate as a unit, although probably brought about by the officers of a few of the stronger banks. There was a want of concert for good, but the result shows a concert for evil.

I agree with you in the use and necessity of credit, more so in this than in older countries better provided with capital. In this country a large part of our internal trade is carried on by men of moderate capital, whose credit depends in a great measure on their character for intelligence, industry and economy. It is to this class of traders that the late revulsion has proved so ruinous, without any fault of their own. I should be glad to see most of your suggestions for improvement in our banking system carried

out, with little expectation that they will be. In my opinion the best remedy against a violent revulsion would be a repeal of the usury laws, so far as regards notes of hand and bills of exchange. How beautifully it has worked in the present crisis in the cities of Europe. It is surprising with what pertinacity we cling to these laws, justly viewed as a relic of barbarism.

I am, dear sir, with great respect and esteem,  
Your very obedient servant,

NATHAN APPLETON.

Boston, 26th *February*, 1858.

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## NEW BANK LAW OF MASSACHUSETTS.

THE Legislature of Massachusetts has passed the following act, having an important bearing upon the banking movements of the Commonwealth. The vote on its passage was 107 to 88 in the House of Representatives. The law is essentially that recommended by the Joint Committee on Banks.

### AN ACT TO INCREASE THE AMOUNT OF SPECIE IN THE COMMONWEALTH.

*Be it enacted, &c.*

SEC. 1. Every bank within this Commonwealth shall be required to keep an amount of specie equal to fifteen per cent of its aggregate liability for circulation and deposits; and whenever, by the weekly or monthly returns, required by the sixth section of the three hundred and seventh chapter of the acts of eighteen hundred and fifty-four, the weekly average amount of specie in any bank in Boston, is less than fifteen per cent of the aggregate liability of said bank for circulation and deposits; or, in any bank out of Boston, the monthly average amount of specie is less than fifteen per cent of the aggregate liability of said bank for circulation and deposits; it shall be unlawful for any such bank to make new loans or discounts until the amount of specie in said bank shall be restored to the proportion of fifteen per cent. of its aggregate liability for circulation and deposits; *provided*, that banks out of Boston, or any bank in Boston redeeming its bills at every other bank, in the monthly returns required by the sixth section of the three hundred and seventh chapter of the acts of eighteen hundred and fifty-four, shall return the monthly average amount of balances in other banks not bearing interest, and the same shall be considered and deemed equivalent to specie for the purposes of this act.

SEC. 2. The amount of bills issued by any bank, shall not at any one time, exceed the amount of the capital stock of said bank. So much of the eighth section of the thirty-sixth chapter of the Revised Statutes, as relates to the amount of bills which any bank may issue, and all other acts or parts of acts inconsistent with this section, are hereby repealed.

SEC. 3. This act shall take effect from and after the first day of June next [1858].

## ROYAL BRITISH BANK CONSPIRACY.

SEVEN Directors and the Manager (HUGH INNES CAMERON) of the Royal British Bank, were, in February, 1858, brought up for trial before the Court of Queen's Bench, Lord CAMPBELL presiding. The charges against these parties were for conspiracy and fraud in relation to the management of the late Royal British Bank, viz :

1st Overt Act.—Publishing a false report for the half year to December 31, 1855, declaring a dividend of 6 per cent., and that new shares would be issued at a premium. 2d Overt Act.—Issuing new shares, knowing the bank to be in a failing condition. 3d Overt Act.—Publishing a false balance-sheet for the year—false in the amount of assets, in the provision for bad debts, and in the profits and loss account. 4th Overt Act.—Paying a dividend when no profit was made. 5th Overt Act.—Buying the bank shares with the bank's money to keep up the price. 6th Overt Act.—Publishing a circular, September 10, 1855, to the shareholders, to induce them to buy new shares, when the bank was in a failing condition. 7th Overt Act.—Publishing an advertisement inviting persons to open accounts when the bank was approaching insolvency. 8th Overt Act.—Publishing an issue of 2,000 more shares when the bank was failing.

The 2d count charged a similar conspiracy against customers and creditors of the bank, and contained seven overt acts similar to number 1 to 7 in the 1st count. The 3d count charged a similar conspiracy against the Queen's subjects generally. The overt acts were the same as in the 1st count. The 4th count charged a conspiracy to cheat and defraud such of the shareholders as were ignorant of the true state of the bank, by inducing them, by false pretences, to purchase and hold additional shares in the bank, the defendants knowing the bank to be in a bad and dangerous condition and approaching insolvency, and that the shares were unsafe, and might be ruinous to the holders. The overt acts were the same as Nos. 1 to 5 in the 1st count. The 5th count charged a similar conspiracy against the Queen's subjects generally. The overt acts were the same as Nos. 4, 5, and 7 in the 1st count. The 6th and last count charged a general conspiracy to cheat and defraud John Arundel, and several other persons named, of their money.

Among the parties implicated was Mr. Henry Dunning McLeod, author of a work on the "Principles of Banking." We extract from Lord Campbell's remarks as follows :

Lord Campbell said, "I shall first pass sentence upon you, Humphrey Brown, Edward Esdaile, and Hugh Innes Cameron. After a long, and, I hope, impartial trial, you have been convicted by a jury of your country, upon the clearest evidence, of an infamous crime. You were charged with conspiring to deceive and defraud the shareholders of the bank to which you belonged, by false representations, and it is clear that you did so. I acquit you of having originated this bank with the fraudulent intent to

cheat the public; but it is now demonstrated that for years you have carried on a system of deliberate fraud, and fabricated documents for the purpose of deceiving the public, for your own direct, or indirect benefit. It would be a disgrace to the law of any country if this were not a crime to be punished. It is not a mere breach of contract with the shareholders or customers of the bank, but it is a criminal conspiracy to do what would inevitably lead to great public mischief, in the ruin of families, and reducing the widow and orphan from affluence to destitution; I regret to say, that in mitigation of your offence, it was said that it was a common practice. Unfortunately, a laxity has been introduced into certain commercial dealings, not from any defect in the law, but from the law not being put in force; and practices have been adopted, without bringing a consciousness of shame, and I fear without much loss of character among those with whom they associate. It was time a stop should be put to such a system, and this information was properly filed by Her Majesty's Attorney-General, and the jury have properly found you guilty. I hope it will now be known that such practices are illegal, and will not only give rise to punishment, but that no length of investigation, no intricacies of accounts, and no devices, will be able to shield such practices. On account of this being the first prosecution of this nature, I pronounce a milder sentence than I otherwise should; but the mildest sentence that I can pronounce upon you, Humphrey Brown, Edward Esdaile, and Hugh Innes Comeron, is that you be imprisoned in the Queen's Prison for one year."

Humphrey Brown, late Member of Parliament, Hugh Innes Cameron, the Bank Manager, and Edward Esdaile, for their "infamous crime," as stated by Lord Campbell in his sentence, were sent to the Queen's prison for one year, as misdemeanants of the first class; Richard Hartley Kennedy, Alderman of London, received nine months; William Daniel Owen, six months; Henry Dunning McLeod, three months, and John Stapleton was fined one shilling. These sentences are almost universally considered as too light for the enormity of the offence.

It will, however, answer every purpose that a more severe punishment would. The men are crushed forever. They will no longer figure as M. P.'s London aldermen, or bank directors; and they will no longer walk the Stock Exchange. All managers of banks, railroads, and other joint stock concerns will see the handwriting on the wall, will hear the voice of Lord Campbell sentencing the British bank directors for an "infamous crime," whenever they are tempted to issue a false report, declare a dividend out of capital stock, and tell shareholders and the public that their concern is doing well and making money, when it is doing neither.

We have had, no doubt, in this country and in this State, cases parallel to that of the Royal British Bank, viz: a concerted plan to deceive the public as to the true condition of a bank; and we think the judgment in the present case none too severe.

## MASSACHUSETTS ANNUAL BANK REPORT.

EXTRACTS FROM THE ANNUAL REPORT OF THE BANK COMMISSIONERS OF MASSACHUSETTS TO THE SECRETARY OF THE COMMONWEALTH, OCTOBER, 1857.

ONLY four months have elapsed since we entered upon the duties of the commission; our field of observation has therefore been quite a limited one. Consequently, we are not sure that it may not be deemed somewhat presuming in us to attempt to offer suggestions that would come pertinently enough from Commissioners of longer experience. Brief, however, as our term of service as yet has been, there are certain points that have presented themselves, during this short period, so prominently to our notice, that we cannot forbear alluding to them, even though it be at the risk of doing it but imperfectly.

First of all, then, it has been a matter, we can hardly say of surprise, but certainly of no little regret, to find how small an amount of specie is held by the banks generally (and especially by some out of the metropolis), in proportion to their liabilities. In reply to our remonstrances on this point, the ground usually assumed is, that there is little or no danger of any extraordinary immediate demand, and that the specie, beyond a very limited amount, is so much capital unemployed, and consequently unproductive. This is an insufficient pretext, and exposes many otherwise well-conducted institutions to hazards which they ought not to be willing to incur. All banks are liable to unexpected demands for large amounts of specie; emergencies might arise when not a few of them would be called upon, without a day's warning, for more coin than they usually have within their vaults; and should a financial disturbance occur, and a panic suddenly ensue, the inevitable consequence must be suspension.

It is the part of prudence and sound policy to keep the ratio of specie to circulation as large as possible, certainly much larger than it usually is. The confidence which the public repose in the proper management of our banks, ought not to be impaired by any indifference, much less by any neglect, in regard to a matter of such vital importance. Constant and well-directed efforts should be put forth to increase the aggregate of specie in the State; and those who are intrusted with the management of our banks, should be determined to meet the just expectations of the community, and to pursue such a policy, in the future, as will insure to the institutions under their charge a larger amount of coin, daily and weekly, than the official returns exhibit, or the Commissioners generally find.

It is true, the law prescribes no ratio of specie to liabilities; and although it presumes there *is*, it does not, except by implication, *require* that there *shall be*, permanently, a dollar's worth of gold or silver in the keeping of any bank in the State. Ought this so to be?

It may be a question then, worthy of consideration, whether it is not expedient to prescribe by legislative enactment, some definite amount of specie, proportioned to capital, or to circulation and deposits, below which

this item in the immediate resources of a bank shall never be suffered to fall. It would be advisable, probably, to regulate this amount with reference to capital rather than circulation and deposits, inasmuch as the latter are constantly fluctuating; whereas, the former being a fixed sum, the requisite ratio of specie thereto could never be a subject of uncertainty.

*Directors.*—Another matter that has somewhat astonished us, is the apparent indifference manifested by stockholders\* in regard to the management of the banks in which they are concerned. In a large majority of cases, the annual meetings for the choice of officers and the transaction of other important business, are attended by very few persons, and in many instances by nobody but the Directors, who thus become at last a self-constituted board of management. And this not unfrequently occurs in banks where they really have little pecuniary interest, their whole investment consisting of a small number of shares, and, in some cases, of only a single share. We know that in most of the instances where persons have been selected as Directors who have so little at stake as is comprised in one share, the choice has been made in consideration of their peculiar fitness for the trust; they are usually men of known integrity, discretion and business talent, and who, on account of such qualities, enjoy the confidence of the public. Nevertheless, we believe that, as a general rule, it is safest to intrust the direction of such institutions to men who have most at stake in the corporations which they are called upon to manage. We also find that the instances are very rare in which any examinations are made by stockholders' committees, independent of those made by Directors. We believe that examinations by stockholders, as often as once a year, are always expedient, and sometimes quite necessary. And when this important work is entered upon, it should not be prosecuted as a matter of form merely, but it should be thorough and complete,—an earnest desire to ascertain the true condition of the institution, and the manner and spirit in which its business is conducted, impelling to the performance of the duty.

*Loans to large Corporations.*—Some institutions, in making loans, evince a marked preference and partiality for Corporations, and for those partnerships or individuals who do a large and extended business. Now we submit the opinion, that, however unquestioned or even unquestionable the credit of these large concerns may be, or however desirable, as a matter of profit, their custom may be, it is safer, in all cases, and more politic, to distribute the loan among as large a number of separate and unconnected parties as possible. In the first place, the contrary practice tends to debar many deserving, though unpretending individuals, from the benefits which banking institutions are designed to confer, without favor or partiality, upon all responsible persons who may require their aid; and, in the next place, in case of any financial reverse, the liability to large losses is certainly very much more diminished, where the loan is divided among many, in small amounts to each, than where it has been granted to a few, whatever their apparent strength may be. Experience is every day teaching us to place less and less reliance on the show of wealth and enterprise, to look more scrutinizingly into the substance, and to confide rather in the solid

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\* Here, we think, is one of the fruitful causes of delinquency on the part of bank officers. If Directors were more careful of their trust, their agents would be more diligent and trustworthy.—Ed. B. M.



realities of industry, honesty, prudence and discretion. We consider this inclination of some of our banks to favor and to foster large concerns, to the exclusion of humbler, but oftentimes more meritorious ones, to be one of the most exceptional features in the administration of banking affairs, as it certainly is one of the most repugnant to that rule of right and that spirit of even-handed justice which ought to pervade all our institutions, and which, in a free country and among a self-governed people, is presumed to be their crowning merit.

*Loans out of the State.*—Another practice, similar in character and consequences to that which we have just been considering, and one which calls imperatively for correction, is that of making loans for the accommodation of distant parties, and in aid of remote enterprises, rather than of those nearer home. Such loans are usually made because of some fancied advantage from circulation, or from other tempting but fallacious considerations; they seldom rest on any substantial basis. Oftentimes the paper taken for them is “made” for the purpose; and underneath it may be found, carefully locked up and put away in the “safe,” great parcels of nicely folded and neatly ornamented collateral, scarcely worth the room they occupy. Little is known of the real responsibilities of the parties accommodated, and still less of the utility of the enterprises or the probable issue of the speculations in which they are concerned. Already, in a number of instances, these loans have resulted in heavy losses.

The building up of western railroads, water-works, hotels, &c., one would suppose, would present no very irresistible temptation to a prudent capitalist; yet we have been surprised to find bank directors, men of reputed sagacity too, not only ready to run these remote risks, but eager in the search for them; while, at the same time, the applications of customers of admitted stability, living next door to the banking-house and offering good business paper, but who could not promise long circulation, and who would not pay exorbitant rates of exchange, were thrust aside, neglected or rejected. Now, whenever a charter is granted to a bank in this Commonwealth, it is mainly on the ground that the business of the place where the bank is to be established, requires the accommodation which such an institution is presumed to afford. Can it be said to fulfil the very first conditions on which it obtained incorporation, when it neglects and tramples upon home interests to run after doubtful profits abroad? Is it too much to say, that by such conduct, it forfeits its claim to a continued existence?

While money is an object of trade, and is bought and sold, and hired and loaned like other commodities, it will command its value, whatever restrictions are imposed upon that trade. High rates of exchange, according to present prevailing practice, are but another name for high rates of interest. The various contrivances to get gain, that have been resorted to under the plea of the right to charge exchange, resolve themselves at last, simply into evasions of the usury laws; and to remedy the abuses tolerated in the name of exchange, recourse must be had, as it seems to us, to new regulations in regard to rates of interest. And this subject will, we presume, in due season occupy the minds of our legislators.

Many of our banks are apt to extend their loans beyond the limits of prudence. The law in this Commonwealth allows any bank to have an amount of loan equal to twice its capital stock; and it will be seen by reference to the abstracts on the preceding pages of this Report, that not a

few of them have been ready to avail themselves of this liberty to very nearly its full extent. We believe the amount allowed to be loaned by the banks might be restricted within narrower bounds, with advantage both to these institutions themselves, and to their customers. The former would be less liable to losses, the latter less tempted into imprudent speculations; and furthermore, there would be smaller opportunity for those extremes of expansion and contraction, which so often afford a specious groundwork for denunciation against the whole system of banking. Such denunciation is not always entirely unfounded, but we consider it to be generally ill-founded.

*Usury Laws.*—Another project of reform, having in view among other objects this same end of preventing extreme fluctuations in the extent of the facilities which banks are expected to afford, is to abolish the usury laws (at least so far as paper that is strictly commercial is concerned, but leaving the present rates of interest to be applied to loans on bonds and mortgages and to other contracts for long periods of time, and in which other rates are not stipulated), and to allow banks to raise or lower their rates of discount as circumstances may warrant—and thereby prevent that perplexing irregularity in the demand for bank accommodations which now frequently embarrasses the action of directors. In other countries this expedient has been tried—and, except in a few cases of palpable mismanagement, has been found to work well, and to be followed by beneficial effects. It would undoubtedly tend to check that mischievous propensity to overtrading and speculation, which has been so strongly displayed in this country within the last few years, and which so often results in disastrous and deplorable consequences.

The demand for money sometimes comes with such unexpected and overwhelming force as to be almost irresistible. It would be a great point gained, if means could be found to regulate and measure this demand. Might not the expedient here proposed tend to such an effect? It would certainly be very natural, when the price of money is found to be gradually rising, for business men to restrict themselves, more or less, in the use of it; they would hesitate about entering into new engagements; the calls for money becoming then less numerous and less urgent, the supply would soon equal or exceed the demand—and the rates of discount would decline. Under such a system of things, the extreme fluctuations now so much complained of could not occur; changes in the price of money would not be so sudden and severe as they are apt to be now; and the demand upon the banks might perhaps be kept down at something like an even, uniform and calculable pressure. Such a consummation, by some means or other, is certainly most “devoutly to be wished.”

*Short Credits.*—The attainment of this end (of uniformity in the demand for money) might, in our apprehension, be materially promoted, and a substantial relief be thereby afforded to the banks, by a general curtailment of credits throughout the entire business community. The system of long credits, which has of late prevailed so largely, tends to the accumulation of a great quantity of notes, all falling due at about the same time, and calling, when that period arrives, for an extraordinary amount of assistance from the banks. The general adoption of a system of short credits, on the other hand, would help to equalize payments, and enable the banks to keep their loans at a certain standard point which might be

steadily depended on, and which should approximate to uniformity for the successive months and seasons of the year.

*Restricted Circulation.*—Another measure proposed as a remedy for existing evils, or a help at least toward the desired end, is that of imposing more checks upon the issue of bank notes, and stronger restraints upon their circulation. We are convinced that a restriction upon circulation would be one of the most effective means that could be adopted to prevent undue expansion, and coincide fully in the opinion expressed by intelligent bank officers and men experienced in financial affairs, that one of the surest modes in which legislation can interpose for the accomplishment of this end, would be to limit the issue of bills, by any bank, to the amount of its capital stock. The law now permits their issue to the extent of twenty-five per cent. beyond that amount. Some reformers carry this idea so far as to wish to deprive the banks of the privilege of circulation altogether. Their scheme is to have bills issued through the agency of a State Department, and to make the Commonwealth responsible for all the paper currency put forth under its authority. Others, of similar views and with the like aim, recommend only the suppression of small bills, and would be content with a prohibition of the issue of any bank notes of denominations less than five or ten dollars.

We are not prepared to say that the suppression of small bills would not be a beginning in the right direction, nor that it might not ultimately work out a salutary reform. We are certain that it would relieve us of some of the evils incident to the kind of currency now in use, and remove some of the mischiefs which are such frequent subjects of complaint. But the prohibition of the issue of such notes, by the banks of this Commonwealth, would not suffice; we must go one step farther, and make it penal to pay or to receive, or to employ as currency in any form, the small notes issued in other States. Otherwise, we should be flooded with little bills poured in amongst us from sources beyond our borders, over which we can have no control.

The same objection applies to several of the measures that have been proposed as remedies for the evils to which the banking system in this country is subject, that their adoption by one State would be of little avail, unless concurred in by other States. If all the States in the Union would coöperate in a general effort to discontinue the use of small bills, undoubtedly a substantial and lasting benefit would be gained.

Finally, there are some who recommend that extreme measure, the last appliance when all others have failed, a forfeiture of charter, in every case where inordinate expansion, or other mismanagement, compels a bank to suspend its payments of specie. But this forfeiture, its advocates say, in order to operate *in terrorem* with due effect, must be prescribed by an express provision of the Constitution, so as to be beyond the control of legislative action, beyond the least uncertainty, beyond all chance of modification and all danger of favoritism or partiality in its application. On this expedient it is unnecessary to comment; we simply name it in order to complete the enumeration.

It will be observed that these several plans for avoiding the dangers and curing the evils incident to an imperfect system of banking, are quite different, one from another, in their modes of treatment; in their immediate effects, too, they must necessarily operate somewhat variously, how-

ever nearly they may agree in aiming at the same ultimate result. Each of them, no doubt, appears to its particular advocates sound in theory, and, as they will be ready to assert, safe and sure in its practical working. But mere theory is not to be trusted; and no prescription should be applied without a full and entire comprehension of the nature of the disease. Whatever treatment is resorted to, it should be such, if possible, as will effect a permanent cure.

But after all, theorize and speculate as bank reformers may, the main-spring of most of the troubles flowing from our mode of conducting banks, is nearer home than is apt to be suspected. The final cause of many of the evils we have had under consideration, the inducing motive to a great part of the objectionable practices on which we have been commenting, is to be found in the fact that banks, of late, have been managed too much with a view merely to make money. To gratify stockholders by large dividends, rather than to accommodate with needed facilities those who desired to be and ought to be their customers, has been, in too many institutions, the prime and oftentimes the prevailing and almost exclusive consideration. This influence works silently—but, for the most part, very surely and very strongly. The troubles in which banking corporations find themselves involved, in many instances, are due solely to their over-anxious desire to swell their profit account. Bank officers, especially those of limited experience, are apt to be ambitious of being thought able financiers; and their eager haste to pile up profits leads them into courses at which far-sighted prudence would hesitate.

It is this ambition which induces them at times to expand their loans to such an extent that they can hardly fail to include a considerable quantity of paper which, should a pressure occur, would prove unavailable. It is this which prompts them to seek for customers who do business on a larger scale than their means will justify, and who, therefore, when hard times come, must inevitably fail. It is this which tempts them to buy that doubtful paper which promises large returns in case certain speculations succeed, but brings ruinous results if they end in disappointment. It is this which inclines them to fill their "trunks" with packages of collateral, pleasant to the eye, but good for little else. It is this which bids them run after distant loans, for the uncertain advantages of long circulation, to the neglect of safe customers at home. It is this which urges unreasonable rates of exchange, and invents ingenious devices to evade the usury laws. In short, it is this which leads to all sorts of miscalculation and ill-advised adventure,—which overlooks small but sure profits in the hope of, and the strife for, great and speedy gains,—and which provokes a spirit of rivalry and contention among institutions whose best interests would be more surely promoted by mutual forbearance, harmony and concert of action.

Let stockholders be content to receive, and bank officers to make, only the old-fashioned small, but sure and steady dividends, and we are confident that a great portion of the unfortunate results of our banking operations would certainly be avoided; bank stocks would speedily regain their full value and command their wonted price, and the whole system would be restored to the confidence of the community, and be held in that high esteem and be viewed with that entire approbation, which are so desirable to its well being, and so essential and indispensable to its perpetuity.

## SAVINGS BANKS OF MASSACHUSETTS.

### EXTRACTS FROM THE ANNUAL REPORT OF THE BANK COMMISSIONERS OF MASSACHUSETTS, OCTOBER, 1857.

THE number of savings institutions in the Commonwealth is eighty-seven. These eighty-seven savings banks have more than one hundred and seventy-seven thousand depositors, and an amount of deposits exceeding thirty-three millions of dollars. This sum is more, by nearly three millions of dollars, than one-half of the entire capital of all the banks in the Commonwealth. A statement like this is sufficient to show the vast importance of these institutions, as subjects for legislative oversight, as well as for the most careful management on the part of those who are immediately concerned in the administration of their affairs.

To show the rapid growth of the savings banks within the last twenty years, we present the following figures :

Number of depositors and amount of deposits in 1857.....	177,375	\$33,015,756
“ “ “ “ 1837.....	32,564	4,781,426
Increase in twenty years.....	144,811	\$28,234,330

Being an average increase for each year of \$1,411,716 50.

Their growth during the last ten years has been still more remarkable—the average increase for each year having been \$2,123,494 40, as the figures below will show :

Amount of deposits in 1857.....	\$33,015,756
“ “ 1847.....	11,780,812

Increase in ten years..... \$21,234,944

Returns from savings banks were first required by law in the year 1834. The increase in the number of depositors and the amount of deposits, from year to year, since that time, may be learned from the subjoined tabular statement :

Year.	Number of Depositors.	Amount of Deposits.	Year.	Number of Depositors.	Amount of Deposits.
1834.....	24,256	\$3,407,778 90	1846.....	62,593	\$10,650,983 10
1835.....	27,232	3,921,370 58	1847.....	69,313	11,760,812 74
1836.....	29,796	4,374,573 71	1848.....	69,594	11,970,447 64
1837.....	32,564	4,751,426 29	1849.....	71,629	12,111,558 64
1838.....	33,063	4,809,892 59	1850.....	78,823	13,660,024 34
1839.....	36,656	5,608,156 75	1851.....	86,537	15,554,083 66
1840.....	37,470	5,819,553 60	1852.....	97,353	18,401,307 86
1841.....	41,423	6,714,181 94	1853.....	117,404	23,370,102 33
1842.....	42,587	6,900,451 70	1854.....	126,654	25,936,357 63
1843.....	43,217	6,935,547 07	1855.....	148,263	27,296,216 75
1844.....	49,699	8,261,345 13	1856.....	165,484	30,373,447 36
1845.....	53,178	9,613,297 56	1857.....	177,375	33,015,756 71

It will be seen by the above, that the increase of deposits during the past year has been \$2,642,309 35. The increase the year before was

\$3,077,230 61. The greatest increase in any one year was from 1852 to 1853, when it was almost five millions of dollars:

1853.....	\$23,370,102 83
1852.....	18,401,807 86*

Increase..... \$4,968,794 47

The average amount due to each depositor, by the returns for this year, is \$186 13, and a fraction over.

## SAVINGS BANKS OF MASSACHUSETTS.

Name of Banks Examined	No. Dep.	Deposits.	Surplus.	Aver. Div.
Lowell Five Cents Savings.....	2,840	\$286,379	\$2,812.	5
Worcester Five Cents Savings.....	1,078	29,504	930	5
Mechanics', Worcester.....	1,794	357,526	34,180	5
Millbury Savings Bank.....	187	12,927	452	5
Bristol County, Taunton.....	2,156	487,593	24,559	5 50
North Brookfield Savings Bank.....	151	7,143	285	5
Winchendon ".....	150	7,655	370	5
Fitchbury ".....	2,829	484,646	2,660	7
Southbridge ".....	631	96,916	4,860	6
Lancaster ".....	927	173,127	2,246	6 40
Clinton ".....	801	44,340	809	6 53
Shelburne Five Cents ".....	291	3,900	008	5
Seamens', Provincetown.....	215	37,750	151	5 60
Newburyport Institution for Savings.....	6,000	1,256,541	39,420	6
East Cambridge Five Cents Savings Bank ...	465	26,311	805	4
East Boston ".....	477	86,423	2,697	8
Dorchester Savings Bank.....	398	56,353	635	5
Newton ".....	152	14,038	970	7
Quincy ".....	1,003	134,438	3,631	7 30
Danvers ".....	1,145	193,203	5,493	7
Cambridgeport ".....	386	43,380	2,990	4
North Adams ".....	242	34,018	737	5
Berkshire County, Pittsfield.....	691	127,000	1,433	7
Nantucket Savings Bank.....	1,222	341,000	3,434	5 03
Roxbury ".....	1,945	373,237	3,716	7 25
Rockport ".....	221	14,612	691	5
Lynn ".....	1,830	244,333	7,933	6 50
Salem Five Cents ".....	1,903	141,723	2,060	5
Warren, Charlestown.....	3,750	302,140	53,430	7 06
Worcester County Savings Bank.....	10,160	1,993,266	33,130	7 50
Waltham ".....	456	77,004	1,663	5
Springfield ".....	3,033	676,351	7,213	7

The Commissioners take pleasure in stating that the "general conduct" of the savings banks, so far as they have had opportunity to become acquainted with it, is satisfactory; and their condition, in the main, is safe and prosperous. They appear, in almost every instance, to be managed with commendable prudence and care. The number of illegal investments has been much diminished within a few years; and in the few cases where we now find them, assurances are always given to us that the proper change shall be made as soon as it can be effected without detriment to depositors.

In some instances we have found cashiers of banks officiating also as treasurers of saving institutions. This combination of duties we regard as objectionable. Cashiers usually have quite as much work as they can

properly attend to, in discharging their duties to the bank with which they are connected; and in more than one instance, we have found the books of savings institutions not posted for some considerable time, and their accounts otherwise neglected—and the excuse offered was that the treasurer had not found time to attend to this business on account of his occupation as cashier. In the next place, we think that, as a general rule, there should be as little connection as possible between banks and savings institutions; the two classes of corporations were created for quite distinct purposes, and for the benefit of different classes of people; the interests of the two may not always, nor often, be identical; and it is obvious that serious evils might sometimes result from that kind of union which is effected when the affairs of each are administered by the same officer. We are gratified in being able to state that our suggestions on this point have been assented to by the managers of savings institutions; and already, in one or two instances, the desired separation has taken place.

Not only in regard to the internal administration of their affairs should savings institutions be kept as distinct as possible from banks of discount and circulation, but also in the nature and character of their business transactions. Each class has its appropriate sphere, and neither should encroach upon the domain of the other. In a few instances we have noticed a disposition on the part of savings institutions to do a business which, we are inclined to think, does not legitimately belong to them, or which, at any rate, pertains more properly to the banks. We refer particularly to the discounting of commercial paper. Without entering upon the question of the legality of this practice, we consider that, as a matter of policy and safety, the business is one which savings banks ought to avoid.

At all events, the *purchasing* of business paper by savings banks is censurable in every particular; and no apology, however plausible, can excuse the act or mitigate the wrong. In one or two institutions we have found notes and acceptances of large mercantile houses, doing an extended business, which, upon inquiry, we ascertained had been bought for the savings banks by an agent or broker, employed for that purpose. In reply to our remonstrance, the justification attempted was a mere subterfuge; in truth, no valid defence can be urged in behalf of a proceeding so impolitic and hazardous, if not positively unlawful. We have unreservedly condemned the practice, and have received assurances that it will be abandoned.

We are happy to state that this new feature in our savings bank system does not prevail to a great extent; the cases in which it has presented itself to our notice are exceptional and rare; and we cannot suppose that any serious design is cherished of ingrafting it hereafter upon a system about which the law has carefully placed so many safeguards.

We have already indicated the great responsibility that attaches to those who are intrusted with the management of the savings institutions in this Commonwealth. Their rapid growth attests the confidence which the public repose in the wisdom and integrity of those who guide their course. Should they continue to grow for ten years to come in a ratio corresponding to their growth during the last ten years, they will by that time have well-nigh outstripped the banks in the amount of capital which they will hold under their control. It must be remembered, too, that this vast amount of money is mainly the property of a class of persons who are

less skilled in financial affairs than the majority of those who invest their surplus funds in bank stock, and who have therefore placed their reliance on the superior sagacity and judgment of others. It behooves the latter to see to it carefully and strictly that this confidence shall not prove to have been misplaced. They have under their charge, in this State, a portion of the earnings of nearly two hundred thousand persons. They should keep these savings completely beyond the risks of trade. Their line of duty has been clearly defined by legal enactments, and every savings bank should confine its operations within the sphere allotted to it by the law. Neither in its letter nor in its spirit should the law be evaded—much less transgressed. The great object is safety. To secure this, the character of the property in which savings banks may invest their funds has been carefully and definitely indicated by statute. To their officers is committed the trust of making *safe* investments. The trust is a sacred one, and should never, in the slightest degree, be violated.

G. W. RICHARDSON,  
ROGER S. MOORE,  
HENRY P. SHED.

BOSTON, October 3, 1857.

**DEAD LETTERS.**—We saw a few days since a draft drawn by a Cincinnati banker upon their Wall street banker, which had been drawn and mailed more than two years ago. The letter enclosing the draft was either misdirected or lost, and finally found its way to the Dead Letter office at Washington city. On being received by the writer, he ascertained a few days since that the draft is worthless. The drawer had failed more than a year since, and his account with his New York banker soon after closed. There are some precautions necessary in the correspondence between bankers which should never be overlooked. 1st. Every letter should have in small type or in a stamp, the name of the party sending it, so that in case of misdirection (or non-payment of postage, as it occasionally occurs) it may be returned to the writer promptly. Secondly, it should have the name of the State printed to which it is to be sent. Where letters pass frequently between the same parties, the whole address should be distinctly printed on them. This obviates many of the risks of the mails, arising from carelessness and haste of the writers, and from the neglect and carelessness of bank clerks.

**CONTENTS OF DEAD LETTERS.**—We have already published the number of dead letters which contained money, amounting to nearly \$50,000 during the past year, and the fact that about nine-tenths of the treasure had been, through the agency of the department, restored to its rightful owners. From the connecting branch of the same office the following interesting particulars are derived: The number of dead letters containing articles of value other than money, registered and sent out for delivery to the owners during the six months ending 31st December, 1857, was 4,364, the contents of which were as follows: Bills of exchange, drafts and letters of credit, bonds, notes, checks, orders and treasury warrants, certificates of deposit, accounts and receipts, which, computed at their nominal value, amounted to \$1,480,685 58. Also 307 deeds and land titles, 72 articles of agreement and policies of insurance, 42 certificates of stock, 142 pension papers and land warrants, 512 miscellaneous articles, and 120 daguerreotypes. Nearly all of the above letters, with their contents, have been delivered to their proper owners. A very large proportion of the valuable dead letters reach the Dead Letter office through the fault of the writers—either on account of misdirection, illegible writing, or neglect to prepay the postage.—*Baltimore Sun*.



## BANKING IN GREAT BRITAIN.

*Report of the Select Committee of the House of Commons on the Bank Charter, &c.*

VIEWS OF MR. NEWMARCH, JOHN STUART MILL, JOHN G. HUBBARD, GEORGE WARD NORMAN, LORD OVERSTONE, N. ALEXANDER, D. B. CHAPMAN.

• THE Select Committee was appointed to inquire into the operation of the Bank Act of 1844 (7 & 8 Vict. cap. 32), and of the Bank Acts for Ireland and Scotland of 1845 (8 & 9 Vict. cap. 37 & 38). On the 12th of February, 1857, it was ordered that the Committee be a committee of secrecy, and that it should consist of twenty-one members. On the 11th March, in consequence of the dissolution of Parliament, the Committee was re-appointed, to consist of twenty-five members, viz., the Chancellor of the Exchequer, Sir James Graham, Mr. Gladstone, Sir Charles Wood, Mr. Wilson, Sir Francis Baring, Mr. Weguelin, Mr. Hankey, Mr. M. Tucker Smith, Mr. Hope Johnstone, Mr. Ennis, Mr. Fuller, the Earl of Gifford, Mr. Disraeli, Mr. Spooner, Mr. G. A. Hamilton, Mr. Glyn, Mr. Cayley, Mr. Vance, Mr. Hildyard, Mr. Blackburn, Mr. Fergus, Mr. John Lewis Ricardo, Mr. Tite, and Mr. Ball.

On the 30th July, 1857, the Committee reported, that they have agreed to report to the House the evidence they have received; and as their investigation of the subject referred to them is still incomplete, they recommend that a Select Committee be appointed to resume the inquiry in the ensuing session of Parliament. The witnesses examined were, Thomas Mathias Weguelin, M. P., Governor, and Sheffield Neave, Deputy Governor of the Bank of England; William Newmarch, Secretary to the Globe Insurance Office; John Stuart Mill; John Gellibrand Hubbard; George Ward Norman; Lord Overstone; Nathaniel Alexander, Indian merchant; John Tivells, banker; David Barclay Chapman (Overend, Gurney & Co.), and Edward Capps.

Messrs. T. M. Weguelin, M. P., and S. Neave, gave evidence to the effect, that the working of the Bank under the existing law has been satisfactory; and no public inconvenience has resulted from it. Had the Act not been in existence, the Bank would have acted in the same manner. In the last two years there has been great demand for bullion for exportation, so as to take all the produce of the gold-producing countries and £5,000,000 more besides, as shown in the following statement:

The stock of bullion in the beginning of 1851, was—

Gold.....	£14,453,000	
Silver.....	377,000	
		£14,830,000

The imports, since that time, so far as they can be ascertained, have been as follows:

Gold imported from the producing countries, such as Australia, California, Brazils and Africa.....	109,510,000
Silver imported from the producing countries, such as Mexico, Peru, &c.,.....	25,820,000

Total six years,..... £150,160,000

Less bullion in the Bank at the end of 1856,—		
Gold, .....	£10,103,000	
Silver, .....	127,000	
		10,230,000

Making the amount which in six years has been exported,  
taken into circulation or consumed in the arts,..... £139,930,000

This estimate takes no account of the large sums which passed between this country and the Continent, in the course of the ordinary exchange operations. The following is an estimate, showing the effect of the gold discoveries in adding to the European stock of gold, and the effect of the drain of silver to India and China, in diminishing the European stock of silver.

ESTIMATED INCREASE OF THE EUROPEAN STOCK OF BULLION IN SIX YEARS,  
1851-1856.

Years.	Imports from Producing Countries.		Exports to the East from Great Britain and Mediterranean.	
	Gold.	Silver.	Gold.	Silver.
	£	£	£	£
1851.....	8,654,000	4,076,000	102,000	1,716,000
1852.....	15,194,000	4,712,000	922,000	2,630,000
1853.....	22,435,000	4,855,000	974,000	5,559,000
1854.....	22,077,000	4,199,000	1,222,000	4,583,000
1855.....	19,875,000	3,717,000	1,192,000	7,934,000
1856.....	21,275,000	4,761,000	479,000	14,108,000
Total .....	109,510,000	25,820,000	4,891,000	36,530,000

G O L D .

The total import of gold in six years, has been, say,.....	£110,000,000
The exports of gold bullion and British gold coin to India, China, Australia, the Cape, Brazil, the West Indies, United States, &c., may be taken at.....	20,000,000
Which would leave as the increase to the European stock } of gold.....	90,000,000

S I L V E R .

The exports of silver to India and China have been.....	£36,530,000
The imports from the producing countries.....	25,820,000
	10,717,000

And the estimated increase in the European stock of bullion..... £79,290,000

The internal gold circulation of this country has been increased, by about 30 per cent. The causes which have contributed to the demand for bullion were, the payment of the troops in the East; greater imports of silk from China; foreign loans to Turkey and Sardinia; the disturbances in China diminishing the demand for manufactures, and also an undue premium on gold, given by the Bank of France. Notwithstanding these causes, there has always been in the Bank, a supply of bullion sufficient to its wants. The lowest amount of bullion in the Bank of England in 1825. was £1,261,000; in 1837, £3,831,000; in 1839, £2,406,000; in 1847, £8,313,000, and in 1856, £9,530,000.

In order to sustain the stock of bullion, notwithstanding the demand

for the Continent, the Bank raised the rate of discount at various times, and placed restrictions upon the discount of bills, and upon the advances made upon stock, and other securities.

The circulation of notes in the hands of the public is subject to quarterly fluctuations, to the extent of two millions and a half in notes, on the average, the principal cause of which is the payment of the dividends. The lowest state of the reserve in the quarter, is about three weeks after the payment of the dividends, from that period it recovers, until within about a fortnight of the payment of the dividends, the circulation of notes is highest in the autumn after harvest. At that period of the year, there is a demand for coin from Scotland and Ireland, to sustain their increased local circulation. Besides the increase of gold circulation, there has also been an increase in the smaller kind of notes. In 1851, the £5 and £10 notes were £9,362,000, and in 1856, they were £10,680,000, viz., £6,603,000 in £5, and £4,077,000 in £10 notes. The simultaneous increase of the £5 notes and sovereigns, may be attributed to the increased wealth of the community, to the higher rate of wages that have been paid, to the greater amount of property held by a class probably above the laboring class, and also to the increase of the manufacturing population, shown by the greater quantity of exports. When the demand for bullion arises from domestic circumstances, affecting the active circulation and the reserve, the Bank is less affected than when the demand is for the exportation of bullion, because when it is for internal circulation, it speedily finds its way back again. There does not appear any reason connected with the state of the internal circulation, to require any alteration in the law.

It would be inexpedient to place the issue department under the executive Government, or under public commissioners, first, because it would cause probably a great pressure upon the Government, in times of scarcity of money, to enlarge the issue made upon securities. The Government would have to brave all the odium and the unpopularity of not increasing the issues when trade was suffering, which now the Bank has to bear. This might give rise to political excitement, and the limits of circulation would not be so safe, as being placed as it now is in the hands of the Bank of England. Moreover, the notes would not be exchanged so often as they now are. The average number of notes, now cancelled by the Bank, is 28,000 a day; it goes up to 40,000. In lieu of the cancelled notes, new notes are issued bearing different numbers, which is a guarantee against forgery. The Bank being also a dealer in bullion, that business would be displaced, as the bullion would be presented wherever the issue department existed. The public would speedily get accustomed to a Mint note, or a Treasury note, but any alteration in the form of note is undesirable.

The reason why £14,000,000 was fixed as the limit of the issue upon securities, was that the active circulation had never gone down below that, or even as low as £14,000,000. There has been a decrease of late in the circulation of the higher denominations of notes. In July, 1853, the joint-stock banks, and the private banks, paid each other by drafts upon the Bank of England, instead of by bank-notes. In May, 1854, the balances of the clearing-houses were settled by the transfer of drafts upon the Bank. Joint-stock banks were admitted to the clearing-houses shortly after, and in April, 1855, the customs duties were paid by the transfer of drafts; since that time 69,000 payments have been made in that way. While the

multiplication of transactions throughout the country, and the increase of prices taken together, are causing a greater demand for the lower kinds of circulation, the increased banking facilities are diminishing the demand for the higher class of notes. It does not follow, therefore, that because there is now a greater amount of trade in the country, it would necessarily be safe to increase the limits of issue upon securities which formerly was fixed. The two points have no relation. In 1851, the amount of notes from £200 to £1,000 was £4,557,000, and in 1855, it was £3,459,600; in 1856, they were £3,323,000; in 1851, the amount of notes from £20 to £100 was £5,554,000; in 1855, £5,706,000, and in 1856, £5,645,000. Were the limits of circulation extended to £16,000,000, the effect would be either that those £2,000,000 would be held in the reserve of the Bank, or, in case of an adverse exchange the bullion held by the Bank would be *pro tanto* exported. There would be no advantage in extending the present issue, and it would diminish the amount of actual reserve of bullion in the country.

It would be expedient to put an end to the issue of the lower denomination of notes in Scotland. It is desirable that the retail transactions of the country should be carried on by coin rather than by paper, because the coin in circulation in the country, forms a reserve in cases of great demand upon the resources of bullion in the country, during times of war, and possibly also in times of failure of crops; and the issues of notes of so small an amount as £1 or £2 is attended with very great risk of forgery. The total amount of gold coin in circulation may be estimated at £33,000,000, or £36,000,000, which, with the 30 per cent. added to it since 1851, would make £45,000,000 to £50,000,000. The smaller denomination of notes, as far as the experience of the Bank of England goes, pass amongst a different class, not so intelligent a class, a class that is not able to distinguish. There is more difficulty in following them, the transition is more rapid, and they are not returned to the bankers so quickly.

The duties which the Bank discharge, as bankers to the Government, are first, to conduct the circulation; second, to manage the public debt, and third, to aid in the collection of the revenue, to make payments for the Government as bankers, and, when the Government require them, to make them advances. 1st. As regards the issue, the Bank has lent the Government £11,015,000, and it has the profit of the issue of £14,600,000. The amount of issues upon securities being £14,000,000, taken in round numbers, as yielding an interest of 3 per cent., gives £420,000. Against that there are to be set off £120,000, which is paid to the Government, and £60,000 as the commutation of stamp duties previously paid. The expenses are about £160,000, and the sum paid back to the public £180,000, leaving a profit of about £80,000, exclusive of the profit upon bullion and foreign coin, which varies from £20,000 to £40,000 in a year. The net result, therefore, may be taken as varying between £80,000 and £120,000 a year. For the management of the debt, the Bank receives, under the Acts of Parliament, £450 per million up to £800,000,000, and beyond that amount £300 per million. The total amount of that is, in round numbers, about £247,000. Against that there are charges to be set amounting to £124,000. In round numbers there is about £124,000 profit to the Bank upon the management of the public debt. The profits are divided into three items. First, the profit upon issue, strictly so called, £80,000 a year;

second, the profit upon bullion and foreign coin, varying between £20,000 and £40,000 a year; and the third, the profit upon the management of the public debt, which amounts to £123,000 a year. The Bank discharges strictly the function of bankers to the Government as a private banker does to his customer. They receive money and make payments, and have a certain balance upon those accounts, which is considered the remuneration of the Bank for keeping those accounts. The Bank aid also in the collection of the revenue through their branches, and by sending clerks round to receive the money from collectors. The amount required to be set apart for the dividends on each quarter is about £5,800,000. On the first day of payments of the dividends the bankers generally take about £3,800,000. Then £2,000,000 extends over a short time, and is supplied to the Bank from day to day from the Exchequer as it is wanted. The Bank of England keep, moreover, on behalf of the public, upwards of forty accounts. The profits to the Bank through its relation to the Government consist of those three heads already enumerated. In the opinion of Mr. Weguelin, the relative position between the Bank and the Government is, and ought to be, that of a private banker towards his customer, to some extent. The Bank ought to keep the spare cash of his customer. The joint stock banks, on the other hand, invite a large deposit by offering a certain rate of interest for the deposit. This the Bank could not do, as it would force the Bank to invest its reserve much more closely than it does now. The Bank looks at the deposits as the last resort of the country in time of pressure, and any thing which created very high competition, or dealings of a speculative character on the part of the Bank, would be attended with risk to the public interest.

The law respecting the English country banks pointed to a gradual extinction of their issue, but no advantages would arise from it. It would be difficult to substitute in all cases the same amount of circulation with Bank of England notes or Government notes for the amount of country circulation. The law as it at present exists gives a practical monopoly to the existing banks, and discourages the establishment of new banks, inasmuch as they would not have the power of issue. Upon the question whether it would be desirable to allow existing country banks and new country banks to issue paper against either securities or bullion, without reference to the limits fixed by the Act, Mr. Weguelin thought that the effect of country banks being allowed to increase their present amount of circulation upon securities, would be tantamount to allowing the Bank of England to issue more than £14,000,000 upon securities. It would be difficult to put the country banks of England in the same position as the banks of Ireland and Scotland; that is, to give them the power of issuing any addition to their fixed legal limit against bullion. There is a want of uniformity, and there is a want of security for the issue of country banks. The Bank of England deposits Government security for the whole amount of its authorized issues, and so should the country banks. The present mode of taking the average of the country bank circulation is such that they are never able to avail themselves of their total authorized amount. The creditor upon notes should have preference over other creditors of the bank upon running accounts or deposits, because whilst the depositor enters into a voluntary trust with his banker, a note which circulates from hand to hand is received generally in payment by the public.

The reserve of notes and gold in the Bank has never descended below £3,000,000. In times of scarcity of money, the Bank was enabled to keep a minimum of about one-fourth of the deposits, varying up to one-third, and in times of abundance of capital the reserve was considerably larger in proportion. In order to maintain, or restore its reserve, the best measures are charging high rates upon bills discounted, so as to render the value of money higher in this country, and putting a restraint upon the terms of the bills discounted. The sale of public securities by the Bank is no more than the transfer of the capital of the Bank from one species of security to another. When a drain exists, the anxiety to increase the stock of bullion is not to secure the convertibility of the note, but because more bullion is the basis of a larger issue of notes, and an increased issue of notes is desirable with reference to the state of the reserve. The fluctuation of the bullion, which is the index of the fluctuations of the wants of the commerce of the country, must be the measure of the fluctuations of the reserve. A law which should provide that over and above an issue upon a fixed amount of securities, or bullion, there might be a further issue upon securities limited by a certain rate of interest, the same to increase as the stock of bullion in the Bank diminished, would have the effect of increasing the issue upon securities upon the only safeguard of the high rate of interest. Upon the whole, the restrictions upon bills, other than the simple raising of the rate of discount, are quite as important and effective in restoring the exchanges as the measure of raising the rate of interest. If the Bank were permitted to issue upon securities at certain high rates of interest, rising in proportion to the declension of the bullion, that would be likely to have the advantage of preventing the public entertaining any apprehension of an absolute want of cash for carrying on the transactions of the country; but to obviate the evil, the state of the exchanges must be in favor of the country; though the exchanges may be brought right by the high rate of interest. The provision of the law for the issue of £14,000,000 absolutely, upon securities, has the effect, that when money is abundant, and the issue upon gold might be sufficient, the issue has a tendency to run down the rate of interest to an extremely low point, by making money redundant.

The Bank of England receives for its advances of £11,000,000 the low rate of three per cent. interest, representing something in the nature of an equivalent to the country for the privileges which it enjoys. In consideration of the privilege of "exclusive banking," and the exemption from stamp duty, the Bank pays £180,000 per annum. The privileges of exclusive banking are now confined entirely to the issue of £14,000,000 of notes upon securities, and what is called the legal tender, which, however, is of no value to the Bank now, inasmuch as the amount is fixed to which they can issue notes upon securities. The actual profit upon the issue department is three per cent. The profits upon bullion and foreign coin are partly made up from the 1½d. an ounce allowed to the Bank, and partly from the profit, strictly mercantile, which the Bank makes in dealing in foreign coin. The Bank buys gold at 77s. 9d., and it issues sovereigns at 77s. 10½d. Of course it has to coin the bullion, and the loss by the time occupied in coining the bullion is expressed by the difference of 1½d. an ounce which the public pay. The capacity in which the Bank manages the national debt is as follows: There is a clause in all the loan acts under which the Bank is constituted a corporation until the loan is paid off. The inference

is, that by that clause the legislature intended to make the Bank in a measure trustees between the State and the public creditor; and the effect would be that the Bank must retain its corporate capacity until the whole national debt is paid off. It might also have been meant to afford to the public creditor the security of the Bank over and above that of the State; but such an additional security would not be necessary at the present day. The money contract as to the price to be paid to the Bank by the public rests upon the same foundations, upon a parliamentary contract. In the mode in which the public debt of this country is managed, no other public body at this moment is qualified to undertake it; and, if it were practicable to arrange for the keeping of the public moneys by any agency of any existing body or combination of bodies other than the Bank of England, the security would not be equal to what it is at present.

The governor and deputy-governor are not considered in the light of directors; there are twenty-four directors and two governors; there must be eight new directors every year, but the governor and the deputy-governor remain in two years. There are in fact thirty-two directors, of whom eight are out by rotation; and unless any accidental circumstances prevent they are always re-elected, or rather recommended for re-election. It would be advisable to reduce the rotation from eight to six, or to four. The weekly accounts are brought up to the Saturday previous to the Friday's Gazette in which the accounts are published. The accounts might be brought up to the Wednesday night, provided the Gazette is not published before two or three o'clock in the afternoon.

The Bank of England has a limited power over the money market during certain periods of the quarter when the balances are accumulating, and when there is no money to be had except at the Bank. Then it has a certain power of raising the rate of interest, but that again finds its level the moment the public moneys come out in the shape of dividends. The rate of discount is principally determined by the relation which the floating capital of the country bears to the amount of the advances upon mercantile paper at any given time. The Bank has no power over the rate of interest which refers to investments of a permanent character. Oscillations in the rate of discount are injurious, but they are unavoidable.

The lowest amount of active circulation since the passing of the Act of 1844, was £16,736,000 on the 30th December 1848, not including bank post bills. It is not likely that the active circulation may go lower than that amount. The privilege to extend the issue by £475,000 did not strengthen the position of the Bank, but enabled it to export £475,000 more gold. In 1844, when £14,000,000 was fixed, there was no expectation that the active circulation would go down as low as £14,000,000. It was expected to remain at about £18,000,000. The object of the Act was to have always an amount of at least £3,000,000 to £4,000,000 of active circulation issued upon bullion, keeping £14,000,000 as the amount issued upon securities. If £16,500,000 was issued upon securities, it is possible that the active circulation might go to that sum, and then the Bank might be drained of every sovereign, having £16,500,000 only upon securities.

The liabilities of the Bank consist of the notes issued, and of their deposits. The real reserve of the Bank is the bullion which it holds, beyond the £14,000,000 issued upon securities. Whatever demand is made upon

the Bank, the Bank must meet it in gold. The circulation of a country is the smallest amount of money which, under the particular circumstances of the country, is necessary for conducting its trade. It is so much abstracted from the portion of its capital, yielding profit for the purpose of performing the duty of circulating commodities and making payments. The more perfect a banking system is, the more the circulation will be economized. When there is an adverse exchange, and a drain for bullion, the whole pressure of that drain comes upon the reserve in the first instance. So long as convertibility is maintained with care, a mixed circulation of gold and paper will follow the same rules precisely as a circulation exclusively of gold. The metallic circulation is kept as a reserve, for the event of a severe pressure; in which case we could get relief by substituting at the moment £1 or £2 notes for the gold circulation. Such a change of notes for gold might easily be effected, by Government issuing notes of £1 for wages and other payments. Provided the convertibility of the note is maintained, it makes no difference whether the notes are small or large, except that it would be necessary to retain a larger proportion of reserved bullion in case of issuing £1 or £2 notes than is necessary upon issuing the present denomination of notes; because the holders of a low denomination of notes are more subject to panic and to sudden influences. In 1825 the Bank issued £1 and £2 notes at a time when it was drained of bullion, and those notes were accepted by the public with great confidence, and they were the means of alleviating the great want of circulation which existed at the time.

Looking back to the time when joint-stock banks were established in England, it will be found that 76 joint-stock banks of issue, independently of banks of deposit, were established in six years, and notwithstanding the competition for the circulation which must have arisen, it does not appear that there was any material increase in the aggregate circulation of the country. In 1833 it was £36,035,244; in 1837, £36,163,306, except in April 1836, when it was £39,500,000. This shows that bankers have no power to increase their circulation, though they may create a certain amount of capital which may be applicable to works of a speculative character. The amount of circulation is not determined by the will of the Bank of England nor by that of country issuers, but by the wants of the public from time to time. The Bank of England cannot contract materially the active circulation in London. It is not possible for the Bank to regulate its circulation according to the state of the exchanges. The drain acts upon their reserve of bullion, and they are obliged, therefore, to attend to the causes of that drain so as to protect the reserve; but the active circulation has not been much affected by the measures of restriction adopted. Supposing the Bank were to attempt to withhold the notes for the purpose of reducing the circulation, the depositors would claim gold instead of notes.

A bank purely of issue would not have as much facility for managing the circulation as a bank of ordinary business, including the deposit business, like the Bank of England. The business of the Bank might proceed in the same way as it does now if the issue department were entirely separated from it; but it would not be so convenient. The distinction between the two departments is merely a separation and division of the accounts. No advantage would accrue from a central bank of issue, so long as the legislature are satisfied that the Bank does not issue more than is warranted by



law. The legislature cannot limit the amount of the circulation, though it can say that a certain portion of the active circulation only shall be a credit circulation. Were the Government to attempt to absorb the whole circulation of the country, the profit would be almost absorbed by the expensive machinery that would become necessary.

Looking at the form in which the Bank accounts are kept in the return for the 9th of May, it appears that the issue department consisted, on the credit side, of Government debt and securities to the amount of £14,475,000, and of bullion to the amount of £9,092,945, making a total of £23,567,945. That is balanced by the notes issued to the same amount, which constitutes the liability on the part of the Bank, with the exception, however, of the notes in reserve, £4,226,335, reducing, by that amount, the liability of the Bank to the sum in the hands of the public, viz. £19,341,590. Then, with respect to the banking department on the debtor's side, there is first the proprietors' capital, next is the rest constituting the entire available capital of the Bank, then the deposit, and the seven day and other bills; those constitute the whole liabilities of the Bank, excepting the circulation in the hands of the public, making an entire liability of £53,217,322. On the other side there are Government securities, other securities, and the remainder is notes and gold and silver coin, which, with the securities and bullion, come to £53,217,322. Unless the two accounts of the Bank are combined and read together, they are all a contradiction. Notes which are not a legal tender are passed off as the reserve of the Bank; and in order to make them a legal tender, and to constitute them a real reserve, the banking department is combined with the issue department, and the bullion in the issue department is adopted as the reserve of the banking department. One of the objects of the Bank Act was to enforce upon the Bank the keeping of a certain amount of bullion, which, under any circumstances, it would be prudent that the Bank should hold. Now the circulation of the Bank of England is about one-half of the circulation of the whole country, including Ireland and Scotland, being about £19,000,000, or £20,000,000 out of £38,000,000. This Act, however, took no step with the view of securing in like manner the remaining half of the circulation, except as regards the Bank of Ireland, and also in limiting the amount of the circulation to the amount then issued. There were in 1844, in England, 208 private banks of issue, and 72 joint stock banks of issue, and, without any inquiry into their solvency, they received an actual monopoly of the circulation, without giving any security whatever for the security of their notes; so that while it took security from the only bank of which we knew any thing, it took no security from the 300 banks of which we knew nothing, and had no means of knowing any thing. Since 1844, twenty-one private banks and six joint-stock banks have failed; their aggregate issue being £800,000. The compounding clause has proved a failure; only eight private banks out of 208, and not one joint-stock bank have availed themselves of it.

Prior to the Act of 1844, the circulation of the joint-stock banks increased in proportion as that of the private banks diminished; but after 1846 the circulation of the joint-stock banks did not increase in proportion to the decrease of private banks. The circulation of the private banks has fallen from about £8,500,000 in 1833, and £4,505,823 in 1846, to £3,761,062, and the circulation of the joint-stock banks remained exactly what it was, £3,159,608.

If it is the policy of the legislature to require security for the convertibility of the note, it does not seem consistent that no security whatever should be taken from country banks, who offer necessarily less security and less publicity than the Bank of England does.

Mr. William Newmarch gave evidence as follows:—If by issues of the Bank is meant the circulation of the notes of the Bank in the hands of the public, it is not in the power of the Bank to determine what the amount of the outstanding circulation shall be. There is no reason why the bullion reserve of the Bank should be cut in two, and one portion of the reserve assigned as a specific security for the note holder. The Act of 1844 should be repealed as far as regards the Bank of England. The increase of the bullion reserve of the Bank, since 1844, has not been owing to the operation of the Bank Act, but to the effect of the influxes of gold from Russia, Australia, and California. The separation of the Bank into two departments has operated mischievously. It has unnecessarily divided the reserve of bullion in two, and so diminished the amount. It has caused more frequent changes in the rate of discount charged upon advances. The alterations since 1844 have been 60 in number, whereas the alterations prior to 1844, in the same space of time did not amount to a dozen. In consequence also of the operation of that Act, when the reserve accumulated, the rate of interest has been unduly reduced. Such rate should never be less than four per cent. It would be desirable that the reserve of bullion kept by the Bank should not be less than £10,000,000 or £12,000,000, and that it should be never lower than £8,000,000; but it should not be defined by Act of Parliament. It should be an understanding between the Government and the Bank. It would not be desirable to give to the Government the power of allowing the Bank, under peculiar circumstances, to issue notes in excess of the present limit. The executive government should not interfere with the Bank, or limit the circulation.

There is no reason why the circulation of country bankers should be withdrawn or extinguished. It is very questionable whether the cessation of country bank issues, and the substitution of country bank notes by Bank of England notes, would tend to the benefit of the Bank of England. Country bankers have no power of extending their issues. The restrictions imposed by the Acts of 1844 and 1845 should be removed. There is no reason why country bankers should give security for one part of their liabilities to the exclusion of another. The same refers to banks in Scotland and Ireland. The introduction of £1 notes in England would be regarded with great horror, but it would not be desirable to interfere with it in Scotland or Ireland.

The amount of the issue of paper does not exercise any influence upon prices. The amount of gold coin in circulation in the United Kingdom is as much as £70,000,000, and the effect of the influx of gold from California and Australia has been to increase the amount by £20,000,000. There is no connection between the variations in the amount of bill circulation and the variations in the bank-note circulation; but whenever there is any pressure upon the money market, as indicated by a rise in the rate of discount, then the volume of the bill circulation is very much increased, and *vice versa*.

Although in the long run the Bank has no power of either lowering or raising the rate of discount, it may so far exert a power over the rate in

certain conditions of the market. The effect of a rise in the rate of discount is partly in increasing the charge on commercial transactions, but more especially in placing difficulties in the way of them.

One of the modes which the country banker uses for supplying his limitation of issues, is by circulating endorsed bills. In Lancashire, nearly all the operations are carried on in that way; there are no local notes, and a comparatively small circulation of Bank of England notes. These bills come to London, and have a circulation over the whole country.

The present form of the Bank accounts is the consequence of the separation of the two departments in the Bank. The amount of notes issued from the issue department to the banking department are not a liability on the part of the Bank of England. Their liability is only for those notes which have gone beyond the walls of the establishment, and are in the hands of the public. The mode in which the Bank accounts are now kept tends to give undue importance to the functions of notes. The accounts should present to the public all the variations in the Bank assets as they really are, as variations in the bullion, and not variations in the notes.

The following questions were put to Mr. Newmarch on the question of introducing £1 notes into England and Wales:

You know of no reason why the Scotch and Irish banks should be interfered with in their £1 note circulation?—Not at all.

But you hold a strong opinion that the same principle should not be extended to England?—As regards £1 notes, I think we ought to have no £1 notes here.

Is that because people have a prejudice against them, or because you think they would not effect the same object they do in Scotland and Ireland? I think sovereigns are certainly a better medium of circulation than £1 notes. In Scotland and Ireland, where they had £1 notes a long time, the people of those countries have a very strong opinion in favor of their retention. In this country, we have happily got rid of them; and the introduction of £1 notes would be a novelty; and I think there is no adequate reason why we should disturb the present state of things.

Is it not the fact, that the Scotch and Irish bankers derive a large profit from their circulation, and therefore, according to the principle which you so well expressed, the public also, through the banks, derive a great benefit by the economy which they obtain in the use of their £1 notes to a safe extent?—Yes, but I endeavored to explain, that there is a marked difference in the character of the banks in Scotland and Ireland as compared with those of this country. In Scotland and Ireland the circulation is in the hands of very large and wealthy and ancient banks, having extensive ramifications through the whole country, which is not the case in this country. There are considerations of general policy affecting this question beyond the mere question of profit. If the only object was to obtain out of the paper circulation as much profit as could possibly be extracted out of it, then of course the most profitable thing would be to have £1 notes in England and Wales.

As much profit as can be extracted out of it with full security, for the convertibility of the paper, and for its performing all the functions for what the circulation is required?—Yes.

The question being so defined, is there any reason why the security

which exists in Scotland and Ireland would not equally apply in England ?—Yes, I think that there are reasons.

Are you not aware that some of the largest Scotch banks, and banks which have the largest circulation, are banks which are of a comparatively recent origin, having been established within the last 20 years, such as the Union Bank of Scotland, the Western Bank, and the Clydesdale Banking Company and some others ?—Yes, that may be true.

And no inconvenience has been found from their possessing the privilege of issuing those notes ?—Not in Scotland.

Do you share the opinion which some persons entertain, that the mere fact of having an extensive circulation of gold, for the smaller denominations of payments, acts in any way as a security in case of a drain of bullion ?—A drain of bullion in this country always falls, in the first instance, almost wholly upon the central reserve, the Bank of England. I do not think the mere existence of a metallic circulation, in the different parts of the country, can be maintained to any great extent, merely on the ground of its being a reserve in case of an ordinary foreign drain, but it appears to me, that the considerations in favor of maintaining a large metallic circulation as a medium, in which all transactions relating to the working classes are carried on, are of great importance, and I should be very sorry to see it disturbed.

But you know no reason for stating, that these particular transactions of banking are more imperfectly conducted in Scotland, in Glasgow, for instance, a large manufacturing district, than they are in Manchester, where there is a gold circulation ?—I prefer the mode of payment in Manchester to the mode of payment in Glasgow.

As a matter of preference ?—As a matter of preference, and I think the circumstances of the two countries are not the same. It is very true that you have in Scotland on the banks of the Clyde a very large active manufacturing population, but that is one case in the course of the whole country, whereas in this country we have a succession of such masses of population.

Is there not in Scotland a large mining district in Ayrshire, and a large manufacturing district in and around Glasgow, and another mining district in Falkirk, and another large manufacturing district in Dundee, and Montrose and Arbroath ? In fact, a succession of masses of manufacturing population the same as you have in England ?—You have considerable seats of manufactures, but not such a succession of seats of manufactures, as you have in this country ; besides there is a tradition connected with it, there is something in a Scotchman's nature which makes him like £1 notes. He does not grumble at a £1 note. The dirtier the note is the better he likes it ; but that is not the case in England. We have not got the tradition, and the £1 note is one of the many advantages which Scotland has inherited.

Then you admit that it is one of the advantages that Scotland has inherited ?—No doubt if you have a £1 note circulation perfectly secure, and perfectly free from panic and discredit, it is a cheaper and therefore a better mode of circulation.

Then there is no reason in point of principle, why, if the circulation of £5 and upwards is valuable to a country by economizing its capital, that in point of principle the same advantage should not be extended to £1 notes ?

—I should think the circulation of Utopia, whenever that state of things takes place, would be in £1 notes.

Why stop at £1?—Mr. Wilson would go on and say why stop at 1s.

Has it not been found from experience in Scotland, and other countries, that £1 is about the lowest limit to which you can advantageously go in conducting a paper circulation?—I have seen an Austrian note for 1½d.

Are there not dollar notes in Prussia?—I believe there are.

Are you aware that nearly the whole circulation of Prussia is conducted by thaler notes?—Yes, I believe the appetite for paper is something which goes on increasing.

You do not discover any injury that is done to Scotland and Ireland, by its having been increased to the extent to which it has been in those countries?—No, Scotland and Ireland are so far exceptions to the ordinary vices of £1 notes.

You are aware that the Scotch banks have very numerous branches?—Yes.

And those notes are received equally all over the country without discrimination?—I do not know that. I have been in Scotland, and I did not find that it was the same thing whether you had an Edinburgh note in a northern town, or whether you had a note issued by a banker in that northern town. I do not think the perfection amounts quite to that.

You are aware that there are only seventeen banks in Scotland, and that the great bulk of these, almost the whole of them, are Edinburgh and Glasgow banks?—Yes, they have branches.

Those banks have no less than 603 branches at the present moment?—Yes.

And the notes issued originally from Glasgow and Edinburgh are dealt in by all those branches, so that the whole circulation of the country is conducted by notes issued in Glasgow and Edinburgh, but administered through these various branches?—I do not know the exact *modus operandi* of carrying it on. I do not know whether the notes are not issued locally by the branches, and bear the signature of the branch manager, or whether all the notes bear the signature of a person in Edinburgh.

You are not informed that the whole of the notes in Scotland are, in point of fact, issued from the head establishment, and that the branches issue no notes at all?—It may be so. I have no doubt it is so, if you so describe it.

The exchanges with India were in favor of this country, notwithstanding the large amount of bullion that is continually transmitted to the East. In 1855, the export of goods from the United Kingdom had risen to £10,350,000 and the India House drafts were £3,700,000, making a total £14,050,000. The value of our imports then was £12,670,000, leaving £1,380,000 in our favor as regards the direct trade between the two countries. But the exchanges are also effected by the indirect trade. China is generally a debtor to India; £12,000,000 has been subscribed for Indian railways, though only £2,000,000 or £3,000,000 have been sent for that purpose.

The convertibility of the note affects the advances, and not the issue of notes. The act of 1844 placed a restriction upon the accommodation

given to the public, in so far that the public has not had the advantage of the whole of the resources possessed by the Bank of England. The reserve is cut in two, and the Bank is compelled to carry on its business with only half its natural resources. The state of things Mr. Newmarch would like to see established is, that the Bank of England should act as in former times; that the Bank of England should be placed on the responsibility of its own discretion; that it should have, on the one hand, to restrain the responsibility arising out of the whole of its liabilities, and that it should have, on the other hand, the resources arising from the whole of its assets, and beyond this, there should not be any law, but that there should be something like a tradition or an understanding that the rate of discount of the Bank should never be lower than 4 per cent. The amount of funds constantly employed in the money market is something like £120,000,000 and of that sum 15 or 20 per cent. is wielded by the Bank of England. Therefore its influence in the market is very great.

Mr. John Stuart Mill gave the following evidence. There should not be any restriction by law on the issue of notes, except that of convertibility. The present Act has worked well in one particular case only; viz, in a certain stage of a period of over-speculation and over-trading. At all other times it has either had no effect at all, or a bad effect. A larger reserve is now required than was formerly thought necessary. The effect of the Act is, that whenever any drain, however small or temporary, commences, the Bank will be likely, with the present reserve in the banking establishment, at once to contract its discount, or to sell securities in a manner which, if the Act had not existed, it would only do in the case of a very considerable drain. The separation of the two departments has a great influence on the Bank's rate of interest, and the most prejudicial part of the whole. It is of not much consequence whether there is one bank of issue, or many, in the country; but inasmuch as there have always been many, it is desirable that there should be. If there was to be one bank of issue only, that bank should not be the Government itself. The present restriction upon issue should be removed both from the Bank of England and from all other banks. It is much better that there should be no notes below £5, because this retains the quantity of gold in the country, which may be used to replenish the banking reserve in case of necessity, without waiting for the slower process of its importation. Besides £1 notes are more liable to produce evils from over-issue.

The cause of the large exports of silver to India and China is the great increase of production and exportation from the East, and the habits of the people of India of hoarding. On one occasion, in Madras, at a time of great commercial distress, the natives sent in their silver ornaments to be coined. Money which goes into the form of ornaments, and is hoarded in that form, is brought out when there is a high rate of interest, and goes back again when the rate of interest falls. The exports of silver to India and China in six years have been £36,530,000, and the imports from the producing countries have been £25,820,000, making the amount of silver abstracted from the European stock in the six years, £10,700,000, which is at the rate of £1,600,000 in a year, a drain which is likely to continue, and may eventually oblige countries whose standard is now silver, to adopt a gold standard. The circulation of silver in France was about £120,000,000, but is not quite so much now.

The whole theory of the Bank Act is erroneous; but the part which experience has overset is chiefly that which turned upon inattention to the effect which the Bank produces by its deposits. The Act has not answered the purpose which its promoters had in view, and it would be better to repeal it. The convertibility of the note is safe in any case. The Bank always would take care of itself.

Mr. John Gellibrand Hubbard gave the following evidence: The effect of the separation of the Bank into two departments has been, both in a scientific and a practical view, of the utmost importance and highly beneficial. It has been so in a scientific view, because the effect of the separation was to give a legal affirmation to the true character of currency by removing it from being confounded with bills of exchange, with promissory notes, with deposits and with book debts, and, in fact, from the whole category of mere banking expedients and representatives of credit. Then, in a practical point of view, it has been highly beneficial, because it has enabled the Bank of England to give its attention to those concerns to which alone a banker ought to direct his attention, namely, to a consideration of his liability upon his deposit accounts, and the claims likely to be made upon him for advances by his various customers. There is no inconvenience from the cutting in two of the bullion. The note reserve to bullion in the banking department consists of mere vouchers for so much bullion in the issue department. The reserve in the banking department of the Bank represents the uninvested deposits of the Bank which it holds at the call of its constituents. The separation of the departments is an arrangement auxiliary to the limitation of the issue of notes. By the operation of the Act, the bank has kept a greater reserve of bullion. The average amount of bullion held by the Bank in the ten years ending 1844 was under £7,000,000. The average amount held since 1844 in ten years is £15,000,000. To prove that this has not been the effect of greater importations of gold, it appears, that whereas, previously to 1844, when there were £6,000,000 or £7,000,000 of bullion, the prevalent rate of interest was four per cent., the same rate has prevailed since 1844, when the amount of bullion has been between £12,000,000 and £16,000,000. The Act has operated so as to compel the Bank to keep a minimum reserve of not less than £8,000,000. The assertions that under the Act of 1844, the power or the disposition of the Bank to accommodate the public has been diminished, or that the Act has placed any disadvantageous restrictions upon the Bank during the progress of the war, were severally disproved.

Neither the Bank of England nor any other bank has the power of increasing its circulation at will. A Bank of England note is a legal tender in the banking department of the Bank; and the Act of 1844 takes out of the Bank of England the banking department, and makes it distinct and separate from the issue department. If the banking department had not the power of giving a bank note as a legal tender, it would not be in the position that the legislature aimed at, as being a distinct and perfect bank as regards all banking purposes. There is no clashing between the two provisions of 1833 and 1844.

As regards the form of the accounts, a great deal too much information is given to the public, because the public has not yet arrived at a due understanding of it. A great deal of mischief occurred in 1847 from the

want of due apprehension of the meaning of the Bank accounts. The weekly publication should be limited to a balance-sheet of the state of the issue department.

It would be very desirable to have a uniform currency for all England and Wales, even if it went no further, by applying legislatively or compulsorily the permissive clauses of Sir Robert Peel's Act, applying also some means of purchasing the right, the value of which is assessed by the Act. The evil arising from the country banks' issue is that there is always an element of uncertainty in the payment of their notes, inasmuch as no security is given by them. For instance, a Scotch note in London is worth 3d. less than its nominal value. More than 10s. 9d. cannot be had for a £1 note, because it is not payable in London. And there is the inconvenience of having conflicting expressions of the currency of the country. But however desirable it might be to require the country banks to give some security, it is hardly worth while to propose any measure short of a general absorption of country notes. The Bank of England represents the central bank of issue for national purposes, and is the best possible medium through which paper money can be issued; and the business itself could not be so well managed by the department of the Government as it is by the Bank of England, as a separate independent body, acting with the concurrence of the Government, and responsible to the legislature of the country. It would be a most unfortunate experiment for any Government to make to take the very delicate office of regulating the issue of credit paper into its own hands. The Bank of England performs three perfectly distinct functions at present. It is a bank of issue. It is a banking body, or a bank of deposit, and is the paymaster of the public dividends. If a general measure were adopted, and one circulation were made to prevail over the whole United Kingdom, it might then be a legitimate means of making up for the annihilation of £1 notes in Scotland and Ireland, to substitute notes of some intermediate amount, say £2 or £3.

There is a disadvantage in small notes. They are more liable to be forged. Also, the lower the scale of intelligence of the people amongst whom notes circulate, the greater is their readiness upon any provocation, or without any provocation, to rush and demand gold for notes. A drain is more likely to arise from £1 notes, than from £5 and £10 notes; and, in times of panic, the run upon the banks is chiefly by the note holders; yet there is no powerful reason to induce the legislature to interfere with the £1 note circulation in Ireland or Scotland. The permission to pass Bank of England notes when their own right of issue is exhausted would be a great convenience to the Scotch banks if they condescended to it. Then the Bank of England note should be made a legal tender in Scotland and Ireland. The Act requires no amendment. For all essentials it is perfectly sound.

The great distinction made by the Act of 1844 has been by limitation of the credit issues, and by cutting away altogether the possibility of an arbitrary creation of currency. Capital cannot be arbitrarily created; and the credit capital of the country, which is one of the highest efforts of financial ingenuity based upon national credit, cannot be extended beyond a certain point; there must be a limit to it. The Bank Act, by putting a strong and distinct limitation to the issue of credit paper in this country, has converted that credit paper into capital. This was done by rescinding



the right of credit issue, and saying that every note shall be represented by gold.

The operation of the Bank of France giving a premium for gold, is this. The Bank of France are anxious to show a large amount of bullion in their coffers, and they therefore offer a premium upon gold; but that premium is not upon all gold, it is upon bar gold. The consequence of their offering a premium of six per mille upon bar gold was, that the demand was answered in the first instance by the simple process of melting down napoleons into bars, and taking the bars to the mint for sale. The Bank found that their demand was so quickly answered that it was not accomplishing their purpose. They said, "This is a French stamp upon the bar, it does not answer our purpose to be taking in bars made from our own napoleons. You must bring us foreign bars." Their wishes were then met by the transmission of napoleons from Paris to London, and their conversion into bars in London, and by the transmission of those bars to Paris with an English stamp upon them. But the next objection was, "The stamp upon these bars is very fresh, you must have taken our gold from Paris to make them with. We will not buy any bars of you that are not of considerable age. They must have the rust of time upon them," and then their demand was answered by the transmission of more napoleons from Paris to London, and by the exchange of the new bars, into which they were converted, for old bars at a very slight difference. The old bars were then taken to Paris, and the six per mille was still received by the diligent operator. That plan has been maintained ever since, and the only practical effect is this, that the Bank pay very largely for a temporary exhibition of so much more bullion.

Mr. George Ward~~e~~ Norman said, he approved thoroughly of the principle of the Act of 1844. In the United States, in consequence of over issue, the notes fell to ten per cent. discount, though they were convertible. There is the broadest distinction between the issue of bank-notes, which are money, and ordinary business, and whilst legislation is called for the one it is not for the other.

Lord Overstone said, that he had always approved of the policy of the Act of 1844, and that approval has year by year gained strength by the strong verification of the soundness of its principles, which has been derived from the consecutive course of public monetary events. His opinion is, 1st, that the supply of the current coin, that is, the money of the realm, ought to be entirely separated from banking business, which is simply trading in money. 2nd. Bank-notes should be treated as tokens, or representatives of the current coin, that is, of the metallic money of the country. 3d. The coins are maintained at their proper amount and value by virtue of the intrinsic value of the metal of which they consist. The paper notes, or certificates, ought to be preserved at their proper value, by making them, under all circumstances, conform in amount to the coins, or metallic circulation which they represent. 4th. The sole privilege of coining money, whether copper, silver, gold, or paper, ought to be vested in one institution established for that exclusive purpose, and subject to strict regulation of law. No share of such privilege ought to be conceded in any form to banks, or to private individuals. 5th. All profit arising from the issue of paper certificates, that is, bank-notes, in place of coin of intrinsic value, ought to be appropriated to the public exchequer, and ought not to be

directed to the benefit of banks or any other concerns. 6th. Perfect freedom of competition should be established in the business of banking, correctly understood, and effectually distinguished from the function of coining, or from that of issuing paper tokens, or representatives of coin, that is, bank-notes, because the undue issue of paper notes is not restricted by that intrinsic value which effectually regulates the issue of metallic money. The paper money of the country, under the Act of 1844, conforms strictly in amount and consequent value to a metallic circulation. Those fluctuations of amount, and those only which would occur under a purely metallic circulation, can and will occur under our present mixed circulation of gold and paper, as regulated by the Act of 1844. These being his conclusions on the true character and functions of money, Lord Overstone showed the operation of the Act since 1844, the provisions of which, viz., the separation of the accounts, and the positive restriction of the amount of paper issue, constitute the only real and effectual distinctions between the monetary difficulties and dangers which attended every period of drain previous to 1844, and the striking contrast which the subsequent period presents. The present system of country issue, which exists in the United Kingdom, is a complete anomaly. At the time when the Act of 1844 was passed there were two modes of dealing with the subject which might have been taken. One would have been to have endeavored, by a bold act at the time, to eliminate the whole of that anomalous system of country issues from the monetary system of the country; the other course was to trust to the absorption of them by the gradual process of natural causes. Sir Robert Peel thought the latter the wiser course to take, and it is better to follow out his policy; but of course nothing must be done to extend or to strengthen those country issues. There is a decided objection against introducing £1 notes into England. As to what is stated with respect to the variations in the rate of discount, and the high rate of discount, which are attributed to the operation of the Act, first, a high rate of discount is not necessarily an evil, and next it is not to be attributed to the operation of the Act. The wonder is, considering the immense increase of trade in the country, that the rate of interest is not higher than it is. The rate of discount was at different periods as follows: In 1783 Consols fell from 68 to 54; omnium, from a premium of 8 per cent. to below par. In 1797 Consols fell below 50. In 1799 the rate of discount at Hamburgh rose to 15 per cent. Previous to the repeal of the usury law, the rate of discount could not avowedly exceed 5 per cent. In 1826 paper was discounted at from  $1\frac{1}{2}$  to 3 per cent. per month, that is at a rate of from 18 to 36 per cent. per annum. In 1821 the rate of interest upon loans at call was 5 per cent.; in 1822, in the latter part, it was  $2\frac{1}{2}$  per cent.; again, in 1824, in the early part, the rate of interest was 2 per cent.; in 1825, in the early part, it was 5 per cent.; in 1826, in the middle, it was 5 per cent.; and again in 1827, in the middle part, it was down to 2 per cent.; in 1838, in the middle part of the year, it was  $2\frac{1}{2}$  per cent.; in 1839, in the latter part, it had risen to  $5\frac{1}{2}$  per cent., then the partial suspension of the usury law had begun to come into action. In 1840, the latter part, it was 5 per cent.; in 1843 it was 2 per cent., and even below  $1\frac{1}{2}$  per cent.

Being asked by Sir James Graham, whether he was politically connected with Sir Robert Peel, in the framing of the Act of 1844, Lord Overstone said that he had no connection, political or social, with Sir

Robert Peel. He never exchanged one word upon the subject of this Act with Sir Robert Peel, either directly or indirectly. His support of the Act was entirely, and purely, from a genuine conviction that it was founded upon the soundest principles, and that it has produced to this country inestimable benefit. The evidence of Lord Overstone comprised an elaborate defence of the Act of 1844, and a minute examination of the circumstances attending the panics of 1783, 1793, 1825, 1837, 1839, and 1847.

Mr. Nathaniel Alexander did not think that any bank-note ought to be issued as legal tender without the party issuing it having gold to pay it with, consequently, he did not approve of that part of the Act which enabled the Bank to issue notes upon security, and at the same time required those notes so issued to be payable in gold. The notes now issued upon security should not belong to the Bank of England at all; they should be issued by the Government, and should not be convertible into gold. In 1847, but for the letter issued by the Government, the Bank could not have gone on at all. The market value of Government stock and Bank stocks on the 23d October, 1847, as compared with their market value on the 1st February, 1847, showed a depreciation of Government securities of £93,824,217; dock shares, £1,094,714; canals, £252,574; and railways, £19,579,820. This amounts from £110,000,000 to £112,000,000; but every sort of mercantile commodity fell in the same proportion. Between January and October, 1847, there was a contraction of credit, represented by a fall in prices of £300,000,000. Yet in the panic of 1847, the social value of the bank-note was higher than ever. There was no want of confidence in the Bank, but the panic was occasioned by the fact, that the Bank acting under these strict rules, could not issue any notes, or fill up the void. To remedy these panics, the Government should, through some officer of theirs, manufacture and hand over to the Bank of England a certain amount of notes under the control of an Act of Parliament, the Bank giving security as regards their issue. These notes to be like the notes of the Bank of England, a legal tender; they would be similar to any other description of the Government floating paper, they would be receivable by the Government in payment of every due. It should be at the discretion of the Bank when to apply for those notes from the Government, upon the discount of their securities. As regards the country banks of England, unless their notes were made legal tender, it is better not to interfere with them at all.

Mr. John Twells said: In 1783 there was a great pressure, and in the years 1793, 1794, and 1795. From 1793 to 1797, the pressure was very extreme. In 1797 gold was first allowed to be exported, and to be used up by the jewellers, which was prohibited before. In 1816 we passed from a conjoint standard of silver and gold to a gold standard only. The bank-note was then not convertible. The oscillations in the rates of discount were not so frequent then as they are now. The regular rate was 5 per cent., this continued from 1800 to 1822; in 1793 the Bank of England began to issue £5 notes.

In 1797, the distress was great. A few months before 1797, King George III., in going to the House of Lords, was hooted and insulted a good deal. Taxation was collected with great difficulty. In 1800, there was a great scarcity of corn. In 1797, in consequence of the Bank Restriction Act, several gigantic works were commenced, such as the East and West India Docks, and the Grand Junction Canal. The country had

now got an instrument of exchange, which gave them as it were tools to work with with confidence. Subsequently to that, upon the passing of the Act of 1816 and 1819, there was great distress. If you compare the dates, and the state of the country, you may see cause and effect following each other with very great exactness. Whenever there has been a plentiful issue, there has been prosperity; withdraw it, and you find distress. In 1823 again, the distress was caused by the export of gold. In 1826, the distress was very great, owing to an alteration in the time of issuing small notes. That continued down to 1830. Then arose the panic in 1836 and 1837, which also took place in consequence of the irregularity in the currency. From 1819 the rates have changed from forty to fifty times. Before that period we had no changes.

In answer to the question, "How do you think that the Act of 1844 has operated?" Mr. Twells answered: "If I were to answer you as a banker, I should say that it has operated exceedingly well, for it has afforded a rich harvest to bankers and capitalists of all kinds, but it has operated very badly to the honest industrious tradesman, who requires steadiness in the rate of discount, that he may be enabled to make his arrangements with confidence; it must distress that class very much indeed. For large capitalists and bankers it is evident (there is no occasion to disguise the thing) that it has operated exceedingly well; it has made money-lending a most profitable pursuit for them. It enabled the London joint-stock banks to return from 18 to 20 per cent. to their proprietors. They ought to support the Act of 1844 very strongly. But it pinches the tradesmen, and respectable merchants who have not a large capital, and this is evident from the amazing quantity of their acceptances unpaid."

The £14,000,000 now issued against securities, should bear upon them the mark of the basis upon which they are issued. Instead of being promises to pay, they should be promises to receive in aid of all the taxes. There would then be only £4,000,000, or £5,000,000, or £6,000,000, probably, issued upon gold. Perhaps then the issue of Exchequer notes might be for £20,000,000. There is a great variety of opinions of the present system among the commercial public. Many are very much discontented, and many prudent, cautious, respectable persons, have withdrawn very much indeed. Others are carrying on a prodigious trade in exports and imports, to an extent far beyond what their capital justifies them in doing. The country bank circulation is now in a very satisfactory state. There are between 200 and 300 country banks, their average circulation does not amount to £30,000 each. But they deal in bills of exchange to the extent of £120,000,000 or £130,000,000.

The Government notes might be issued by the Bank of England. It would be necessary to alter the words, instead of I promise to pay, and insert something of the same kind as is inserted in an Exchequer bill payable for receipts of taxes. This issue would prevent a drain of bullion, when it is required, and would give us a domestic currency, uninfluenced by any foreign transactions whatever. The value of the note would only be its passing for £5 for taxes. The term pound is a term of account. It is only recently that we have had the sovereigns which represent the pound. The pound was but a piece of paper with a superscription which gave it a value in the country, payable for all taxes. The pound in the time of Edward the First was worth 20s. 3d. In the 18th Edward III. it was 22s.,

and in the 20th of Edward III. it was made 22s. 6d. In the 27th Edward III. it was made 25s., and in the 56th George III. it was made 66s. The depreciation of the assignats in France was produced by the excess of issue. The amount of them was £300,000,000: they could not receive them back; they could not get their taxation on account of the revolution, which was going on, therefore the assignats fell to nothing.

Mr. David Barclay Chapman said, that in the rate of discount for mercantile paper, the market rate is affected by the Bank rate, and the Bank rate is also at times affected by the market rate. When the demand for money is so considerable that the public have recourse to the Bank, the Bank have then the power very much of regulating the rate. When the quantity of notes in the hands of the public is low, then the Bank has a greater command of discount. It would be very undesirable to supersede the country banks' issue. The Bank has quite enough to do. The Act of 1844 has great merits as well as some defects. It places the issue of the circulating medium upon a definite basis, which is extremely desirable. The provision of the Act which regulates the issues is a good one. Legislative provision ought also to be made, which would require a given rate of interest according to the state of the bullion, that matter being at present at the discretion of the Bank. When the bullion is £10,000,000 the rate should be 5 per cent. and so on. The rate the bills of exchange float at is £100,000,000 to £120,000,000. Whenever the circulation, which generally averages between £18,500,000 and £19,500,000, falls much below that amount, there ought to be a power lodged somewhere to give the relief required to carry on the settlement of the monetary concerns of the country. This power should not be lodged with the Bank directors. The auxiliary issue should then be made under a certain increasing rate of interest, governed by the decreasing amount of bullion.

Mr. Edward Capps said, that the general practice at present in the building trade is to build upon a large scale relying upon the demand for houses, when they have been built, and raising money upon mortgage as the buildings proceeded. Almost the whole of Belgravia and Tyburnia are built upon that principle. The money is thus principally borrowed. The present law influences the building trade, in the uncertainty of being able to carry through any undertaking. When you take a large plot of ground, involving perhaps the building of 100 or 200 houses, that undertaking cannot be got through in a moment. Perhaps you may have five or seven years given you; you may build perhaps ten houses a year, but before the undertaking is advanced much, a panic comes, and the means of carrying it out may be withdrawn, and all that you have laid out sacrificed. He thought the whole of our monetary system is wrong. We have got a wrong kind of pound, to begin with. He concurred with Mr. Twells' suggestion as to the issue of £20,000,000 of inconvertible paper. The present system is unsound for the following reasons:

First, because the currency, as an indispensable tool, or instrument of daily and hourly use, ought not, if it can be avoided, to be of such a nature as to render it liable to be withdrawn from its proper sphere of usefulness and action, for the sake of the material of which it is composed, putting thereby the subsistence of tens of thousands in jeopardy.

Secondly, because you cannot accomplish with it an object which it is essential to accomplish in any country wherein direct taxation is much

employed to raise a revenue, viz., the repayment to the producers of goods of the taxation which those goods bear without increasing the metallic price of them.

Thirdly, because gold is not the natural standard of value, as this system assumes, but a convenient measure of value only.

Fourthly, because the metallic pound was unknown in this country until Sir Robert Peel established it.

Fifthly, because the circulation founded upon these principles is incapable of that necessary degree of expansion, which the constantly increasing quantities of goods render indispensable.

Sixthly and lastly, because it hinders the production of wealth, and forbids the creation of that ample stock of all kinds of commodities which the people want to consume, and which their own labor would provide for them if they were not frustrated in their attempts, by the breaking down of the money system, as soon as their activities became fully engaged in production.

RATES OF DISCOUNT FOR FIRST-CLASS BILLS AT THE UNDERMENTIONED PERIODS BROUGHT BEFORE THE COMMITTEE BY MR. CHAPMAN.

Years.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Average per Annum.
1824	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	£ s. d.
1825	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	3½	8 10 0
1826	5	5	5	5	5	4½	4½	4	4	4	4	4	3 17 6
1827	4	3½	3½	3½	3	3	3	3	3	3	3	3	4 10 0
1828	3	3	3	3	3	3	3	3	3	3	3	3	3 5 0
1829	4	3½	3½	3½	3	3	3	3	3	3	3	3	3 0 10
1830	3	3	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	3 7 6
1831	3½	3	3	3	2½	2½	2½	2½	2½	2½	2½	2½	2 16 3
1832	4	3½	3½	3½	3	3	3	3	3	3	3	3	3 13 9
1833	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	3 2 11
1834	3½	3	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	2 14 7
1835	3½	3	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	3 7 6
1836	3½	3	2½	2½	2½	2½	2½	2½	2½	2½	2½	2½	3 2 2
1837	5½	5½	5½	5½	4	4	4	4	4	4	4	4	4 5 0
1838	3½	3	3	2½	2½	2½	3	2½	3	3	3	3	4 8 9
1839	3½	3½	3½	3½	4	4	4	4	4	4	4	4	3 0 0
1840	6	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	5 2 6
1841	5½	5	5	4½	4½	5	5	5	5	5	5	5	4 19 6
1842	4½	4½	3½	3½	3½	3½	3½	3	2½	2½	2½	2½	4 17 11
1843	2½	2½	2	2	2	2	2	2	2	2	2	2	3 6 3
1844	2½	2	2	2	1½	2	2	1½	2	2	2	2	2 3 4
1845	2½	2½	2	2	2	2	2	2	2	2	2	2	2 2 6
1846	4	5	4½	4	4	4	3½	3½	3	3	3	3	2 19 2
1847	3½	4½	4½	4½	4	4	6	5	6	7	10	6	3 15 10
1848	4½	3½	3½	3½	3½	3½	3	3	3	3	2½	2½	4 17 1
1849	2½	2	2	2	2	2	2	2	2	2	2	2	3 4 2
1850	2	2	2	2	2	2	2	2	2	2	2	2	2 6 3
1851	3½	3	3	3	3	3	3	3	3	3	3	3	2 5 0
1852	2½	2½	2	2	1½	1½	1½	1½	1½	1½	1½	1½	3 1 3
1853	2½	3	3	2	3	3	3	3	3	3	3	3	1 18 2
1854	5	4	4½	5	5	5	5	5	5	5	5	5	3 13 4
1855	4½	5	5	4	3½	3½	3	3	3	3	3	3	4 18 9
1856	6½*	6½*	6½*	6½*	6*	4½	4½	4½	4½	6½*	6½*	6½*	4 18 4
1857	7†	6†	6†	6†	6†	4½	4½	4½	4½	7†	7†	7†	5 17 3

N. B.—Those with an asterisk \* denote 60 days; those with a dagger † 90 days.

## JOINT STOCK BANKS OF LONDON, JANUARY, 1858.

THE half-yearly meetings of the several joint-stock banks in London being now completed, the subjoined tables have been made up, exhibiting their respective capitals and extent of transactions, as well as the periods at which they were severally opened. The first table shows the capitals and liabilities, in the latter of which, instead of the usual large increase, there has been a diminution during the past half-year of about  $3\frac{1}{2}$  per cent. The second table specifies the amount of each guarantee fund, the rate of distribution just declared, and the ratio of capital and guarantee fund to liabilities, while the third furnishes a statement of the progress of each establishment during the last ten years.

<i>Banks.</i>	<i>When Founded.</i>	<i>Paid-up Capital.</i>	<i>Deposit and Current Accounts.</i>	<i>Guarantee Fund.</i>	<i>Rate of Dividend and Bonus per Annum.</i>	<i>Ratio of Capital and Surplus to Deposit.</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>Per cent.</i>	<i>Per cent.</i>
London and Westminster, six branches....	1834	1,000,000	13,889,021	158,596	14	8.34
London Joint - Stock, one branch.....	1836	600,000	10,737,580	187,014	22½	7.32
Union Bank of London, three branches.....	1839	600,000	9,645,913	150,000	15	7.77
London and County, sixty-five branches..	1839	500,000	3,533,425	105,000	12	17.12
Commercial Bank of London, one branch.	1839	300,000	821,626	75,000	6	45.64
City Bank.....	1855	300,000	1,382,933	28,000	5	23.61
Bank of London, one branch.....	1855	300,000	1,114,843	4,587	5	27.32
Unity Bank, 3 branches	1855	150,000	139,774	....	..	107.31
		<u>3,750,000</u>	<u>41,271,115</u>	<u>708,197</u>		

<i>Year.</i>	<i>Bank.</i>	<i>Current and Deposit Accounts.</i>	<i>Guarantee Fund.</i>	<i>Dividend and Bonus per Annum.</i>	<i>Ratio of Guarantee Fund to Current Liabilities.</i>
		<i>£</i>	<i>£</i>	<i>Per cent.</i>	<i>Per cent.</i>
1847	London and Westminster.....	2,733,753	100,647	3.68	6
1852		5,581,706	109,164	1.95	8
1857		13,889,021	158,596	1.14	16
1847	London Joint-Stock.....	1,971,913	123,759	6.27	9½
1852		3,591,506	146,613	4.08	11½
1857		10,737,580	187,014	1.74	22½
1847	Union Bank of London.....	2,510,064	22,954	0.91	6
1852		4,268,438	50,000	1.17	7
1857		9,645,913	150,000	1.55	20
1847	London and County.....	1,225,130	17,386	1.42	6
1852		3,281,603	39,064	1.19	8
1857		3,533,425	105,000	2.97	11
1847	Commercial Bank of London....	409,925	14,825	3.61	6
1852		964,177	28,968	3.00	8
1857		821,626	75,000	9.18	7

## SPECIE IMPORTS OF GREAT BRITAIN IN 1857.

THE following table gives the imports of specie and bullion into Great Britain in 1857. It omits the imports of gold in the hands of passengers from Australia, and the receipts of silver from the Continent :—

Month ending	From	From	From	Total from all Quarters.
	Australia.	United States.	West Indies, Mexico, &c.	
1857:	£	£	£	£
January 31.....	934,000	265,100	957,800	2,349,900
February 28.....	1,132,800	254,700	177,000	1,708,000
March 28.....	899,200	127,700	203,400	1,180,000
April 25.....	1,430,200	172,000	480,700	2,215,000
May 30.....	245,300	829,200	679,200	3,128,000
June 27.....	1,174,300	1,631,400	843,800	3,704,800
July 25.....	615,000	1,263,900	189,800	2,330,000
August 29.....	1,148,700	1,478,400	706,800	3,410,000
September 26.....	964,800	150,000	618,600	1,851,000
October 31.....	1,606,300	21,000	707,200	2,514,000
November 28.....	782,600	193,500	155,600	1,451,000
December 26.....	791,500	1,385,600	412,000	2,853,000

Below are the results for each of the four quarters and the whole of 1857, as well as for the two preceding years :—

	From	From	From	Total from all Quarters.
	Australia.	United States.	West Indies, Mexico, &c.	
1857:	£	£	£	£
First Quarter.....	2,894,000	667,500	1,336,200	5,237,000
Second Quarter.....	2,849,800	2,632,600	2,003,700	8,047,800
Third Quarter.....	2,728,500	2,892,300	1,516,700	7,581,000
Fourth Quarter.....	3,150,400	1,600,200	1,274,800	7,812,000
Total, 1857.....	£11,602,700	£7,782,600	£6,138,400	£28,684,800
Total, 1856.....	10,247,400	8,592,900	6,818,500	25,633,000
Total, 1855.....	10,833,000	6,380,000	5,042,000	24,268,000

The aggregate imports of specie and bullion in 1857 appear to have been about three millions more than in 1856, and nearly four and a half millions more than 1855. A point of considerable interest is the magnitude and steadiness of the influx of gold from Australia. In 1857 the receipts from that quarter were £1,355,000 more than in 1856, and £720,000 more than in 1855. The Bank of England returns for the week ending February 10th, show an increase in bullion of £780,951, and in unemployed notes of £1,247,345. The London *Bankers' Circular*, of February 9th, says :—

“ The influx of gold into the Bank of England continues unabated, and owing to the immense supplies coming forward from Australia, it is generally imagined that the bullion in the Threadneedle Street vaults will soon attain a higher point than has been known for some years. Already it must exceed £16,000,000, and upwards of £10,000,000 is due from Victoria, in addition to the American and Mexican remittances, which now form an important item in the list of imports. The arrivals this week include the Austral, from Australia, with £41,136; the Ethiopie, from Africa, with £12,224, and the Northumberland, from Australia, with £187,524. At present there are no indications of an increased demand for export, and the consignments to the Continent merely comprise a few thousands per week, made in payments for small amounts of silver intended for the East.”



## FINANCES OF TURKEY.

(From the Correspondent of the London Times.)

CONSTANTINOPLE, January 16, 1858.

THE long-talked-of project of consolidation of the floating debt has at last seen daylight, and I send it you *in extenso*. In order to understand the nature of this project, I must first give your readers a short *resumé* of the different kinds of floating debt which are to be consolidated. They may be divided into three classes—the *kaimés*, the *sehims*, and the *serghis*.

The *kaimés* are paper money properly so called; they are a legal tender, and form the circulating medium for Constantinople and the neighborhood. They are of two kinds—*kaimés* of 10 and 20 piastres without interest, and *kaimés* of 100 to 1,000 piastres bearing an interest of 6 per cent. According to the most current estimate, which I think is tolerably accurate, there are 250,000,000 of the first kind and 350,000,000 of piastres of the second kind.

The *sehims* are a kind of State obligation, but of a peculiar nature. The name is of ancient origin, but the thing which goes under this name is widely different from what it was originally. Anciently they were 10 per cent. annuities paid by the Government to persons who had made advances of money in times of difficulty. They became extinct with the lives of the lenders, but, as the wants of the Government did not cease with them, new *sehims* were issued whenever the old ones fell due, and almost with each issue they changed something of their nature. Thus, from annuities dependent on the natural lives of the possessors, they became first annuities of 10 per cent. for 14 years, and the last simply represented Government loans at a short date. One issue was made in the beginning of the war of 80,000,000 piastres, bearing 10 per cent., and repayable in three years, and was withdrawn in March last, when the Government simply substituted the same amount of large *kaimés* bearing 6 per cent. Another such issue was that of 100 millions at 8 per cent., likewise for three years, which took place last autumn, to pay some of the most pressing obligations of the War and Marine Departments.

The *sehims* thus form the public funds, in the strict sense of the word, in opposition to the *kaimés*, which are at the same time a circulating medium. The former are only rarely to be met with in the market, as they are much sought after by Turks as an investment. The last issue of *sehims* came out in autumn last, with an *agio* of 50 per cent., while now they are not to be had with a premium of 1 per cent.

The *serghis*, finally, are I O U's, or simple assignats of the mint, as representing the civil list and other departments of administration. They are of two classes—open *serghis*, as they are called, given out by the mint on account of the civil list, bearing no interest, and some without any time specified for their repayment, and then others bearing 2 or 3 per cent., with the time of repayment specified, but not adhered to, which are issued to cover the current expenses of the dif-

ferent departments. They are thus something like exchequer bonds, about which nobody knows when or how they are to be paid.

The serghis, with their constant variation, give a great field for bold speculators. One cannot exactly say that there is any risk, for if you know how to wait you will be paid at last. The danger is only of having the money locked up for years without any interest, or to be obliged to sell at an inauspicious moment, and the profits arising from the low rate at which these serghis can be bought (20 to 50 per cent.) is a very moderate discount for the open serghis, representing the debts of the civil list, and 75 to 80 has been heard of.

The process through which most of these serghi transactions pass is almost invariably that somebody or other furnishes to some department or other, or, better, to the palace, something or other, which is the vilest of its kind, at the most outrageous price ever conceived by an Eastern imagination. For this, that contracting somebody gets a serghi of one species or another. Now, it depends whether the contractor has interest or not; if he has he will keep his serghi, find out when the first money comes in, and obtain thus, either at once, or within reasonable intervals, the whole amount. But it happens that even men with influence are in momentary difficulties, and there are others who have not sufficient influence to get the money out of the department; they must therefore sell at a discount. As the payments are very rhapsodical, the game at serghis must be most exciting.

What the amount of serghis is Allah knows, but very likely no one else; for, as each department has its own power of issuing these bonds, it is impossible to get at the secret, but six or seven hundred millions of piastres, or about £5,000,000 sterling, for the open serghis alone given by the mint on account of the civil list, are by no means an exaggerated statement.

From this short sketch, which I thought necessary to give, you will easily understand that these different kinds of Government liabilities cannot but bring the greatest confusion in the administration of the finances. The whole is so complicated and disorderly, that it can scarcely be wondered that no Minister of Finance ever had a clear idea of the liabilities he would have to pay. The first idea was to unite the abolition of the *kaimés* with the establishment of the new Government Bank, and for the last year and a half every successive administration has turned its attention to the subject.

Under the short administration of Mustapha Pasha in September last, Mr. Falconnet, the chief manager of the Ottoman Bank, was asked by the Grand Vizier to put his ideas on the financial and monetary state of the country on paper, and make any suggestions which he thought might improve their condition. It is to this memoir that the idea of consolidation is due. But, like every other measure in Turkey, the project has since then gone through so many hands that it has become a patchwork shadow of the original project. It fared something like the diamond snuff-boxes of the Sultan, which pass through so many hands that in most cases only very little remains. The idea of regulating the finances by the internal resources of the country, which is the basis of the project, is certainly an excellent one, and by no means impossible. First of all the debt is comparatively trifling. 12,500,000 of *Medjidié*, or about £11,000,000 sterling, are surely not much for a country with £8,000,000 of revenue.

I have often before told you that there is a great deal of dead capital in this country which waits for employment, and which requires only confidence to come forward. This dead capital is in the hands of individuals in no way concerned in Bourse transactions. The strange thing is that with all the uncertainty, not to use a stronger term, of the Turkish Government, these dutiful subjects still keep confidence in its promises, or rather it would be better to put it, that they still trust the Government, bad as it is, more than any private speculators. Thus the sehims, or Government funds, properly speaking, disappear from the market soon after their issue, and are at a premium. Even the sehims issued last autumn, which the bankers would not take but at 10 per cent. *agio*, are now at a premium of 1 to 2 per cent. This circumstance of the Turkish public having confidence in the promises of its own Government makes it possible to get the 12,500,000 of Treasury bonds by degrees disposed of.

The idea of establishing a council composed of Galata and Stamboul bankers to superintend the consolidation, is likewise good in theory—the question is only how it will answer in practice. Suppose even, which is in itself a strong supposition, that the best men are chosen, and those who sincerely desire to put an end to the great source of their own profits, will the Galata and Stamboul bankers, whom the Turkish dignitaries are accustomed to see in the dust before them,—will these men be able to keep up their authority, and will they have sufficient moral force to make the Turks respect their promises?

As for the project itself as it stands now, the first thing which strikes me is that it treats only of one part of its subject—namely, the *kaimés* and *sehims*, and while it enters into the most minute details about the withdrawal of both, nothing more is said about the “other floating debts of the different Administrations.” This must be explained by the supposition that these “other” floating debts, which refer chiefly to those of the civil list, will be paid off by private arrangements of the mint, which acts for the civil list. Most of these debts are of a greatly usurious character; besides this they are at a discount, so that many of those holding bad debts will be glad to get any thing rather than wait; that is, an amicable composition will be come to. A measure like this, especially as it is not without precedent elsewhere, may pass, but the project contains other regulations far too arbitrary to augur well for the fulfilment of the promises which the Government makes.

The third article says, “Paper money bearing interest will cease to circulate from the 1st of March next.” The paper money alluded to is the large *kaimés* from 100 piastres upwards, which bear 6 per cent. interest. There are about 350,000,000 of piastres current, and they form the chief circulating medium in all large operations. All business transactions have been based on their value as a circulating medium, so that the greatest embarrassment is likely to follow if this article is left as it stands now. The object is to augment the value of the small *kaimés*, and to force specie payments, but the Government ought to remember that if it wants to establish its credit it must refrain from such arbitrary measures. The utmost which the Government ought to have done was to declare that the large *kaimés* would no longer bear interest from the 1st of March next, but that every holder of them was at liberty to have them exchanged for the new Treasury bonds, bearing 6 per cent. likewise.

But the chief remark which obstrudes itself on one is, will the Government, even with the best will, be able to fulfil its engagements and to pay the 8 per cent. promised in gold?—not that the resources would not be sufficient, for the proportion between the revenue and the liabilities is far more advantageous than perhaps in any other European country. There are more new resources at hand than in most other countries, so that only order and honesty are required to set the thing right in a few years. And just there lies the difficulty. Who will wield the magic wand to achieve this marvel? I must say I don't see it, unless a real control be introduced, which I much doubt whether the Conseil Administratif de la Caisse de Credit will ever have.

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## INTEREST ON BANK DEPOSITS.

### PROCEEDINGS OF THE CLEARING HOUSE ASSOCIATION, MARCH, 1858.

At a meeting of officers of the banks in the city of New York, convened at the rooms of the Clearing House Association, at 8 o'clock P. M., on the 5th of March, 1858, at which thirty-nine banks were represented, THOMAS TILESTON was chosen Chairman, and J. L. EVERETT, Secretary. The committee previously appointed to confer with the various banks in this city, relative to the "discontinuance of the practice of allowing interest on current deposits," presented their report, of which the annexed is a copy. On motion of MOSES TAYLOR, President of the City Bank, the report was unanimously accepted and adopted as expressing the sentiments of the meeting, with but a single dissenting voice. The following resolutions, presented by A. E. SILLIMAN, President of the Merchants' Bank, were then unanimously adopted:

*Whereas*, Forty of the forty-six banks composing the New York Clearing House Association, have already united in a written agreement no longer "to allow interest on deposits or balances of any kind, either directly or indirectly, provided all the banks composing such Association shall concur in said agreement;" and whereas, an almost entire unanimity on the subject has thus been expressed;

*Resolved*, That the great importance of the object proposed, and the respect which we entertain towards those members of the Association who have not yet signed the agreement, require that we give them further opportunity so to do; and to that end it shall remain open until the 15th day of March instant, and, in the mean time, those who have already signed the same, do bind themselves in good faith to adhere consistently to the spirit of said agreement.

*Resolved*, That under the immediate pendency of this matter, it is the sense of this meeting that no member of this Association who has subscribed to said agreement can, without the violation of good faith and honorable dealing, and no member who has not signed, will, under the circumstances of the case, endeavor to attract, or consent to receive, an account coming from any other member of this Association, by a promise to allow interest on deposits, either directly or indirectly.

On motion of Mr. J. PUNNETT, Cashier of the Bank of America, the following resolution was unanimously adopted:

*Resolved*, That a committee of three be appointed by the Chair to wait upon the banks who have not signed the agreement, with a copy thereof, and urgently and respectfully request that they will reconsider the question, and unite with the other banks in signing the same.

The following gentlemen were appointed that committee, viz.: JAS. PUNNETT, of the Bank of America; JAS. GALLATIN of the National Bank; WILLIAM F. HAVEMAYER of the Bank of North America. After some discussion following the passage of the above, Mr. PUNNETT proposed a further resolution, viz.:

*Whereas*, The experience of the past year has shown that the aggregate specie reserve of the banks of this city, has at times been smaller than was consistent with that caution and prudence which should at all times be observed by the banking institutions of this city; therefore,

*Resolved*, That a committee of five bank officers be appointed to consider the measure of each bank holding at all times not less than a certain fixed percentage of coin to its liabilities, and to report to the adjourned meeting on the 15th inst.

The Chair appointed as that committee, A. E. SILLIMAN, of the Merchants' Bank; F. DEMING, of the Union Bank; W. J. LANE, of the Fulton Bank; H. L. JACQUES, of the Metropolitan Bank; and JOHN A. STEVENS, of the Bank of Commerce. On motion, adjourned to meet at the same place on Monday, the 15th instant, at 3 o'clock P. M.

J. L. EVERETT, Secretary.

#### REPORT.

At a meeting of several bank officers, called together a few weeks since, to consult upon the practice which has generally prevailed among our city banks, of allowing interest on deposits, the undersigned were appointed a committee to confer with all the banks of this city connected with the Clearing House, and invite them to unite in a written agreement to discontinue the practice. The committee, in the first place, called the attention of every bank to the subject by a printed notice, requesting their views as to the expediency of abolishing the practice. When a large number had responded favorably, your committee prepared and presented to each bank, for signature, the following agreement, viz.:

"The banks in the city of New York, composing the Clearing House Association, do hereby agree not to allow interest on deposits or balances of any kind, either directly or indirectly, provided all the banks composing such Association shall concur in this agreement. This obligation may be annulled only by a vote of two-thirds of the banks hereunto subscribing, at a meeting specially convened for that purpose, in pursuance of a written notice.

"And they further agree, that they will not hereafter vote for the admission of any bank to the New York Clearing House Association, until such bank shall have become bound by this agreement."

Forty of the forty-six banks, which form the Clearing House Association, have signed this agreement. Such a majority, both in respect to numbers and relative importance, certainly entitles their united opinion to the most considerate regard. The committee desire at this time to state briefly some of the reasons which have actuated them and others in their movement on this subject. They believe that the custom of allowing interest on current deposits is unsound in principle, unsafe in practice, and that it operates injuriously, both upon the banks themselves and upon the commercial community.

Because: 1. Such deposits represent that portion of the floating capital of the country which is held temporarily in reserve from productive investment, waiting to be employed by its owners as prudence and opportunity shall dictate. They indicate to some extent the measure of discretion in the financial operations of the country, and serve to mark the bounds within which it has been deemed wise to limit commercial transactions. Such deposits bear the same relation to the business of country banks that specie does to our city banks, and are not legitimately the subject of profit or interest to their owners in the one case more than in the other. They both constitute, from the nature of the case, the amount of capital on hand necessarily idle for the moment, and therefore not legitimately the subject of direct profits. All effort, therefore, to derive interest from such deposits, may be considered as an overworking of capital to its peril; and implies a permission on the part of its owners that the very reserve which constitutes their credit and safety, and which they themselves have deemed it prudent to withhold from use, may be placed in jeopardy by others. It is clear, also, that if the principle be correct, of deriving direct profits from reserve floating capital, and if it were carried to its logical result, there would be no reserve power whatever. The whole financial system of the country would be expanded to its utmost limit, and be subjected momentarily to destruction. As such deposits constitute the credit and stability of the country at large, its conservative power for sudden contingencies, they should be considered an inviolable trust, free from all risk, and consequently from direct profits. Those, therefore, who insist upon receiving interest on such reserve capital, so far relinquish the idea of holding it in reserve; but it becomes at once a special risk, and they, therefore, so far depart from the line of safety.

2. Were there no extraneous influences brought to bear upon them, it is certain that this reserve fund, at command of country banks, would naturally be divided, mainly, into two kinds, viz.: specie in the vaults, and deposits in New York for the purposes of exchange; and that there would consequently be scattered throughout the interior a multiplicity of substantial resources for supplying the drain from our commercial centres, and affording a more secure basis for the financial operations of the country. Now, no one can deny that the payment of interest on deposits in New York necessarily tends to increase the one portion of the reserve referred to at the expense of the other; and from the fact that deposits in New York are equally available to those who command them in any portion of the land, they have come to be regarded as equivalent to, and have nearly superseded, the use of specie, as a conservative resource. So that the practice of paying interest on deposits in New York, is operating continually as a process of exhaustion of the specie strength of the country. Nor can it

be said that the pernicious influence which thus operates to impoverish the interior, ceases its work here. The same cause which unnaturally draws the specie to the city, continues of necessity to effect its expulsion hence, and compels its exportation.

3. No bank, in the opinion of your Committee, can allow interest on deposits payable on demand, without danger alike to itself and to the public. The profit is more nominal than actual—apparent than real. Take, for example, the case of a bank paying four per cent. interest (the rate which custom has established) on bank or bankers' balances, to the amount of one million of dollars, and allow of this, say 20 per cent., to strengthen the specie reserve, and the following result would be shown :

Interest paid on amount of deposit.....	\$1,000,000	is	\$40,000
Deduct 20 per cent. for reserved specie.....	200,000		
	\$800,000		
Leaves.....	\$800,000		
Interest on the above \$800,000 at 7 per cent.....			56,000
Leaves.....			\$16,000
On the other hand, suppose a bank has deposits without interest to the amount of.....	\$300,000		
Deduct reserve for specie.....	60,000		
Leaves.....	\$240,000		
On which interest at 7 per cent. is.....			\$16,800

This result is attained without allowing for increased loss on the larger amount discounted, or for additional clerk hire, and other expenses, which more than double the amount of business necessarily involves. Were these considerations and the losses incident to the larger volume of business and risks allowed for, a sum even less than \$250,000 without interest, would be shown to be equal to a deposit of \$1,000,000 drawing 4 per cent. interest. It is clear, therefore, that whatever profit is derived from business of this character, must of necessity be made by placing the largest possible proportion of such deposits on interest, or, in other words, by encroaching, in disregard of the highest prudential considerations, upon the amount which it is everywhere acknowledged should be retained for specie reserve. A bank having committed this first error of paying interest on its deposits, is therefore compelled, by the necessities of its position, to take the second false step, and expand its operations beyond all prudent bounds. And it may be truly stated that, were the banks in this city arranged in the order of their actual profits and prosperity for the last four years, the majority of those above the average would largely consist of those who have not, as a custom, allowed interest on deposits.

4. Your Committee also insist that banks are, properly, lenders of capital, and not borrowers; and that it is not one of their legitimate functions to disturb the natural current of trade by borrowing at one price, to lend at a higher. Such transactions constitute speculation in money, and stimulate a tendency in the community, which is dangerous to all, and which ultimately reacts on the banks themselves with destructive power. From the nature of their organization they should be conservative. They are intentionally restricted in their operations within prescribed limits, which mark the bounds that long experience has fixed as commercially safe to themselves and to the community; and they cannot afford, for an ap-

parent profit, to foster a principle which, in its final issue, will return injury for injury with accumulated force. Banks are designed to become permanent institutions, and, therefore, have the highest motives to regard every influence which they exert upon the financial operations of the community, whose commercial character alone gives such institutions all their stability and life.

Banks in this city have also a common interest and cannot be isolated. The discredit or weakness of one, operates to the prejudice and injury of all, and therefore it cannot be safely conceded that any member has perfect freedom to carry into practice those principles of business which are generally acknowledged as inherently pernicious, or injurious to the whole. The experience of the last year has strikingly demonstrated the fact of mutual dependence, and we may remind some, that the practice of paying interest on deposits, was confessedly a prime cause, in more than one case, of recent embarrassment. Besides, a certain amount of specie in this city is indispensable to the safety of the commercial community, and to the existence of the banks. Now, having established an equitable principle upon which that amount should be based, it is neither safe to itself, nor even honorable towards the others, that any banks should embody in its practice a principle of business which prevents it from carrying its relative proportion of this specie reserve. The practical assumption, that because others are more constitutionally conservative, or possess a higher sense of their obligations to society, and that, therefore, their fears will compel them to provide the amount required for the common safety, cannot be too strongly condemned. The known fact that such a position may be effectually assumed, ought, in the opinion of your Committee, to induce every member of this Association cheerfully to acquiesce in an agreement, which at once removes the temptation and necessity of a departure from sound principles. No considerations of profit, in special cases, can for a moment compare with the benefits which every member would derive from the comfort and pleasure, and the profit also, of doing business free from the existence of this radical evil.

5. In reply to the objection that a discontinuance of interest would divert capital to other cities, your Committee would remark: That if the banks in other cities do not, as we believe they would, accept the testimony of our experience, we can well afford to give them opportunity to learn from their own; confident that they will, sooner or later, reach the same result. If the payment of interest on deposits serves to attract capital unnaturally to this city, it is plain that it must produce unsteadiness in business, and thus operate unfavorably both upon the banks and the community, inasmuch as that capital which flows out of its natural channel, must, in the nature of things, suddenly return again, and can only be held with great uncertainty as to its repayment. It is, in fact, sure to be withdrawn at the very moment least convenient for the banks to pay. All such forced deposits operate as a source of annoyance to the public, by promoting a feverish money market and fluctuating values. The necessity for holding them at instant command, and at the same time of keeping it employed at remunerating prices, has given rise to the system of "*loans on call*," which constitutes another evil, the legitimate outgrowth of the payment of interest on deposits, and which, it is believed, is universally regarded as obnoxious. In fact, the banks, having borrowed money "*on call, with interest*," are compelled to loan in the same manner; and thus the system is diffused through-



out the entire community, causing the unnecessary rise and fall of stocks, the inflation or contraction of our money market, and aggravates the multiplied evils, both financial and moral, of the Stock Exchange. The banks thus become instruments of evil, to direct capital into the destructive channels of speculation to which it would not naturally flow, because they have borrowed money which cannot profitably be used to sustain the legitimate commerce of the country.

But your Committee believe that the danger of diverting any considerable amount of substantial deposits from our banks is greatly over-estimated, because this city has become the financial centre of the country at large, and must continue to be the main depository of its surplus funds, without such factitious inducements. The well-known fact that a deposit in New York is as valuable as specie, in any portion of the United States, has secured the legitimate surplus deposits to this city, as the result of an inevitable law of trade. Nothing, therefore, but unhealthy competition among our banks, has led to the payment of interest, and such competition is a gratuitous and self inflicted injury, imposed on the banking system by its own members. The proposed agreement to abolish the practice amounts, then, to nothing more or less than a unanimous resolve to cease from destructive warfare on each other.

6. It is worthy of considerate attention, as directly bearing upon our subject, that by the rapid improvements made in travel and intercourse, this country and the commercial world are daily becoming more and more a unit in their operations and influences, and that financial changes are everywhere becoming more sudden and simultaneous. The experience of the last year has strikingly proved this, and it must daily become still more apparent as these improvements advance. For the same reason, the transitions of floating capital from point to point are daily becoming more rapid and certain. The whole tendency of these improvements is also toward the centralization of commerce and capital at such leading points as London and New York.

Formerly, it was safe to assume that stagnation of business and release of capital would occur in one locality while there was activity in another, so that an average amount of deposits could be relied upon as permanent in New York. But as this world's intelligence and consequent activity in commercial operations are everywhere simultaneous, and the financial current is more rapid and extensive, the focal points require a larger comparative reserve to meet contingencies of business as they increase in power and magnitude.

As an illustration of this truth, and of the transient character of these deposits, it may not be amiss to remind the officers of our city banks, that during the week of financial excitement in this city in October last, the exaggerated reports of which were carried with the speed of lightning to every part of the land, this new medium of communication with equal rapidity filled our banks with imperative orders for the immediate return of their deposits in specie.

The necessity for holding a larger proportionate amount of specie therefore precludes the possibility of paying interest on deposits, without a continually increasing hazard. For the same reason, any unsound principles or pernicious practices in the monetary institutions of New York are not confined in their influences within their own walls, nor even in the city or country which permit them, but they enter at once, as elements, into the

subtle atmosphere of trade, and tend, sooner or later, to produce those violent commercial revulsions which for the last year have so universally prevailed. The responsibility of greatly retarding, if not of preventing the recurrence of such calamities, is thus continually bearing more directly upon our city banks. They are, therefore, bound by every consideration of self-interest and humanity, to ponder every measure proposed for the common good, with views and aims reaching beyond the merely temporary advantages supposed to be derived by any particular institution.

7. The example of banks in Great Britain has been cited to show the correctness of the principle of paying interest. But so far as your Committee are aware, the practice of allowing interest by joint-stock banks (only instituted in 1834), differs widely from the system which prevails with us. They discriminate between a current and an interest account, not allowing interest on the former. Since the developments in Liverpool and Glasgow, during the recent crisis, of the tendency to wild and unwarrantable banking in their institutions, it would hardly be safe to take Great Britain as a perfect model for our future financial operations, although we are glad to be instructed by the true exponents of sound principles in any country. Beside, the banks there, other than the Bank of England, are not the point of last resort, whence the whole nation is to be supplied with coin. Their banks bear about the same relation to the Bank of England as our country banks do to those of this city. It may well be doubted, whether a better system than that created in this State, under the Free Banking Law of 1838, and the several acts amendatory thereof, exists either in this country or in England. But the Bank of England, in which the specie strength of the country is mainly concentrated, has never allowed interest on deposits.

It is also instructive to remark, that in a recent discussion in Parliament on the bill to legalize the suspension of the Bank Charter Act, the very practice of paying interest on deposits, even in the modified form there allowed by joint-stock banks, was severely censured by the Chancellor of the Exchequer, as a principal cause of the financial embarrassments in Great Britain. The very fact, also, that the banks in New York contain, to a greater degree than any other, the concentrated deposits of the nation, and in that respect, as the ultimate resort for specie reserve, bear the same relation to this country as the Bank of England does to the United Kingdom, and that in its long career that bank has never adopted the practice, might well be adduced to confirm the opinion which our own experience has taught us. The fact, also, that in our united body we occupy that important relative position in this nation, renders it the more necessary that now, in a time of tranquillity, with the memory of the evils of divided views, which prevailed during the recent crisis, clearly before us, we should unite in establishing such principles of action as shall protect ourselves and the public, as far as may be, against the recurrence of similar misfortunes. The moral as well as financial responsibility of the managers of our banks is thus daily enlarging, and both duty and interest require us to yield something of what may seem temporarily advantageous to any specific interest, if we can thereby unite in establishing such simple and fundamental principles as will make us a conservative rather than a destructive power in the nation, and prevent the degrading competition which has hitherto tended to distract our councils.

It is also evident that no just parallel can be drawn between a new country like our own, where capital is greatly disproportioned to the material necessities and commercial activity of the nation, and those of older European countries where it comparatively abounds. Here (and the disparity becomes still more evident as we recede from the Atlantic coast to the far interior, from whence much of our bank deposits is derived) there can hardly be said to exist a reserve of capital in any just sense as it is understood in Europe—certainly none which can be retained in any reliable average amount by any rate of interest which even the most adventurous of our city banks has ever allowed. Besides this, the well-known characteristics of our nation for enterprise and adventure, and the value of money, and the multiplied and multiplying demands for its investment, ever prevent a reserve of capital on deposit in New York, excepting such as the necessities of trade imperatively demand, and such, therefore, as must of necessity pass through our banks, whether interest on them be allowed or not.

8. Interest has been hitherto allowed mainly on accounts from abroad, which are the least valuable portion of a bank's deposits, because

They fluctuate most and are least reliable at the active period of the year.

They come when we want them least and go when needed most.

They are attended with more labor in correspondence and more risks from the incidents of business, such as endorsing and guaranteeing endorsements, and from forgeries and accidents of every kind.

If, therefore, the principle be correct of allowing such interest, it has always been unequally applied, and other depositors are entitled to rights which they have not received. Banks should occupy high moral ground, and cannot discriminate with their dealers when the conditions are equal, without degrading their institutions and their profession. For the same reason, your Committee must insist, that the objection which is made to uniting with us, on the part of any bank, "that it has but few accounts to which interest is allowed," is not sufficient to justify its position; for if they are right with the few, it has less sacrifice to make, and is wrong with the many from whom interest is withheld. Those banks only are really consistent who have either paid no interest at all, or have made it a rule of general application, under equal conditions of value.

The Committee desire but to refer to the further objection that the agreement, if made, will not be faithfully kept, and to say in reply, that they are unwilling to believe that any bank officer who has deliberately signed this agreement, especially with the concurrence of his Board, has done so with any other than an honorable intent, or entertains a serious doubt of the good faith of others. But if it were so, the Clearing House Association has created a community of interest among our banks, limited in numbers, and possessing means of general and special information with regard to the transactions of its respective institutions, which gives it an influence in this regard, and constitutes it a moral tribunal for offences against the common good which no member of the Association would more than once venture to defy. Surely no advantage which could accrue to a gentleman in official relations, however weak his moral sense, could be sufficient to tempt him to incur the odium of public exposure before his professional friends. And if it were possible to believe that such a character existed in a place of honorable trust, the public and private benefits

derived from his exposure and expulsion may well repay the effort which we make for higher objects.

Having thus endeavored to show that the practice of the payment of interest on deposits by our city banks is—

1. *Inherently unsound.*
2. *That it tends to weaken the legitimate commerce of the country, and to disturb the regularity of the business of the city.*
3. *That no bank can safely and profitably practise it.*
4. *That it tends to interfere with the efficiency and stability of our banks, and with the harmony of their intercourse with each other.*
5. *That its discontinuance will not divert any substantial deposits from this city.*
6. *That the reasons for its discontinuance are daily increasing.*
7. *That it has, under like conditions, no fair precedent in older countries.*
8. *That as it exists here, it has been unjustly applied.*

Your Committee, in conclusion, have only to repeat their firm convictions that this agreement, if consummated, will promote the highest public benefit, and ensure the greater prosperity and stability of the banks in this city; and that no simple measure can be adopted of a public or legislative character that will so effectually secure the good of the country at large, without the least admixture of evil. They therefore, on behalf of the very large majority of their associates, who agree with them in these views, confidently appeal to the good sense of the minority, with this weight of opinion against their position, and leave with them the serious responsibility of defeating a measure which is deemed so important and vital to the interest of the commercial and financial community.

WM. A. BOOTH,  
JOHN E. WILLIAMS,  
E. W. DUNHAM,  
PARKER HANDY,

*Committee.*

NEW YORK, March 4, 1858.

## BRITISH BOARD OF TRADE.

THE Board of Trade returns for the month of December comprise also the totals for the entire year 1857, of which an abstract is given in the following tables. Notwithstanding the reaction in the closing months, the aggregate value of our exportations was beyond any former amount, the increase being £7,328,289 as compared with 1856, and £26,467,152 upon 1855. Among the items of increase machinery is most prominent, affording a strong indication of our mechanical progress, and also of the stimulus imparted by the unnatural prices so long paid for produce of all kinds to a development of foreign and colonial factories. Coal likewise, partly from this cause, has been shipped in extraordinary quantities. Metals figure next in importance, and then woollen and cotton goods and leather. Linens and silks show a reduction.

## DECLARED VALUE OF BRITISH EXPORTATIONS.

	Year 1856.	Year 1857.	Increase.	Decrease.
	£	£	£	£
Apparel and slops.....	1,816,310	2,153,393	337,083	..
Beer and Ale.....	1,455,043	1,592,130	137,087	..
Books.....	423,355	421,692	..	3,663
Butter.....	693,777	562,151	..	131,626
Candles.....	305,187	281,313	..	23,874
Cheese.....	160,292	113,892	..	46,390
Coals and Culm.....	2,826,582	3,900,551	373,969	..
Cordage.....	278,432	246,897	..	31,535
Cotton.....	30,204,166	30,421,056	216,890	..
Cotton yarn.....	8,023,575	8,691,853	668,278	..
Earthenware.....	1,334,118	1,488,668	154,550	..
Fish.....	519,793	651,534	131,739	..
Furniture.....	208,103	288,868	80,765	..
Glass.....	581,972	657,790	75,748	..
Haberdashery.....	3,638,358	3,895,945	257,587	..
Hardwares.....	3,747,598	4,016,327	268,729	..
Leather.....	1,758,451	2,301,076	544,625	..
Linens.....	4,887,780	4,511,454	..	376,326
Linon yarn.....	1,365,980	1,647,879	281,899	..
Machinery.....	2,716,453	3,883,023	1,166,570	..
Iron and Steel.....	12,964,109	13,594,328	630,219	..
Copper and Brass.....	2,648,259	3,115,921	467,662	..
Lead.....	734,204	728,002	..	6,202
Tin.....	1,646,842	1,799,603	152,761	..
Oil Seed.....	1,079,748	664,214	..	415,534
Painters' Colors.....	485,813	442,719	6,906	..
Pickles and Sauces.....	294,164	355,496	..	38,668
Plate and Jewelry.....	481,317	544,533	63,216	..
Salt.....	401,182	341,019	..	60,163
Silks.....	2,962,056	2,918,479	..	43,577
Soap.....	276,242	239,949	..	36,293
Soda.....	608,499	759,426	150,927	..
Spirits.....	998,445	751,565	..	246,880
Stationery.....	720,390	743,548	23,158	..
Sugar, refined.....	806,445	356,894	..	449,551
Wool.....	920,193	1,088,918	138,725	..
Woolens.....	9,500,428	10,705,421	1,204,993	..
Woolen yarn.....	2,889,642	2,941,765	52,123	..
Unenumerated Articles.....	8,376,753	9,025,995	659,242	..
	<u>115,896,948</u>	<u>122,155,237</u>		

With regard to imported commodities there are few very extraordinary features, the general consumption having been steady. The importation of tea, however, shows a considerable decrease, while in the quantity taken into use there has been an augmentation. The foreign export of the above £122,155,237 was divided as follows:

To British East Indies.....	£11,646,341
British Australia.....	11,698,146
Other British Colonies.....	13,840,760
	<u>37,115,247</u>
To the United States.....	19,182,931
Germany (Hanse Towns, Prussia, Hanover, &c.).....	13,123,025
Other Foreign Countries.....	52,734,034
	<u>122,155,237</u>
Total, year 1857.....	£122,155,237

MEMORIAL OF THE CHAMBER OF COMMERCE, OF NEW YORK.

NEW YORK, *Jan. 7, 1858.*

To the Honorable the Legislature of the State of New York, in Senate and Assembly convened :

THE Memorial of the Chamber of Commerce of the State of New York respectfully represents : That the great body of merchants and other business men of this city, still strongly desire a change in the Usury Laws of this State. This change has been earnestly sought for during several years past, and its need has been shown more strongly than ever, during the great commercial revulsion and panic, that not only this city, but the whole country has experienced during the past four months.

The law of 1837 was no doubt enacted with the laudable purpose of aiding borrowers, by diminishing the rates of interest and by increasing the stability in the movements of money. It can be shown that its influence has all along been exactly the reverse of its original purpose. Instances can be shown where money has been let at the same hour, and almost under the same roof, at five per cent. *a month* and at five per cent. *a year*.

As a proof that a total repeal or great relaxation of our Usury Laws would benefit the movements of business, during a financial panic, your memorialists would cite the fact that in England, and all over Continental Europe, during the darkest hour of their recent commercial alarm, the rate of interest has not gone beyond ten per cent. per annum. In England they have no Usury Laws, and on the Continent none that are thought of or acted upon at all ; and yet the natural laws of supply and demand, in the money market, are steadily and somewhat rapidly diminishing the price for money all over Europe. For a more detailed view of the reasons assigned for the change now being sought in our Usury Laws, your memorialists would respectfully refer to the petitions of the Chamber, under date of January, 1855, 1856 and 1857, hereto annexed ; also to the pamphlets and reports that will be sent to such committee as your honorable bodies may be pleased to refer the present memorial to.

Without now entering any further into detailed arguments in regard to the Usury Laws, your memorialists would most respectfully ask your honorable bodies to enact the law hereto annexed, or to make such other modification in our Usury Laws as in your wisdom may seem advisable.

By order of the Chamber,

P. PERIT, President.

EDWARD C. BOGERT, Secretary.

The Committee of the Chamber propose the following law :

AN ACT REGULATING THE RATE OF INTEREST ON THE LOAN OR  
FORBEARANCE OF MONEY.

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

SEC. 1. No grant, transfer, bond, note, bill of exchange, contract or agreement, or loan, or forbearance of any money, goods or things in action, shall be void by reason of any paying or receiving, or agreement to pay or allow such rate of interest as the parties may agree upon.

SEC. 2. In all cases where the rate of interest is not specified, the interest shall continue to be at the rate of seven dollars upon one hundred dollars for one year, and after that rate for a greater or less sum, or for a longer or shorter time.

SEC. 3. No greater rate of interest than is specified in the second section of this act shall be charged on any judgment after the date of the rendition thereof, rendered in any of the courts of this State, although such judgment may have been founded upon a writing stipulating a higher rate of interest.

SEC. 4. So much of title third, chapter fourth, and part second of the Revised Statutes, and so much of the laws of 1837, chapter 430, as are inconsistent with the provisions of this act, are hereby repealed.

SEC. 5. This act shall take effect immediately.

BANK STATISTICS.

INDIANA.—*Office of the Auditor of State, Indianapolis, March 1, 1858.*—The following banks have complied with the amended law of 1855, and have securities deposited with the Treasurer of State, at their market value, to an amount not less than *fifty thousand* dollars, and ten per cent. in excess of their circulation :

Bank of Goshen, Goshen; Bank of Gosport, Gosport; Bank of Mt. Vernon, Mt. Vernon; Bank of Paoli, Paoli; Bank of Rockville, Wabash; Bank of Salem, New Albany; Bank of Salem, Salem; Bloomington Bank, Bloomington; Cambridge City Bank, Cambridge City; Exchange Bank, Greencastle; Farmers' Bank, Westfield; Indiana Bank, Madison; Indiana Farmers' Bank, Franklin; Kentucky Stock Bank, Columbus; Lagrange Bank, Lima; Parke County Bank, Rockville; Prairie City Bank, Terre Haute; Salem Bank, Goshen; Southern Bank of Indiana, Terre Haute.

The following banks have complied with the amended law, but have since given notice of their intention to withdraw their circulation. Their notes are payable in coin:—Bank of Indiana, Michigan City; Canal Bank, Evansville; Central Bank, Indianapolis—redeemed by the Treasurer of State; Crescent City Bank, Evansville.

The following banks are winding up voluntarily, and are redeeming their notes at par, as specified. The ten per cent. excess of securities is retained by the Auditor:—Bank of Elkhart, redeemed at the bank; Brookville Bank, redeemed at the bank; Hoosier Bank, redeemed at the bank; Huntington County Bank, redeemed at the bank; Indiana Stock Bank, redeemed at Fletcher's Bank; Bank of Monticello, redeemed at Branch Bank, Lafayette; Fayette County Bank, redeemed at Branch Bank, Connersville; Merchants and Mechanics' Bank, redeemed at Branch Bank, New Albany; Bank of Syracuse, redeemed at Bank of Goshen; Indian Reserve Bank, redeemed at Fletcher's Bank, Indianapolis.

*Suspended Indiana Free Banks.*—The notes of the following banks are redeemed by the Auditor of State, viz:—Agricultural Bank at par, Atlantic Bank at 80c., Bank of Albany at 90c., Bank of Albion at par, Bank of America at 87c., Bank of Attica at 89c., Bank at Bridgeport at 88c., Bank at Connersville at 87c., Bank of Perrysville at par, Bank of South Bend at par, Bank of T. Wadsworth at 94c., Bank of North America, Clinton, at 90c., Bank of Rockport at par, Farmers' Bank, Jasper, at 91c., Kalamazoo Bank at 90c., Laurel Bank at 82c., Northern Indiana Bank at 83c., New York and Virginia State Bank at par, Orange Bank at par, State Stock Bank of Indiana, Peru, at 85c., State Stock Bank, Marion, at 90c., Savings Bank of Indiana at 69c., Traders' Bank, Nashville, at 92c.; Wabash Valley Bank at 92c., Wayne Bank, Richmond, at par, Wayne Bank, Logansport, at par, Bank of Warsaw, redeemed at the Bank.

Persons sending notes for redemption will take notice that all suspended banks, the notes of which are redeemed at this office, are on the above list.

FREE BANKS OF INDIANA, FEB. 4, 1858.

RESOURCES.

Stocks deposited with Treasurer of State.....	\$1,416,787 84
Due from shareholders.....	182,521 94
Notes and bills discounted.....	1,166,945 24
Suspended debt.....	53,982 08
Notes and checks of other banks.....	125,354 90
Notes of this bank.....	70,511 00
Due from banks and bankers.....	283,858 97
Value of real estate necessary to the transaction of business...	30,396 09
Value of other real estate.....	6,576 40
Personal property.....	10,891 21
Expense account.....	3,804 90
Specie.....	195,456 08
Other cash items.....	108,578 26
<b>Total.....</b>	<b>\$3,547,114 41</b>

LIABILITIES.

Capital stock.....	\$1,471,231 25
Due to banks and bankers.....	83,863 08
Due to depositors.....	703,457 68
Notes in circulation.....	1,079,927 00
Time bills and other evidences of debt.....	69,866 29
Losses charged upon capital.....	16,366 18
Losses charged upon profits.....	6,589 11
Dividends not paid.....	24,849 56
Profit and loss.....	55,352 20
Surplus fund.....	45,024 28
Other liabilities.....	87 78
<b>Total.....</b>	<b>\$3,547,114 41</b>

During the year 1854, one thousand sheets of the bank notes of Huntington County Bank (5 & 10) and five hundred sheets of the Bank of North America, Clinton (5-5), were mislaid and supposed to be lost. The blank impressions of these banks have been handed over to each successive Auditor with that discrepancy in the account. The notes of Huntington County Bank were entirely blank; those of the Bank of North America were signed by W. Quarles, Deputy Auditor, only. Within a short time these notes have appeared in circulation with forged signatures, having



been found by some persons in an old vault formerly used by this office, among a pile of old papers and rubbish. Every effort has been made by this department to get possession of the notes and ferret out the rascals who put them in circulation. A portion of the notes of each bank have been recovered, and three men implicated in the forgeries are in custody. The notes are poorly filled up, and are easily detected by judges of money.

## NEW YORK.

*Liabilities and Resources of the Banks of the State of New York for the years 1853, 1854, 1855, 1856, 1857.*

	LIABILITIES.				
	December, 1854.	March, 1855.	December, 1855.	June, 1857.	December, 1857.
Capital.....	\$83,260,860	\$84,881,152	\$100,023,798	\$108,954,777	\$107,449,143
Profits.....	12,094,637	10,123,535	14,191,234	13,949,080	18,965,673
Circulation.....	93,230,738	97,909,324	88,590,479	82,395,399	23,899,964
Due State of New York	8,453,116	8,542,060	4,492,877	3,254,877	3,062,766
Individual deposits....	71,094,501	79,737,794	94,872,202	105,261,001	81,123,298
Bank balances.....	20,540,705	26,917,605	23,645,662	27,919,517	21,968,562
Miscellaneous.....	2,745,835	2,506,870	2,298,926	1,755,452	1,632,463
<b>Total liabilities....</b>	<b>\$221,412,976</b>	<b>\$225,737,114</b>	<b>\$278,106,728</b>	<b>\$237,990,916</b>	<b>\$252,476,866</b>
	RESOURCES.				
	December, 1854.	March, 1855.	December, 1855.	June, 1857.	December, 1857.
Loans.....	\$141,604,996	\$152,181,080	\$138,557,123	\$190,505,823	\$154,210,065
Bonds and mortgages...	7,326,631	8,809,624	9,127,733	9,299,794	8,597,310
Stocks.....	20,050,906	20,240,992	25,537,127	25,747,472	22,623,755
Real estate.....	5,327,555	5,479,479	7,075,049	7,423,015	7,423,614
Expense account.....	1,423,516	993,304	1,632,593	1,262,623	2,123,633
Overdrafts.....	472,554	401,443	521,236	507,137	445,464
Specie.....	13,470,879	17,944,433	11,898,302	14,370,434	29,313,421
Cash items.....	15,327,065	13,894,877	22,379,016	23,787,436	14,180,673
Notes of other banks...	3,436,274	3,567,681	3,163,241	3,094,293	1,881,439
Due from other banks..	12,257,029	12,111,990	12,745,309	11,643,330	11,726,973
Miscellaneous.....	174,438	121,316	.....	930	919
<b>Total resources....</b>	<b>\$221,473,017</b>	<b>\$225,733,374</b>	<b>\$278,106,728</b>	<b>\$237,990,346</b>	<b>\$252,476,866</b>

For copious details as to the New York Banks since 1848, refer to February number, pp. 645-646.

## PHILADELPHIA.

*Weekly Statement of the Philadelphia Banks, with a Capital of \$11,300,165.*

1853.	Loans.	Specie.	Due from other Banks.	Due to other Banks.	Deposits.	Circulation.
January 11...	\$21,302,374	\$3,770,701	.....	.....	\$11,465,253	\$1,011,033
" 18...	21,068,653	4,018,395	2,065,935	4,849,616	11,512,965	1,046,545
" 25...	20,730,953	4,243,966	2,209,655	4,414,160	11,547,697	1,062,192
Feb'y 1...	20,423,704	4,475,693	2,730,143	4,173,710	12,195,126	1,096,469
" 8...	20,259,226	4,663,085	.....	.....	11,904,519	1,223,046
" 15...	20,071,474	4,323,989	.....	.....	11,867,342	1,559,218
" 22...	20,161,260	4,984,906	1,713,254	3,776,665	12,014,604	1,666,609
March 1...	20,251,066	4,998,966	1,679,344	2,645,662	11,830,532	1,808,731
" 8...	20,471,166	5,147,615	1,646,333	2,723,129	12,258,333	1,916,359
" 15...	20,522,986	5,448,514	1,973,569	2,782,085	12,691,547	2,077,907
" 22...	20,796,955	5,433,368	1,923,033	2,849,730	12,413,191	2,140,463

## MASSACHUSETTS.

The following table presents a list of the banks of Massachusetts authorized by the Legislature of the year 1857, to increase their capital stock, "provided, that the whole amount shall be paid in before the first day of May, 1858."

Name.	Location.	Authorized Increase.	Previous Capital.	Increase paid April 1.
Agawam Bank.....	Springfield.....	\$100,000	\$200,000	\$ 50,000
Asiatic Bank.....	Salem.....	105,000	210,000	105,000
Brighton Market Bank.....	Brighton.....	100,000	200,000	50,000
Cape Cod Bank.....	Harwich.....	50,000	100,000	50,000
City Bank.....	Worcester.....	100,000	200,000	100,000
Conway Bank.....	Conway.....	50,000	100,000	50,000
Dedham Bank.....	Dedham.....	50,000	250,000	50,000
Hampshire Manufacturers' Bank.....	Ware.....	100,000	250,000	100,000
Haverhill Bank.....	Haverhill.....	50,000	150,000	50,000
Hopkinton Bank.....	Hopkinton.....	50,000	100,000	10,000
Housatonic Bank.....	Stockbridge.....	50,000	150,000	50,000
Lee Bank.....	Lee.....	100,000	200,000	100,000
Lynn Mechanics' Bank.....	Lynn.....	50,000	200,000	50,000
Malden Bank.....	Malden.....	50,000	100,000	.....
Mechanics' Bank.....	New Bedford.....	200,000	400,000	200,000
Miller's River Bank.....	Athol.....	50,000	100,000	50,000
Mount Wollaston Bank.....	Quincy.....	50,000	100,000	50,000
Old Colony Bank.....	Plymouth.....	100,000	150,000	42,500
Oxford Bank.....	Oxford.....	50,000	100,000	.....
Pittsfield Bank.....	Pittsfield.....	200,000	200,000	200,000
Quincy Stone Bank.....	Quincy.....	50,000	100,000	50,000
Taunton Bank.....	Taunton.....	50,000	250,000	50,000
Union Bank.....	Haverhill.....	50,000	150,000	50,000
Warren Bank.....	South Danvers.....	50,000	200,000	50,000
Woburn Bank.....	Woburn.....	50,000	100,000	25,000
Wrentham Bank.....	Wrentham.....	50,000	150,000	.....
Total.....		\$1,955,000	\$4,710,000	\$1,582,500

## FOREIGN ITEMS.

## GEORGE PEABODY OF LONDON.

We annex letters addressed by Mr. George Peabody, in reference to recent rumors as to the aid granted his house by the Bank of England:—

*To the Editor of the N. Y. Times.*

SIR:—In a *Times*, dated late in December, you state as follows:

"We are informed on authority, whose accuracy we have every reason to credit, that the amount of bills which the house of Peabody & Co. was under acceptance for when assistance was obtained from the Bank of England, exceeded the almost inconceivable sum of six millions sterling."

With few exceptions I have observed, with much pleasure, that the course my house pursued under the pecuniary pressure brought upon them by the panic in the United States, and the inability of American friends, to fulfil engagements, has been much

commended by the American press, and more sympathy than blame has been awarded to myself and partners for adopting a course which not only protected our own credit but saved many of our correspondents in the United States from consequences that would have been considered a calamity throughout the whole country.

The respectability of your journal and the high credit you give to your informer in the article quoted, is calculated to do great injury to my house and to American credit generally, for if the acceptances of my firm had amounted to six millions sterling as you state, it would have been but to place it in the same rank with the Borough Bank of Liverpool, and Great Western of Scotland, and myself and partners pronounced as unworthy of confidence for the future. The facts are as follows :

About the 20th November, when the money panic in the United States and Europe was raging, and anticipated commercial difficulties were still more appalling, my house considered it wise and prudent to adopt a course which would effectually protect its own credit, and save many correspondents who were unable to meet engagements by remittance, from inconvenience and loss. The acceptances of my house at that time were £2,300,000 (not £6,000,000), and our application to the bank was for a loan, on good securities, for £800,000, should so much be required. The application was acceded to, and within a few weeks after, we took £300,000, depositing securities of our own for the same. Up to this time we had taken no more than the £300,000, although the securities deposited amount to a much larger sum, and since that time my house has paid more than £1,500,000 of the £2,300,000 acceptances out, as stated, at the time of its application to the bank. We will further remark that the strength of our principal correspondents is such that our losses on the acceptances above stated, given on their account, will, comparatively, be but trifling.

In justice to my house, and to American credit generally, I think the facts stated should be known to the American public, and they are at your service for that purpose. Very respectfully and truly, &c.

GEORGE PEABODY.

LONDON, Jan. 21, 1858.

LONDON, Monday, Jan. 25, 1858.

Referring to a letter I addressed to *The Times* on the 22d inst., on the subject of the loan made to my house in November, it has since occurred to me, in consequence of various erroneous remarks contained in American papers, on the subject of guaranties given for the same, that it is advisable to state the following particulars :

The Charter of the Bank of England forbids the Governor and Directors from lending money on any but British securities, and a considerable portion deposited by my house being in bonds of the various States and cities of the United States, the rule of the Bank required, in addition, a resident name (as it would have done, had the securities been United States Treasury notes), which was promptly given. The Joint Stock Banks required no such addition. Some personal friends and parties interested (about eight in number), have given their names to guarantee separate sums amounting to about £90,000 in the aggregate only, out of the £300,000 which my house has received from the Bank. The parties who have become the guaranties feel, as myself and partners do, that securities having been given by my firm for the full sum borrowed, their responsibility is merely nominal.

The circumstance of all the three great American houses who obtained assistance from the Bank of England in the crisis of 1837 having given guaranties, without other security, has doubtless led the correspondents of the American press into the errors to which I have alluded. I am, very respectfully, yours,

GEORGE PEABODY.

CHINESE PAPER MONEY.—We have seen two bank bills, of the value of two dollars each, one dated January, 1835, and issued in the city of Foo-chow, by a bank bearing the euphonious name of "Chinim," which translated, means "spring showers." It is nine and a half inches long by three and a half inches wide, and bears the signature of responsible persons, is printed in three colors, viz : red, and black, and has other guarands against counterfeits, such as the combination of secret characters, and the division of letters so that the edge of the bill will match only the edge of the one from which it was separated, &c. The other bill, of like size and value, was issued from the bank of "Hiang li," or "joyful profit." The bills have been cancelled by the drawing of a

black mark around the signature, which is the course with all bills returned to the bank after emission. Promissory notes and letters of credit are constantly used in China, to facilitate mercantile transactions. In many of the large cities, notes are issued by the banks of deposit, on the security of their own capital, and their paper circulates as far as the credit of the bank is known. They have no connection with Government. Paper money, it is said, is in common use in Japan, though we find no mention of it by Commodore Perry's expedition. Its introduction is stated to have taken place between the years 1819 and 1831. The Chinese name for the kaleidoscope is the Tube of Ten Thousand Flowers.—*Boston Journal*.

AMERICAN CREDIT ABROAD.—The last mail from New York has added to the bitter disappointments experienced by European holders of American city and railroad obligations. Coupons of papers that were considered perfectly reliable, and were therefore held at a high figure, were recently returned unpaid. This system of violently breaking contracts, and making a mockery of the principles which govern all honest people in their business transactions, has caused in the interested circles a feeling of hatred and contempt for the American character, from which it is plain that, for a long time to come, American securities will be under the ban—they certainly will never again attain the position among sound investments which they once occupied in Germany and Switzerland. The enormous losses sustained by our capitalists in consequence of the transatlantic swindles, might in a measure be overlooked; but the fact that many of our private citizens, mechanics and traders, had, during the Russian war, invested their little means in American securities, which are now nearly worthless, will not soon be forgotten. Many a worthy man, who had hoped to leave his family a competence, now finds that he is the victim of a base fraud. Do not imagine that I exaggerate—cases have come to my knowledge which are really distressing and deserving of sympathy. It is a reproach to the American name that such things occur so frequently—and sooner or later such conduct will bear its own fruit. Mr Moran, President of the New York and Erie Railroad, who arrived here a few days ago from London, for the purpose of inducing our capitalists to again open their purses for the benefit of the concern under his direction, and which has already on several occasions gone to the wall, is undoubtedly by this time convinced that his efforts here will be fruitless, and that the feeling in Germany and Switzerland is decidedly averse to any further financial dealings with America.—*Translated for the Evening Post from the Frankfort Correspondence of the Augsburg Allgemeine Zeitung*.

THE QUICKSILVER MINES.—A statement in the San Francisco *Alta California*, gives the shipment of Quicksilver from that port during the year 1857, at 21,265 flasks. We do not know whether this is all the product of Quicksilver in California for the year, but presume not, as another article in the same paper, giving an account of the New Alexander mines says: "The Quicksilver is put up in cast-iron flasks, seventy five pounds in each. By far the larger portion of it is transported to Mexico, though considerable shipments are also made to Peru and Chili." This would seem to imply that the shipments mentioned above were destined for Peru and Chili, and that the majority of the Quicksilver was sent overland into Mexico. From the report of the Director-General of the mines to the County Surveyor of Santa Clara, we learn that the average annual production of quicksilver at the mines is one million and eighty-seven thousand pounds. The ore reduced within the year has yielded over eighteen per cent. of metal; the annual cost of working the mines is \$284,000, and the net value of the Quicksilver about thirty-seven cents per pound. About two hundred persons are employed.

## MISCELLANEOUS ITEMS.

**WAREHOUSING.**—The Legislature of New York has granted a charter for a “New York Warehousing Company.” In the circular of the Commissioners authorized to take subscriptions, they urge the following as among the benefits of this institution :

*First. To the Interest of Commerce.* 1. By furnishing increased and superior facilities for receiving and storing all kinds of produce and merchandise, so that every article of commerce, whether free or in bond, may be promptly stored and safely kept for any length of time, in stores specially adapted to the various kinds of goods. 2. By giving to the owner or consignee of property a *perfectly responsible receipt*, and also by giving to that receipt a *negotiable character*. 3. By establishing the business of warehousing on a *system* that shall protect owners, consignees, and underwriters, from those formidable risks which they now incur from the want of method and responsibility in the conduct of this vast business here.

*Second. To the Stockholders.* 1. By conferring very valuable powers and privileges to enable them to conduct a business of the greatest magnitude and importance with the certainty of realizing ample returns for their investment, such indeed as few or no companies can make, and by giving them a lien on all property deposited with them for their claims against it, thus exempting them from all ordinary risks of loss in the transaction of their business. 2. By furnishing them facilities to use all their surplus means, with entire safety, by advancing on property stored with them. 3. By exempting the stockholder from any liability, except to laborers and servants, after he has paid in full for the stock held by him.

## BANK ITEMS.

**NEW YORK.**—The country Banks of the State have combined to create at Albany “an Assorting House for State Currency;” the terms of redemption being essentially the same as at the Metropolitan Bank of this city. Any additional channels or facilities by which uncurrent money can be returned to its points of issue are desirable to the public. The next best step will be the creation of a par currency for the whole State. The time will soon come, we think, when all the bank paper issued in the State will be at par. Such a change is quite as feasible here as it was in Boston for all New England. One bank in State Street maintains thirty millions of New England bank bills at par, upon a small specie basis; and we see no reason why New York cannot follow the example upon a larger basis. There can be but one financial centre to a State. Liverpool, instead of London, might as well undertake a Clearing House for England, as Albany for New York. We may assume that four-fifths of the uncurrent money of our State centres in New York. Holders here can realize the value of such bills on the day following the deposit in bank—but *via* Albany not under two or three days. Hence it would be inconvenient to send such bills to Albany for redemption, whereby a loss of two or three days would follow. The redemption agent or channel should be still at New York, and when a par currency shall be established, the importance or necessity of such an agent would be lessened, because one note would be as available as another for all business purposes.

**New York City.**—The East River Bank resumed business on the 18th March, at the corner of Eighth Street and Third Avenue. Mr. W. F. Carman, cashier. Sales of the stock were made last week at 48½.

*Canal Funds.*—Annexed is a list of the Banks in New York and Brooklyn, which have been selected as depositories of the canal tolls. The shares are to be equally divided, except where otherwise noticed :

*New York.*—Butchers and Drovers' Bank, Marine Bank, Atlantic Bank, New York ; Mechanics' Bank, Brooklyn.

The Treasury of the State is now suffering by the losses of several Banks that failed in 1837, and have not since resumed. In the selection of depositories of public revenue, all considerations of a partisan nature should be set aside, and security should be required for the faithful return of the deposits. In the list of those selected throughout the State, we find several who, from limited capital and inability to make regular dividends, show their unfitness for such deposits unless collateral security is given. Where a Bank does not make its regular dividends, its capital being impaired, it is not a fit depository of public revenue.

*Buffalo.*—The Bank Superintendent gives notice that the securities of the Pratt Bank of Buffalo being converted into money, he will redeem the circulating notes at 94c. on the dollar on presentation of the same at the Bank department. The bills of the Ontario County Bank will be redeemed at par at the Union Bank of Albany, on and after to-day.

*DEFALCATION.*—The Union Bank of this city charges Mr. Brotherton, their late general book-keeper, with being a defaulter to the amount of \$141,300. As the book-keeper did not handle any of the bank's funds, he could only perpetrate a fraud by collusion with some customers of the bank. In this case, the operations run so far back that the whole of the combination has not yet come to light. It appears that Jacob H. Mott opened an account with the new bank (the Union having been wound up as a chartered institution, and reorganized as an association under the General Law) in the year 1856, and that the book-keeper continually credited him with fictitious amounts ; in some cases adding a figure at the left hand of an actual deposit, in others entering an amount entirely fictitious, when no deposit had been made. Of course, these credits were balanced by a corresponding debt against some account which had a large balance, whenever the book-keeper was required to furnish his balance-sheet. The amount of overdrafts on this account is about \$45,000, and it is probable that the remainder of the defalcation ran far back into the business of the old bank.

*CONNECTICUT.*—R. B. Craufurd, Esq., for some time teller of the Pacific Bank, New York, succeeds Mr. Rockwood as cashier of the Bank of Norwalk.

*Waterbury.*—The announcement in our last number that Mr. B. H. Dewey had succeeded Mr. A. J. Chase as cashier of the Waterbury Bank, was a mistake. It is the Bank of Waterbury, VERMONT, to which Mr. Dewey has been appointed cashier. Mr. Chase retains his position at Waterbury, Conn.

*RHODE ISLAND.*—Manton E. Hoard, Esq., was on the 1st March elected cashier of the Arcade Bank of Providence, in place of Benjamin W. Ham, Esq., who has accepted the appointment of cashier of the Providence Bank.

*MASSACHUSETTS.*—John C. Mason, Esq., has been elected President of the Central Bank Worcester, in place of Judge Kinnicut, deceased.

*ANTI PHOTOGRAPH BANK-NOTE PRINTING.*—We gave in our March number two specimens of bank-note engraving and printing. Since then we have seen a "challenge" made by Mr. G. Matthews, the patentee of the new process of anti-photographic printing, wherein he offers a reward of \$500 for the removal of the green tint from one of the impressions without injury to the black printing ink or to the paper.

*PENNSYLVANIA.*—Mr. J. Arnold, late of Pittsburg, has been chosen, by the Bank Presidents, Clerk and Superintendent of the Philadelphia Clearing House.

*Philadelphia.*—William Rushton, Jr., Esq., formerly assistant cashier of the Farmers and Mechanics' Bank at Philadelphia, has been elected to the cashiership of that institution, rendered vacant by the resignation of Edwin M. Lewis, Esq., who still retains the Vice Presidency.

**Reading.**—The branch of the bank of Pennsylvania at Reading is closed. The assets were sent to Philadelphia several months ago. The banking-house was sold to the Union Bank of Reading (a new bank) which is now doing business in it. The cashier of the branch of the Bank of Pennsylvania is now the President of the Union Bank, and the Teller of the branch is now the Cashier of the Union Bank.

**Doylestown.**—John J. Brock, Esq. was on the 19th November last, elected cashier of the Doylestown Bank of Bucks Co., in place of J. Hart, Esq., resigned.

**MARYLAND.**—The following new banks were incorporated at the late session of the legislature: 1. The Clinton Bank. 2. The Alleghany County Bank. 3. The Miller Coal Company Bank. The Mechanics' Exchange Company of Baltimore is invested with banking privileges. The legislature also incorporated the "Maryland Mutual Life and Fire Insurance Company."

**OHIO.**—The Columbus (Ohio) Journal, publishes a statement in relation to an over-issue of the circulating notes of the Canal Bank of Cleveland; after a recital of some facts in the case, it adds:

These look very much as if the circulation was not burned at the time the \$20,802 of bonds were surrendered to the bank; but was again put in circulation by the persons then having the control of the treasury. Indeed, there can be no reasonable doubt that such was the fact. The public would like to know about the extent of that fraud. We will give a guess. We think the \$20,802 of circulation that was reported to be burned when that amount of stocks was taken up, somehow did not get into the fire, but somehow did get into circulation again. We imagine the excess will be found just about equal to this sum, minus the loss of bills by accident, &c., during the twelve years of their circulation. Of this \$20,000 there have been redeemed at the treasury about \$6,000. Perhaps \$4,000 is not a large estimate of the destruction of bills by accident, &c. This will leave about ten thousand dollars of it yet outstanding. We hope this may not be so, but it looks like it to us. We trust this is the bottom of the Breslin frauds, but no one knows what may yet turn up. Meanwhile, all having these notes must send them to the treasury by the first of March, or be content to have them barred.

**Cincinnati.**—The question of having a redeeming agency for western currency at Cincinnati, is urged with energy by many of the western banks. The establishment of such an agency would have the effect to materially reduce eastern exchanges and thereby be of great benefit to the merchants of this city. New York exchange at Cincinnati will average  $\frac{1}{2}$  of one per cent. throughout the year, and, as the financial centre of the West, it partly regulates the general rate of exchange in the West. A portion of this percentage of exchange is paid by New York merchants, and hence the importance to them of any movement tending to reduce the average rate.

**NORTH CAROLINA—FARMERS' BANK OF ELIZABETH CITY.**—We learn from the "People's Press," that the Farmers' Bank at Elizabeth City, (N. C.) is making arrangements to wind up. It has been ascertained that all the liabilities of the bank will be paid off, and the stockholders will receive seventy cents on the dollar. This estimate is made, allowing a loss of \$60,000 dollars for bad debts. The billholders are said to be in no danger of any loss.

**SOUTH CAROLINA.—Reduction of Circulation by nine banks:—**

Location.	Banks.	Circulation, Sept. 1857.	Circulation, Jan. 1858.
Charleston.....	S. W. Railroad Bank.....	\$196,930 00	\$549,983 00
" .....	Planters' and Mechanics' Bank.	148,101 89	269,475 00
" .....	Bank of South Carolina.....	93,753 50	110,297 00
" .....	Farmers & Exchange Bank..	646,085 00	434,060 00
Hamburg.....	Bank of Hamburg.....	646,009 00	585,051 00
Newberry.....	Bank of Newberry.....	590,721 00	367,116 25
Windsor.....	Planters' Bank, Fairfield.....	339,090 08	249,895 00
Columbia.....	Exchange Bank, Columbia....	470,485 00	390,175 00
Charleston.....	Peoples' Bank .....	859,980 00	298,600 00

Aggregate Circulation..... \$3,414,125 42      \$3,214,652 25

ILLINOIS.—The Bank Commissioners of the State of Illinois report respecting the banks of that State as follows:—

Number of banks .....	66
Number in liquidation .....	27
Number doing business .....	39
Missouri bonds .....	\$2,994,000
All other bonds .....	3,105,399
<b>Total</b> .....	<b>\$6,098,499</b>
Circulation .....	5,002,377
Excess of Securities .....	\$1,095,022

LOUISIANA.—The circulation of small notes has been discontinued in Pennsylvania, Maryland, and other States, and public sentiment is decidedly against their general use. The Report of the Louisiana Joint Committee on Banking contains some very valuable suggestions. After citing the figures to exhibit the ample resources of the Banks, even during the most critical period of the revulsion, the Report proceeds to show what it styles "the few weak points of our defences." It considers that the circulation of small bank notes is, politically and socially, an evil which ought to be promptly remedied. Politically, by tending to drive the precious metals from the country; socially, by involving the working classes in losses and panics, they being the first to suffer from monetary disasters. These considerations induce the committee to recommend the prohibition of the circulation of bank notes under twenty dollars. To attain this object amicably, certain concessions have been made. These are to exempt forever the capital stock of the free banks from municipal taxation, to allow the chartered banks to receive for loans over ninety days an interest equal to that allowed to the free banks, and to raise the rate of interest chargeable by the free banks to a level with that of the chartered banks for all paper over one hundred and twenty days. Nearly all the banking institutions have agreed to these propositions. In order to guard against the too rapid withdrawal of a circulation which, on the 21st January last, exceeded one million several hundred thousand dollars, the Committee propose by bill, that after October, 1858, no bank shall issue or reissue notes of a less denomination than ten dollars, and after October, 1859, none of a less denomination than twenty dollars. Provisions are made for preventing the circulation of five and ten dollar notes of the banks of other States.

New Orleans.—The following table shows the respective amounts of loans, specie circulation, deposits, and exchange, of the several banks of New Orleans.

	Loans.	Specie.	Circulation.	Deposits.	Exchange.	Due Banks.
Citizens' .....	3,054,073	1,942,460	1,694,270	3,239,385	1,552,569	320,068
Canal .....	1,224,735	1,283,217	535,890	1,109,910	1,613,171	167,420
Louisiana .....	3,069,321	2,361,488	641,274	3,684,470	1,325,094	369,355
Louisiana State .....	3,010,934	2,997,455	1,237,345	4,653,145	960,098	309,680
Mechanics and Traders' .....	497,174	431,765	113,170	693,057	305,400	47,222
Bank of N. Orleans .....	1,148,256	644,746	387,990	950,792	470,455	49,600
Southern .....	261,421	193,276	178,395	272,163	812,908	....
Union .....	960,384	333,542	324,235	700,270	462,516	45,969
Bank J. Robb .....	334,657	302,971	294,090	422,100	125,521	18,410
Creasant City .....	756,124	220,642	58,280	166,967	....	....
Bank America .....	144,979	350,270	89,330	329,603	....	....
<b>Total</b> .....	<b>\$15,062,058</b>	<b>11,061,832</b>	<b>5,524,269</b>	<b>16,222,462</b>	<b>7,623,752</b>	<b>1,327,744</b>

New Orleans.—The Bank of America at New Orleans commenced business November 4th, 1857, under the free bank law, with a capital of \$500,000, President, William G. Hewes, Esq., cashier, Am. Fortier, Esq.

MISSOURI.—"In the matter of resumption our suspended banks will be directed by an eye looking, not to any profit which a state of suspension may be supposed to bring them, but to their own safety and to the interests of the business community. The reduction in the rates of exchange already realized, and the tendency to a still further reduction, encourage the hope that they may be able to resume soon, without being driven to measures which will straiten their customers by lessening the facilities now extended to them.—*St. Louis Republican*."

St. Louis.—The Exchange Bank at St. Louis commenced business, March 9, 1858.



**BOSTON BANKS.**—A comparison of the footings of the weekly bank statement of the Boston banks with those of the statement for the previous week, exhibits an increase of \$278,467 in the item of loans and discounts, \$412,028 in circulation, \$180,895 in specie, and \$506,704 in deposits. We annex the totals for the week, with a recapitulation of those of the year :

	Date.	Loans and Discounts.	Specie in Bank	Deposits.	Circulation.
January	4, 1856	50,798,759	5,097,922	17,078,752	5,416,473
	11, .....	51,281,280	5,448,977	17,226,783	5,938,410
	18, .....	51,740,926	5,661,216	17,792,558	5,669,028
	25, .....	51,773,419	6,078,680	18,199,649	5,494,731
Feb'y	1, .....	51,854,178	6,402,460	18,398,692	5,251,006
	8, .....	52,011,621	6,872,979	18,602,984	5,428,600
	15, .....	52,187,972	7,079,606	18,429,945	5,698,660
	22, .....	52,089,515	7,257,443	18,454,501	5,299,087
March	1, .....	51,977,884	7,816,805	18,524,978	5,170,872
	8, .....	52,251,801	7,499,700	19,031,682	5,582,400

**RHODE ISLAND.**—The following are the last returns of the Rhode Island Banks, made to the Auditor of that State, according to the new Act. They have been made very promptly, and show an excellent condition. We compare these returns with those made at the time of the suspension of specie payments, and at the time of the resumption:—

## PROVIDENCE BANKS.

	Sept. 28.	Jan. 11.	March 15.
Capital .....	\$14,508,000	14,608,400	14,613,750
Circulation .....	1,959,385	1,552,822	1,310,787
Deposits .....	1,925,142	2,025,956	1,903,082
Due other Banks .....	1,194,967	1,338,435	1,043,930
Loans .....	18,380,161	17,701,725	16,925,349
Specie .....	241,906	565,553	520,828
Bills of other Banks .....	831,690	761,370	632,423
Deposits in other Banks .....	637,419	918,519	1,280,975

## BANKS OUT OF PROVIDENCE.

	Sept. 28.	Jan. 11.	March 15.
Capital .....	6,034,205	5,559,069	5,567,479
Circulation .....	2,168,683	1,347,006	1,141,116
Deposits .....	286,396	732,228	778,843
Due other Banks .....	150,435	71,015	53,784
Loans .....	8,700,199	7,044,239	6,938,567
Specie .....	105,569	174,778	160,111
Bills of other Banks .....	130,687	108,419	87,412
Deposits in other Banks .....	303,789	380,291	435,148

**PRIVATE BANKERS.**—The banking house of Chesnut and Blackburn, at Carlinville, Macoupin County, Illinois, is succeeded by that of Chesnut, Blackburn & Du Bois.

**MISSOURI.**—The banking house of Messrs. Tesson & Danjen, at St. Louis, which suspended in October last, has liquidated its obligations, and resumed business with ample capital, in connection with their New Orleans firm of Menard, Tesson & Co. (See card on the cover of this work.)

**Cleveland, O.**—Mr. Brockway, of the banking firm of Brockway, Wason, Everett & Co., has retired from the firm. Messrs. Wason, Everett & Co. is the style of the new house. (See card on the cover of this work.)

PARIS.—The American bankers, John Monroe & Co., of Paris, have resumed payments, and as the losses of the house by the crisis of 1857 did not consume even the profits of the last year, we are safe to say, that all the confidence which was formerly extended to this house will return to it.

New York.—The firm of Gibbs, Watson & Gibbs, bankers, No. 5 Wall street, in addition to ordinary collections, propose to collect *past due* paper through reliable attorneys. The advantage of this is, that when paper is protested it may be placed in an attorney's hands without the usual delay of waiting instructions. (See their card.)

MICHIGAN.—Mr. James L. Lyell, a banker, of Detroit, Mich., who failed during the panic, had the sympathies of his fellow-citizens. He had been in business in that city a great many years, and enjoyed the public confidence in an extreme degree. How undeserving he was of the high position he occupied, is shown by the following paragraph which we copy from the *Detroit Advertiser*:—Every act that we hear of Mr. Lyell, since the failure, goes to strengthen the general impression that he is a consummate scoundrel. The pretended "assignment which he made before his departure for the benefit of his creditors, we understand is a farce,—the assets he left not being worth to exceed five or six thousand dollars,—probably just about enough to pay assignee's fees. His pretended great losses of \$110,000 by the Ohio Life Insurance and Trust Company, palmed off upon the public as the causes of his failure, we are informed was not so. He realized \$98,000 of that company, which, considering the times, was a fortunate settlement. It is the ardent wish, if not the determination, of his former best friends that he may yet be reached and brought to justice. From all we hear, we think his deposits were *half a million of dollars*.

*Collections in the South and West.*—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking houses, as well as of all the banks in the United States, may be found in the "Merchants and Bankers' Register," for 1858, published early in February, the second edition of which is now published. The cards of bankers in the following places may be found on the cover of this magazine:

MASSACHUSETTS.—Boston.—NEW YORK.—New York City, Buffalo.  
 PENNSYLVANIA.—Philadelphia, Pittsburg, Scranton.—MARYLAND.—Baltimore.  
 DISTRICT OF COLUMBIA.—Washington.  
 VIRGINIA.—Fredericksburg, Lynchburg, Richmond.—GEORGIA.—Augusta.  
 ALABAMA.—Mobile, Montgomery.—ARKANSAS.—Helena.  
 CALIFORNIA.—Sacramento.  
 ILLINOIS.—Beardstown, Chicago, Decatur, Dixon, Moline, Peoria, Peru, Port Byron, Rockford, Quincy, Sterling.  
 INDIANA.—New Albany, Richmond.  
 IOWA.—Cedar Rapids, Council Bluffs, Chariton, Clinton, Fairfield, Davenport, Des Moines, Dubuque, Fort Dodge, Iowa City, Keokuk, Muscatine, Sioux City.  
 KENTUCKY.—Lexington, Louisville.—LOUISIANA.—New Orleans.  
 MICHIGAN.—Battle Creek, Grand Rapids.  
 MINNESOTA.—Minneapolis, St. Paul, St. Anthony.  
 MISSOURI.—Boonville, Glasgow, Hannibal, Lexington, St. Louis.  
 OHIO.—Cincinnati, Cleveland, Newark, Sandusky, Toledo.  
 TENNESSEE.—Nashville.—TEXAS.—Galveston, San Antonio.  
 WISCONSIN.—Milwaukee, Mineral Point, Sheboygan, Fond du Lac.  
 CANADA.—Kingston, &c.

In order to furnish information to bankers and those who have frequent occasion to ascertain, at this office, the names of responsible banking firms in the interior, the publisher of this work will hereafter keep in his office "A REGISTER OF PRIVATE BANKERS IN THE U. S.," containing printed cards of bankers in various cities, with the names of their references. This will show, 1. The style of the firm; 2. Individual names of partners; 3. The location and county of each; 4. Their references (or parties in the Eastern cities on whom they draw). For the convenience of merchants and bankers in New York, Boston, Philadelphia, Baltimore, &c., this Register will be available at all times. Those banking firms who wish their names registered will please send their PRINTED CARDS [*not printed circulars*] for this purpose.

## Notes on the Money Market.

NEW YORK, MARCH 24, 1858.

*Exchange on London, at Sixty days' sight, 107 a 107½.*

This month of March has been remarkable for an increased supply of capital at low rates of interest on first-class securities. The rates of foreign exchange are such as forbid the further export of coin and bullion to Europe—thus the gold accumulations in New York and Atlantic cities are increasing at a rate never known in this country. During the present month loans on call have been made at 4 a 5 per cent., and the banks have not as much prime paper offering as they have means to purchase.

On the 15th instant the bids for the new issue of Treasury notes were opened at the Treasury Department. The result was, that \$2,600,000 were taken at rates varying at 3½, 3¾, 4, 4½, 4¾, and 4¾. The remainder of the 5,000,000 was taken in 5 per cents. There was a want of combination or concert in the bids for the Treasury notes. The bids were much at variance in the rates, and the bidders apparently differed materially in their ideas of the value of money or of the forthcoming demand for United States securities. Some of the bids were for permanent investment, while others were for speculation. Should another loan be authorized by Congress, we think it would be better to propose five per cent. Treasury notes, and solicit offers for such. As it is, the Treasury must issue notes at seven different rates, viz. 3½, 3¾, 4, 4½, 4¾, 4¾, and 5 per cent. interest, when the whole could have been issued at a fixed rate of 5 per cent., but realizing a premium of 1 to 5 per cent.

The condition of the foreign exchanges is such that no further shipments of coin or bullion can be profitably made to Europe. Our foreign exports of produce and merchandise are sufficient to cover the accumulating indebtedness for importations. Sterling bills are quoted at 106½ a 107½, and continental bills almost as favorable, viz.:

<i>Bills at 60 Days on</i>	<i>Feb. 25.</i>	<i>March 10.</i>	<i>March 24.</i>
London,.....	108½ a 110	106½ a 108½	106½ a 107½
Paris,.....	5 17½ a 512½	5 20 a 5 13½	5 22½ a 5 17½
Basle and Zurich.....	5 13½ a 512½	5 16½ a 5 13½	5 16½ a 5 15
Antwerp,.....	5 22½ a 520	5 15 a 5 13½	5 20 a 5 17½
Amsterdam,.....	41½ a 43	41 a 41½	41 a 41½
Hamburg,.....	37 a 37½	36 a 36½	36 a 36½
Bremen,.....	79½ a 80	78½ a 79	77½ a 78
Frankfort on the Main,.....	41½ a 41½	41½ a 41½	41 a 41½
Berlin,.....	73 a 74	72½ a 73½	72 a 73½
Leipzig,.....	73 a 74	72½ a 72½	72 a 72½
Cologne,.....	73 a 74	72½ a 73½	72 a 73½

The remarks we make as to the superabundance of money, apply to first-class securities. United States loans, New York and Pennsylvania State Stocks, will command money readily at 4 per cent. Upon other State securities money is not so easily obtained. There is a growing conviction that some of the States have advanced their credit too largely to railroad corporations—and that the States must eventually assume control of the works and carry them on. This, unfortunately, has been the case with several States that now are sweating under the process, viz. : New York, Pennsylvania, Maryland, Illinois, Indiana, Ohio, &c. These States have suffered severely by their aid to improvements, although, indirectly, some compensation is made for the losses. The same remarks apply to the condition of the money market at Boston, Philadelphia, Baltimore, and other cities. The following exhibit will show the increase in the specie held by the banks of four of our principal cities, and also the probable amount now held by the banks in the country. The approximation to truth of the latter estimate must be close, as the figures of the specie reserve held by the city banks are official, and the same causes influence alike city and country banks.

STATEMENT showing the Amount of Specie held by the Banks of New York, Boston, Philadelphia and New Orleans, in March, 1857, and March, 1858, together with the Increase of the past Year.

	March, 1857,	March, 1858,	Increase.
New York.....	\$11,707,000	32,740,000	21,033,000
Boston .....	3,500,000	7,500,000	4,000,000
Philadelphia .....	4,000,000	5,147,000	1,147,000
New Orleans.....	8,000,000	11,062,000	3,062,000
Total.....	\$27,207,000	56,449,000	29,242,000

This gives an increase of specie in the four cities in one year of 108 per cent., or in round numbers at twenty-nine millions.

The aggregate amount of specie held by all the Banks in the United States, March, 1857, was.....	\$40,020,000
Add same per cent. of increase as above.....	42,821,000
Total estimated March 1858.....	\$82,841,000

If to this we add the probable increase from the California receipts for the next six months, it will show as the probable specie reserve of the banks next September, about one hundred millions of dollars. These receipts for the next six months may be put down at twenty millions of dollars, and as they will be added to the specie now held by the banks, we can expect an accumulation in this line that will be without parallel in our financial history. To what extent the experience of the past year will prevent speculation and over-trading, when balanced by such an accumulation of specie, remains to be seen; but if we can take analogous parts of the financial history of Great Britain to give us an insight, we can safely put down the experience of the past year as of slight weight compared with the desire to grow suddenly rich, and the willingness to over-trade if it will apparently conduce to profit.

**RAILROAD SHARES.**—The market has exhibited considerable fluctuation during the month. Less confidence at the present moment is felt in railroad shares for investment, and a conviction prevails that further reform is necessary in railroad management, accompanied with a further advance in the rates of transportation. The New York Central Railroad Company and the Reading Railroad Company have paid their usual semi-annual dividend; but of the Western Roads, some fears are felt that their reduced business will prevent dividends for the current year. There has been an active speculation movement in Hudson River Railroad shares and Harlem shares; the prices of both of which are kept far above their intrinsic value.

	Jan. 29th.	Feb. 5th.	12th.	19th.	26th.	Mar. 5th.	12th.	19th.
N. Y. Central R. R. shares,.....	82	81	83½	86½	87½	92½	91½	92
N. Y. & Erie R. R. shares,.....	22½	24	27	32	32½	32½	30	29½
Harlem R. R. shares,.....	7½	8½	14½	13½	14½	14	13½	13½
Reading R. R. shares,.....	58	57½	56½	62	62½	64	59½	57
Hudson R. R. shares,.....	18	19	22	28½	31½	35	31	30
Michigan Central R. R. shares,...	60½	62	65	73½	70½	74½	75½	70
Michigan Southern R. R. shares,...	18	19½	22½	26½	28½	31½	25½	22½
Panama R. R. shares,.....	90½	94½	100	102½	104½	106½	106½	106½
Baltimore & Ohio R. R. shares,...	46½	47½	51½	51½	50½	51½	50½	47½
Illinois Central R. R. shares,...	96	96	97½	95½	98	99	96	95
Cleveland and Toledo R. R. ....	42	43	43½	47½	49½	54	46½	46½
Chicago and Rock Island R. R. ....	66½	69½	74½	80½	79½	87	82½	77
Milwaukie and Miss. R. R. ....	30	32	32½	37½	38½	40	37	31½
Galena & Chicago R. R. shares,...	76	80	86½	94½	92	94½	93½	92½
La Crosse and Missisippi.....	..	10	11½	11	11	10½	10½	10

\*Erie shares have reached during the month 31 a 33, in consequence of reports from the President now abroad, that the aid required in behalf of the Company, would be granted by foreign bond and shareholders.

The resignation of the British ministry on the 22d ultimo, together with political affairs in France, has had the effect at the opening of the present month to make the London money market less firm than before reported. On this side the unsettled political questions in Congress have

also made the market here a little uneasy. The foreign and domestic advices together have operated upon the stock market in Wall Street, and checked, for the present at least, the upward movement in the value of leading shares. From the 1st to the 15th of March there was a steady improvement in prices, but after the latter date a slight decline is observed. For State loans there is a steady demand for investment; with large sales of Virginia and Missouri six per cents., California seven per cents. have advanced to 88 against 68 in December. We annex the quotations of State loans for eight weeks:

	Jan. 29th.	Feb. 5th.	12th.	19th.	26th.	Mar. 5th.	12th.	19th.
U. S. 6 per cents. 1867-8.....	113½	113½	115	115	115	115	115	115
Ohio 6 per cents. 1866.....	104½	107	106½	106½	107½	107½	107½	107
Kentucky 6 per cents.....	102½	101½	101½	102	102	102	102	103½
Indiana 5 per cents.....	81½	84	84	84½	84½	84½	84½	84½
Pennsylvania 5 per cents.....	88	88½	87	87½	87½	87½	87½	87½
Virginia 6 per cents.....	92½	90½	91½	91	92½	93½	92½	92½
Georgia 6 per cents.....	95	95	94	94	94	—	95	95
California 7s, 1870, .....	75½	80	70	81½	83	88	91	88
North Carolina 6 per cents. ....	93½	94	93½	93½	94	94½	94	94
Missouri 6 per cents.....	84½	83½	84	83½	83½	84	84	83½
Louisiana 6 per cents.....	90	90	88	90	90	91	92½	92
Tennessee 6 per cents.....	89½	89	88½	88	89½	89½	89	89

**RAILROAD BONDS.**—There has been an increased demand for Erie Railroad bonds at recent values, under the impression that the financial position of the road would soon assume a more favorable character. The increased travel on the Panama Railroad towards California, has given an impetus to both shares and bonds of the Company. The prices of bonds show less depreciation than other securities, and many that are classed among the fancies are, contrary to expectation, firm at former prices. During the past week Hudson River first mortgage declined 1; Illinois Central Bonds, ½; Canton Company, ½; Cumberland Coal Company, ½; Pennsylvania Coal Company, ½; Delaware and Hudson, 2½; La Crosse, Erie Stevens 1859, and Panama Bonds, are firm at former prices. New York Central Sixes improved ½. We annex the closing prices of Miscellaneous Securities for the past eight weeks:

	Jan. 29th.	Feb. 5th.	12th.	19th.	26th.	Mar. 5th.	12th.	19th.
Erie Railroad 7s, 1859.....	89	90	93	96	96	—	93	93
Erie bonds, 75.....	45	52	61	75	72½	70	70	—
Erie Convertibles, 1871.....	41	45	50	58½	54	53	57½	—
Hudson River Railroad, 1st mort.	96	98	97	97	97	97½	96	95
Panama Railroad bonds.....	85	85	85	100	100	100	100	100
Illinois Central 7s.....	95	95	95	95	95	95½	94½	94½
New York Central 6s.....	88	88	88	88	89½	90	90	90½
Canton Co. shares.....	22	—	21	24	24	25½	23½	23
Pennsylvania Coal Co.,.....	73½	71	78	73	76	75	73½	73
Cumberland Coal Co.....	15½	18	19½	19½	19½	21½	21½	20½
Del. and Hudson Canal Co.....	112	112	113	113	113	113½	113½	111½
La Crosse Land Grants.....	—	—	—	—	37	85	37	37

The Bank Convention at the Clearing House in this city has agreed upon a measure heretofore suggested, in retaining a specie fund equivalent to twenty per cent. of the liabilities independent of circulation.

Thus the deposits were reported on the 13th (including bank balances) as...\$90,000,000  
From which deduct the average daily clearings of the week ..... 16,500,000

Will show the actual deposits to be about.....\$73,500,000

This would require a specie reserve of \$14,700,000 in the Bank vaults. This would be enough if the banks in other States were to adopt a similar course, but as they have not yet agreed upon such a plan, New York will always be called upon to bear the burden of the drain for specie. Anything under twenty millions of dollars for this city would seem to be too small, in view of the rapidly increasing commerce of the country.

The banks of this city are gradually expanding their business, having increased means. Their specie reserve is now larger than at any previous date; and is probably in keeping with that of the

country banks, not only of this State, but other States. The condition of the banks of this city is fully illustrated by the annexed table of loans, specie, circulation, &c.

1857-8.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 3,	\$109,149,000	\$8,602,000	\$95,846,000	\$11,430,000	\$11,172,300	\$22,602,300
Feb. 7,	112,876,000	8,426,000	96,029,000	13,618,000	11,143,800	24,761,800
March 7,	111,899,000	8,466,000	95,858,000	15,189,300	11,707,300	26,896,600
April 11,	115,374,000	8,787,000	96,518,000	15,174,800	10,884,400	26,059,200
May 2,	114,409,000	9,006,000	99,159,000	14,408,100	12,009,900	26,418,000
June 6,	115,338,000	8,838,000	96,594,000	12,431,000	13,134,700	25,565,700
July 3,	115,044,000	8,901,000	98,834,000	10,317,000	12,837,300	23,154,300
Aug. 1,	120,597,000	8,665,000	94,445,000	12,161,600	12,918,000	25,079,600
Sept. 5,	112,221,000	8,673,000	79,491,000	11,678,200	10,237,900	21,896,100
Oct. 3,	105,935,000	7,916,000	67,978,000	7,748,200	11,400,400	19,148,600
Nov. 7,	95,866,000	6,434,000	56,424,000	5,407,600	16,492,100	21,899,600
Dec. 5,	96,333,000	6,555,000	78,492,000	3,988,400	26,069,800	30,036,200
Jan. 2,	98,549,900	6,490,400	78,635,300	3,259,300	28,561,900	31,821,200
Jan. 30,	102,180,000	6,369,600	83,897,000	3,288,500	31,373,000	34,561,500
Feb. 6,	103,602,900	6,873,000	86,000,400	3,168,700	30,652,900	33,821,600
Feb. 13,	103,783,300	6,602,700	84,229,400	3,384,800	30,226,200	33,611,000
Feb. 20,	103,706,700	6,542,600	86,773,200	3,360,000	31,416,000	34,772,000
Feb. 27,	103,769,127	6,530,759	87,386,361	3,420,900	31,658,600	35,079,900
Mar. 6,	105,021,863	6,854,624	90,382,446	2,996,700	32,739,700	35,736,400
Mar. 13,	105,293,631	6,755,958	90,063,438	2,964,000	32,961,000	35,925,000
Mar. 20,	107,440,350	6,858,852	91,238,505	5,779,000	31,902,000	37,681,000

Two steamers have arrived with an aggregate of nearly three millions in gold from California since the publication of our last number. From this source there are no indications of any decline for the future in the gold supply.

Our latest dates from London are to the 5th instant, when the money market continued very quiet and easy, but the Bank of England had made no alteration in its rate. Notice was issued by the Bank that advances would be made on government securities during the shutting of the transfer books, till 14th April, at 3 per cent. In the Stock Exchange loans were obtainable at 2 per cent. The commercial payments falling due on the 4th of the month were generally well met. Consols had fluctuated somewhat, and closed quietly at 96½ a 96½ for money, and 96½ a 96½ for account. The Bank of England returns for the week ending the 3d of March show a slight falling off in the bullion—£5,986—for the first time since the abatement of the panic. Messrs. Baring Brothers say money is very abundant at 2½ a 3 per cent. Bar silver selling at 5s. 1½d. Mexican dollars nominal at 5s. 1½d. Eagles, 76s. 3½d. The city article of the London Times reports a decided increase in the applications for money at the Bank of England on the 5th, although the supply was apparently abundant. The funds on the 5th exhibited renewed and uninterrupted heaviness, finally closing at a fall of about ½ per cent. An uneasy feeling is kept alive by a continued pressure of speculative operations for lower prices, especially in options. Added to this the Paris Bourse, which is now very anxiously watched, has again given way. In the discount market there was a fair demand for money, but 2½ per cent. is the highest rate current for the first-class bills. At the Bank applications continue few. At the Bank of England the bullion operations were again altogether unimportant.

## DEATH.

At LYNN, MASS., February 2d, FRANCIS S. NEWHALL, Esq., aged 68 years, President of the Loughton Bank, from its incorporation in 1849 until his death.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES.

MAY, 1858.

No. 11.

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CAUSES OF THE COMMERCIAL CRISIS.

REPORT OF THE BOSTON BOARD OF TRADE.

A Committee appointed by the Boston Board of Trade "to make a deliberate and thorough investigation into the causes of the recent commercial difficulties," submitted a report on the evening of the 6th of April. The document is a long one, and bears evidence of industry and talent on the part of the author. Although the "panic" has almost passed into history, and people are fairly entering upon a new era, with a disposition to look to the future rather than to reflect upon the past, there are several points in the report before us worthy of attention, and we therefore make a few extracts. As to the causes of the panic the Committee say:

1. We believe, when viewed candidly as a commercial measure, and apart from all political and partisan bias, that comparatively few will doubt that the tariff of 1846 did much to contribute to the late embarrassments in this country, by embodying the unequal and often fallacious principle of "ad valorem" duties, together with a rate so low, and a discrimination so injudiciously applied, as to encourage excessive importation; showing an increase in 1857, as compared with 1845, of \$243,686,000, which, we think, all will admit was far beyond the requirements of the increase in population during the same period. The injurious effects of this measure have, doubtless, been materially modified by peculiarly marked events; such as the famine in Ireland, demanding an extraordinary export of bread-stuffs from the United States; and by the discovery of the rich and exten-

sive gold mines of California, by which many hundred millions of gold have been rapidly added to the currency of the world.

This discovery, together with that of the gold mines of Australia, made soon after, may be justly regarded as two of the most extraordinary and remarkable events in modern commercial history, not only from the peculiar circumstances immediately connected with their discovery, but from the fact that these vast resources of wealth, destined to exert such a powerful influence on the great interests of mankind, have been *apparently* held in reserve until the advancing civilization of the world had reached a period, when the exigencies of commerce seemed to demand an increase of the precious metals; and when events, also sudden and peculiar, placed those valuable resources under control of the Anglo-Saxon race—a race which seems eminently qualified to advance the great enterprise of Christian civilization.

2. Another and by no means unimportant cause, was the recent short crop of sugar in Louisiana, which led to unusually large importations of that article from those foreign countries, to which the exports of the United States are of comparative small value. High prices, speculation, and absorption of capital followed: creating a balance of trade against this country, so far as it concerns that branch of business, to be paid in specie.

3. Again, the abuse of the credit system has been one of the most potent causes, not only of producing the recent and commercial embarrassments, but of bringing them to a disastrous crisis, and of leading to a general prostration of business. Under that abuse, we include first, and as being more influential than is generally admitted, the absorption of a vast amount of actual capital in railroads, and the creation of an immense floating debt, sustained in many cases at high rates of interest, and constituting a heavy item in our foreign debt.

No intelligent and reflecting mind can doubt that the railroads in the United States have advanced, and will continue to promote, the material interests of the country in a degree not easily over-estimated. But it must be admitted that far too many rival lines have been constructed, and that a great amount of capital and labor have thus been injudiciously appropriated. The immense foreign debt of the United States may, we think, be regarded in some degree as the abuse of credit. By foreign debt we mean not only balances due from the merchants of America to those of Europe, but also investments of foreign capital in American securities. This cannot have existed without more or less unfavorable influence on our finances.

4. The cotton and woollen manufacturing corporations of this Commonwealth, and in some of the adjacent States, established by the enterprise of some of our most intelligent and worthy fellow-citizens, and which have done so much to develop the industry and promote the interests of the whole community, we think should bear some share of the general charge of the abuse of credit. The system of conducting their business with entirely inadequate capital, as has been done in some instances, may have been the result of unforeseen, and, to some extent unavoidable, circumstances; but we cannot doubt that it has had an injurious effect on public credit.

5. Another instance of abuse of credit may be seen in the business policy pursued by many, and, perhaps we may be justified in saying, by a



majority of those engaged in mercantile pursuits. An inordinate desire, either for rapid accumulation of wealth, or for means to sustain extravagant expenditure, or, in some instances, an excessive spirit of enterprise, induced the transaction of business of too great magnitude, in proportion to the actual capital and available means. This, with the practice of giving long, indiscriminate and too widely extended credit, often placed large amounts of property in the hands of inexperienced and enterprising merchants, who possessed superficial knowledge of business, were ignorant of sound principles of finance, and were often tempted into speculations, and into such investments as placed beyond their reach the very resources which ought to have been paid to their creditors, to sustain their confidence. The whole community, so far as this system of credits generally prevailed, became peculiarly exposed and sensitive to the first serious, disturbing element in commerce, and consequent curtailment in credit and decline in prices of the staple commodities of the country. This, we think, was clearly illustrated in the late commercial embarrassments which existed between the Atlantic cities and the interior of this country.

6. The last, and by no means the least important topic which we propose to consider, as one of the abuses of credit, is the banking system. Whatever degree of influence may be properly attributed to any or all of the causes already referred to, the policy of most of the banks of New England and of New York, and perhaps of other States, may be justly charged with no inconsiderable share of the responsibility, not only of aiding to produce the state of affairs which led to the late crisis, but of hastening the crisis itself, and of aggravating the panic which accompanied it. On the banks alone is conferred, by government, the peculiar right to make and to circulate a paper currency based on specie, and intended to be always convertible into specie. Banks being the depositories of much of the moneyed capital of the people, and standing between the money lender and the money borrower, representing the interests of both, have a peculiar responsibility, and can do much to regulate credit and the currency. Undue expansion of loans, and consequent over-issues of bank notes, with a small specie reserve, induce speculation, expansion of individual credit, and unnaturally high prices of property, and are as inevitably followed by more or less sudden contraction, as effects follow their causes in the natural world. We are of opinion that, influenced by the same stimulus which was evinced in nearly all departments of trade and commerce, the banks generally carried their loans too high, and consequently created too much expansion of the paper currency.

In suggesting remedies for the evils referred to, the committee remark :

1. We are aware that many hold the opinion that the diseases which afflict the commercial system are self-limited, and, without artificial remedies, contain the elements of their own cure. Such persons regard any efforts to apply remedial measures as fruitless, and the attempt to adopt preventives as hopeless. It may be true, that some will learn, by dear-bought experience, to regulate their future business by more prudent and sound principles ; but it should be recollected that a new class of merchants is yearly coming forward, without experience, and therefore exposed to the repetition of the errors of their predecessors. If, therefore, the lessons of the past suggest any improvement, either in our legislation, in our monetary institutions, or in

our commercial system, is it not wise, but even a duty, to make such changes in them as circumstances seem to demand? We believe, however, that while some of the *primary* causes of embarrassment which we have referred to, are, from their peculiar nature, beyond an immediate remedy, these, and all other *secondary* causes are quite within the reach of appropriate and judicious measures adapted to modify and control their effects.

Having referred first to the tariff of 1846, as one of the more remote causes of the late commercial difficulties, we would suggest as one of the remedial measures, such alterations as shall embrace the salutary and equitable principle of specific duties, judicious discrimination and rates, which shall afford moderate and reasonable protection to American industry. Practically sound and important as we believe these principles are, it must be admitted that there are slight grounds to expect their adoption, since it is a measure on which extravagant and ultra views have been held, resulting from the political and sectional considerations which have hitherto entered into its public discussions. There is reason to apprehend that influences, emanating from the citizens of foreign countries, who are themselves most dependent on a highly discriminating and protective tariff, have, together with sectional jealousy and a superficial knowledge, carried the legislation of this country too far in the direction of *free trade*.

When the principal commercial nations of Europe shall have adopted thorough free trade principles, then will it be timely for America to consider the expediency of adopting the same, so far as the peculiar condition of her society, position and institutions may justify. Circumstances being nearly equal, she has nothing to fear from an open and free competition in the commerce of the world, especially as she has already shown her ability to contend (but not without loss) in the unequal and disadvantageous contest in which for years she has been engaged with the countries that in a great degree adhere to a highly protective policy, adapted to their own peculiar condition. Although we have alluded to the slight probability of obtaining any reform in this department, yet partisan zeal and warfare, as to the tariff, have so much abated, that we do not abandon the hope that liberal and comprehensive principles may yet gain the ascendancy, which shall be consistent with the true interests of the whole country.

3. Of the other remedies we have to propose, we regard, as more necessary and effectual than all others, a thorough reformation of the credit system.

Credit may be regarded as one of the most prominent and peculiar characteristics in modern commercial history. It has entered so extensively into the mercantile policy of the leading nations of the world, as to become identified with their various branches of productive industry; and notwithstanding its abuse—to which we have referred—to its legitimate use may be attributed, in a great degree, the rapid growth and progress of the commerce, agriculture and manufactures of the United States. While temporarily suffering from its abuse, such reformatory measures as experience and sound principles dictate, will place the great interests of our country on a more secure foundation, and also lead to a more healthy development and growth than has ever before been witnessed. In the extremes to which the human mind is naturally inclined, some, by fixing attention too exclusively on the effects of the abuse of credit, have become the advocates of a restriction almost equivalent to an entire abandonment of the system.

They would abolish a paper currency, and substitute an exclusively metallic one; and oppose the existence of all corporations, because some of them have abused their credit. Others carry their theories so far as to approve of the discontinuance of all individual credit, and the adoption of an entire cash system. Such extreme opinions are advocated either by mere theorists, or by those who have suffered from the excessive and unskilful employment of credit, and, in some instances, by those whose very fortunes were the fruit of a judicious use of it. The latter appear to be unmindful of the fact, or that the value of their property and business now depends, in some degree, on the existence of a sound credit system, and somewhat complacently declare their independence of it, because they happen to have reached that fortunate point in their history when they can conduct a limited business on their own resources. Such views may serve the purpose of securing to their possessors a competency for the remnant of a life already nearly spent in very moderate accumulation; but as a guide or rule for those who have the capacity and public spirit to conduct enterprises commensurate with the demand of the present age, they may be regarded as contracted, illiberal and unsound. These views are directly opposed to the genius and spirit of a true and healthy progress, and are paralyzing in their influence on the various enterprises which promote the actual advancement of commerce and civilization. The most enlightened and intelligent nations have too long and too thoroughly approved of the credit system and a mixed currency, to abandon either, because of their imperfection and abuses. Is it not rather the part of wisdom to regulate both, by throwing around them such safeguards and improvements as the light of experience indicates to be necessary?

4. We next propose changes in the banking system, in order to remedy and to guard against some of the existing evils in the credit system, and also to modify and control some of the unavoidable causes of financial embarrassment.—We are aware that any propositions whatever, of this nature, are regarded with suspicion, if not with positive opposition by some. But to claim that the banking system is so nearly perfect that it cannot be amended by any changes, is higher ground than can be justly claimed for any institution, and is in effect to deny the law of progress and improvement. If, under the ever changing features of the commercial world, our monetary institutions require no change to conform to the ascertained results of observation and experience, then indeed have they peculiar elements of perfection. We believe, however, that a careful and thorough examination of this system, in its practical operation, will convince the candid that some amendments may be wisely adopted. We would suggest the following to be made by legislation:

Loans to be restricted to fifty per cent. over and above the amount of capital stock.

Loans or discounts to be suspended whenever the specie in the bank does not amount to ten per cent. on the capital.

No demand loans to be made.

No interest allowed on deposits of any kind, whether those of banks or of individuals.

Circulation not to exceed fifty per cent. of the capital.

No tax on the capital to be paid to the State, and no obligation to loan to the State money at less than six per cent.

## THE BANK OF FRANCE.

HISTORICAL AND STATISTICAL SKETCH. BY JOHN R. McCULLOCH.

The following article we extract from the fifteenth volume of the new edition of the *Encyclopædia Britannica*, recently published at Edinburgh. The author has brought his sketch down to the end of the year 1857. [Ed. B. M.]

THE Bank of France, which is second only in magnitude and importance to the Bank of England, was originally founded in 1800, but was not placed on a solid and well-defined basis till 1806. The capital, which was originally fixed at 45,000,000 fr., was raised in 1806 to 90,000,000 fr., divided into 90,000 shares or *actions* of 1,000 fr. each. Of these shares 67,900 have passed into the hands of the public, the remaining 22,100 having been purchased up by the bank, out of her surplus profits, were subsequently cancelled. Hence her capital amounted, down to 1848, to 67,900,000 fr. (£2,716,000), with a reserve fund, first of 10,000,000 fr., and more recently of 12,980,750 fr. Since 1806 the bank has enjoyed the privilege of being the only institution in Paris entitled to issue notes payable on demand; and, as will be afterwards seen, she is now the only authorized issuer of such paper in France. Her charter and exclusive privileges have been prolonged and varied, by laws passed at different periods. According to existing arrangements they are not terminable till 1897.

The bank has established, at different periods between 1817 and 1856, offices or branches (*succursales*) in different parts of the country. They are managed nearly in the same way as the parent establishment; but their operations have been on a comparatively small scale. These are exclusive of the departmental banks, united, as will be immediately seen, to the bank in 1848.

Notwithstanding the skill and caution with which her affairs have generally been conducted, the Revolution of 1848 brought the bank into a situation of extreme danger. She had to make large advances to the provisional government and to the city of Paris. And these circumstances, combined with the distrust that was universally prevalent, occasioned so severe a drain upon her for gold, that to prevent a total exhaustion of her coffers, she was authorized, by a decree of the 16th March, 1848, to suspend cash payments, her notes being at the same time made legal tender. But, to prevent the abuse that might otherwise have taken place under the suspension, the maximum amount of her issues was fixed at 350 millions. She was then also authorized to reduce the value of her notes from 500 fr. to 200 and 100 fr.

Previously to 1848, joint stock banks, on the model of that of Paris, and issuing notes, had been established in Lyons, Marseilles, Bordeaux, Rouen, and other large cities. And it was then determined that these banks should be incorporated with the Bank of France, and made branches of the latter. This was effected by decrees issued on the 27th April, and

2d May, 1848, by which the shareholders of the banks referred to (nine in number) were allowed, for every 1,000 fr., nominal value of the stock of the Bank of France. And, in consequence of this measure, 23,351 new shares, representing a capital of 23,351,000 fr., were added to the stock of the Bank of France, making the latter consist of 91,250,000 fr., divided into 91,250 shares. In 1851 the bank resumed, and has since continued specie payments.

The suppression of the local issues of the departmental banks was, no doubt, a judicious measure, and was indispensable, indeed, to secure the equal value of the paper circulating in different parts of the country. This, however, might have been effected by the mere stoppage of the issues of the departmental banks, without consolidating them with the Bank of France. The latter measure is one of which the policy is very questionable; and these are, as already seen, good grounds for thinking that the banking business of the departments would have been more likely to be well conducted by local associations, than by branches of the Bank of France.

The following is a recapitulation of the circulation, loans, specie reserve, dividends, and market value of shares of the Bank of France for each year, 1846—1856:

Years.	Amount of Loans. Franca.	Gold. Franca.	Silver. Franca.	Total. Franca.	Dividend per Share. Franca.	Highest price of Share. Franca.
1846.....	1,618,857,841	6,900,000	94,282,000	101,082,000	159	3,506
1847.....	1,908,246,488	440,000	169,060,000	169,500,000	177	3,600
1848.....	1,648,723,634	4,700,000	248,600,000	253,300,000	75	3,230
1849.....	1,023,666,218	4,600,000	429,270,000	433,870,000	106	2,500
1850.....	1,176,423,896	11,980,000	446,840,000	458,820,000	101	2,425
1851.....	1,241,413,880	83,260,000	486,460,000	569,720,000	105	2,650
1852.....	1,824,469,488	68,986,000	484,974,000	553,960,000	118	3,108
1853.....	2,842,930,205	108,593,000	519,482,000	628,075,000	154	2,950
1854.....	2,944,648,591	198,987,000	198,723,000	397,710,000	194	3,000
1855.....	3,762,000,000	99,000,000	100,000,000	199,000,000	200	3,800
1856.....	4,674,000,000	51,000,000	109,900,000	160,900,000	273	4,075

## CIRCULATION.

Years.	Notes of 5,000 francs.	Notes of 1,000 francs.	Notes of 500 francs.	Notes of 200 francs.	Notes of *100 francs.	Total of Circulation.
1848.....	1,120,000	310,000,000	72,000,000	55,000,000	71,000,000	409,120,000
1849.....	1,145,000	370,050,000	68,880,000	49,075,000	42,422,000	481,022,000
1850.....	580,000	287,568,000	59,174,000	57,818,000	46,692,000	481,552,000
1851.....	120,000	372,051,000	90,198,000	58,890,000	66,781,000	568,040,000
1852.....	490,000	428,012,000	96,053,000	84,668,000	78,167,000	689,910,000
1853.....	290,000	419,282,000	87,008,000	74,767,000	62,988,000	644,280,000
1854.....	90,000	408,649,000	76,707,000	79,221,000	75,808,000	686,970,000
1855.....	120,000	381,991,000	72,744,000	74,747,000	80,416,000	612,337,000
1856.....	50,000	371,505,000	69,954,000	72,704,000	95,927,000	612,382,000

Owing to the peculiar circumstances of the last few years, occasioned partly by the war with Russia, but more by the rage for speculation and the drain for silver to the East, the Bank of France has been exposed to

\* Notes of fifty francs each were first issued in 1857.

considerable difficulties. And in the view of strengthening her position, and also, it may be presumed, of providing a loan for Government, a law has been recently passed (9th June, 1857), by which the capital of the bank has been doubled. Previously to this law, her capital amounted, as already seen, to 91,250 shares of 1,000 fr. each. The new shares were assigned to the existing proprietors, at the rate of 1,100 fr. per share, producing a total sum of 100,370,000 fr., of which one hundred millions have been lent to Government at 3 per cent. Hence the measure, though it has added to the credit and security of the bank, has not made any addition to the means directly at her disposal.

Down to the passing of this law, the bank could not raise the rate of interest on loans and discounts above six per cent. But this impolitic restriction is now removed, and the bank may charge any rate of interest which she reckons expedient, except upon advances to Government, the maximum interest on which is limited to 3 per cent. The bank has been further authorized to issue notes of the value of 50 fr., to make advances on railway shares, &c., and the charter has been extended to 1897.

The bank is obliged to open a *compte courant* for any one who requires it, and performs services, for those who have such accounts, similar to those performed for their customers by the banks in London. She does not charge any commission on current accounts, so that her only remuneration arises from the use of the money placed in her hands by the individuals whose payments she makes. It is probable, therefore, as has been alleged, that this part of her business is but little profitable. The bank also discounts bills with three signatures, at variable dates; but not having more than three months, or ninety days, to run. In 1855 the aggregate amount of these discounts in Paris and the departments, amounted to the very large sum of 3,262,000,000 fr., the interest being five per cent., till the 18th of October, and afterwards six per cent. Besides discounting bills, the bank makes advances on stocks and pledges of various kinds, and undertakes the care of valuable articles, such as plate, jewels, title-deeds, &c., at a charge of one-eighth per cent. on the value of the deposit, for every period of six months and under. Nothing can show more clearly the petty retail character of the trade of Paris, and generally of France, than the smallness of the value of the bills discounted by the bank.

Thus, of 963,000 bills discounted in 1847, the average amount was only £55 4s., and of these no fewer than 126,000 were for less than 200 frs. (£8), and 470,000 for less than 1,000 frs. (£20) each!

The administration of the bank is vested in a council of twenty-one members, viz., a governor and two sub-governors, nominated by the Emperor; and fifteen directors and three censors, nominated by the shareholders. The bank has a large surplus capital or rest. In 1855 and 1856 she divided no less than 200 and 272 frs. profits on each share; but these have much exceeded the dividends in any previous year. In 1848 the dividends only amounted to 75 frs. per share. In July, 1856, the 1,000 fr. share of bank stock was worth 4,075 frs.; in July, 1857, it had sunk to 2,880 frs. Her intimate connection with the government is decidedly the most objectionable feature in the constitution of the Bank of France.

*For further details respecting the Bank of France, the reader is referred to pp. 899-901. [Ed. B. M.]*

## SAVINGS BANKS OF NEW YORK.

ANNUAL REPORT OF THE SUPERINTENDENT OF THE BANKING DEPARTMENT,  
UPON THE CONDITION OF THE SAVINGS BANKS OF THE STATE OF NEW  
YORK.

BANKING DEPARTMENT, ALBANY, *February 19, 1858.*

THE Superintendent of the Banking Department, in accordance with the provisions of section 2 of chapter 136 of the Laws of 1857, has the honor to submit the following report in relation to the Savings Banks of the State :

Savings banks or institutions are of comparatively modern origin. The first one of which we have any authentic information, was established in England in 1804, and owed its existence to the philanthropy of a woman, Mrs. Elizabeth Wakefield, of Tottenham. Others soon followed, and in 1816 the amount of deposits and the beneficial results derived from them were of sufficient importance to attract the attention of Parliament; and they were placed, by an act of that body, within its immediate charge, and specific directions were enacted for the investments of the institutions in the government securities alone. A savings bank in its original inception, was purely a benevolent idea; and we find the same spirit that actuated Mrs. Wakefield in 1804, first developed in this country in the city of Philadelphia in 1816; Boston following the example in 1817, and New York in 1819.

It is certainly unnecessary for me to endeavor to show the benefits derived from these institutions. It would seem that the simple fact, that in this State alone, these institutions hold on deposit over \$41,000,000; and that they have paid in dividends, or rather interest, to their depositors, over \$2,000,000 during the past calendar year, would point them out as being the most beneficent institutions ever invented by human ingenuity. If further proof of this fact were necessary, look at the number of depositors; they reach the astounding aggregate of 203,804. The average deposit being only \$203,24 to each depositor. From these figures is it not clearly evident that this immense aggregate deposit is the product of labor in its most unproductive form, and from that class of our citizens whose welfare and prosperity depend mainly upon their daily individual labor? Could the vast array of depositors be gathered together, it would be found that the motive power that impelled, the industry that accumulated this fund, and the economy that saved it by thus depositing it, was the protection of age in its infirmities from the griping hand of want; while intermingled would be found the widow's mite for an unfortunate son or daughter; and the dower of many a poor seamstress or sewing girl, looking forward to a husband and a home.

In the safety of this great fund, are garnered up the hearts and hopes of tens of thousands of our humbler class of citizens; and its loss would ring the knell of thousands of projects, which, however humble they might appear to the world if known, are as dearly cherished as those of the great

and wealthy ones of our State. The responsibility resting upon those gentlemen who manage this great trust fund, should be well considered before entering upon their duties; and it should call forth a careful attention to them, not less than they apply to their own private interests. The result of careless management, bad investments, or defalcation of officers, that should produce a general panic among the depositors in our savings banks, would be more disastrous in its effect and more wide-spread in its results, than any other monetary misfortune that could overtake our citizens.

The result, upon the depositors themselves, of such a panic would be, probably, the loss of at least half the whole fund withdrawn by them. Repay this vast amount, give to each depositor the amount due to him, and it would be scattered like the leaves of the forest in an autumnal storm, never again to be gathered together. It is utterly impossible for the parties usually making deposits in these institutions, from the very nature of their vocations, to safely lend their money to individuals. Their knowledge of personal responsibility must of necessity be limited, which makes them an easy prey to designing and unscrupulous parties. Several instances have come to the knowledge of the Superintendent, where the accumulated savings of years have been lost by yielding to the importunities of parties to the depositors, to withdraw their money and lend it upon a higher rate of interest than that allowed by the banks. If the Superintendent understands the motives which induce the deposits in our savings banks, the primary one is, entire security of the sum thus deposited; the secondary one, the accumulation of interest. The first overrides the second, and is the main condition governing the act. The difference between the legal rate of interest and that allowed by these institutions, is of little or no importance to the depositors individually. The eventual return of the sum deposited should be the object sought and the controlling idea of the depositor.

The origin of savings banks, as before stated, was purely a benevolent idea; and in their operations and results they stand at the head of all other institutions of that character in our State. Look at the amount deposited during the last calendar year, \$24,830,443. The amount withdrawn during the same period was \$26,541,682. It is well known that in ordinary cases, necessity alone compels the withdrawal of these funds. How much of this immense amount went to relieve suffering humanity! The mass of it circulated into the abodes of poverty, hunger and pain. How much of the immense amount deposited would have been saved for future use, had not these institutions or those of a kindred nature existed? Where, I ask, is the benevolent institution, or rather I might ask, do all the benevolent institutions of our State, operate so directly and influentially upon the interests and relief of over 200,000 of our citizens? These institutions operate upon and stimulate the industry and economy of our citizens and silently relieve thousands from "the ills that flesh is heir to." Viewing savings banks in this light, for be it remembered that no trustee can receive any emolument either directly or indirectly from the funds intrusted to him, is it too much to say that they are the great benevolent institutions of the age? Still, it should not be forgotten for a moment that they are the creations of our Legislature, and as beneficent as they are, and multiplied as they have been for the past few years, their safety and success



for the future, should lead to such enactments as will tend to increase the confidence of the public in their soundness and stability.

It is the duty of the superintendent of the banking department, in accordance with section 2 of chapter 136 of the Laws of 1857, to "suggest any amendments in the laws relative to savings banks or institutions for savings which in his judgment may be necessary or proper to increase the security of depositors." The great difficulty that meets the Superintendent in the performance of his duty, in examining the different reports of the savings banks and institutions, thus enabling him to understand their actual situation as far as he is able to gather from their reports, is the fact, that the powers and restrictions of their charters are so entirely different in their provisions: what it is entirely lawful for one to do, is expressly forbidden in another. This the Superintendent believes to be wrong in principle. The laws that govern the investment of the money deposited with them for safe keeping, should be uniform and applicable to all. The amount of money deposited should not furnish the rule of investment, or its particular kind. The whole fund is composed of comparatively small amounts, whether the aggregate sum in bank be \$5,000 or \$5,000,000.

In some institutions it is entirely lawful for a trustee to be a borrower; while in others it is expressly forbidden. In others the whole amount of the deposit may be invested or loaned at the sole discretion of the trustees, in others the rule of investment is minutely particular. In fact, under the provisions of their respective charters, the Superintendent has literally to compare each report with each separate charter, to ascertain if the investments or amount of money in bank and on hand is in compliance with the act creating it. Of the labor thus necessary to understand the difference in the various reports, he does not complain, but insists that the laws should be uniform in relation to investments, and operate upon all savings banks or institutions without reference to their location, or amount deposited in each of them.

There will be found upon examination of chapter 258 of the Laws of 1853, applicable to savings banks in the counties of New York and Kings, a provision in section 6, preventing any of those institutions from loaning money upon "notes, bills of exchange, drafts, or any other personal securities whatever;" this provision is so manifestly just, wise, and safe, that it should have been applied to every savings bank in the State. The Superintendent believes that the main provisions of this act are wise, and will produce beneficial results; and did he not believe that the city of New York and county of Kings now had a sufficient number of savings banks for all useful purposes for the next fifty years, he would feel compelled to question some of the provisions of that act. Although much is granted that is beneficial, much is taken by those banks already in operation at the time of the passage of that act.

It is here, perhaps, the most proper place to say, that while savings banks are created by the Legislature for the laboring class of our citizens to hoard their small surplus earnings, and provide a place of entire security for them, by making their investments in a particular manner the condition of their creation and continuance of business, a competition for this class of deposits has arisen. Banks of discount and deposit have entered into competition, and somewhat successfully, with the chartered savings banks. This the Superintendent believes to be unwise on the part of the managers of the banks of discount and deposit, from the fact that he looks upon the

payment of interest by this class of banks, as wrong in principle and pernicious in its consequences.

This question of a bank of discount and deposit receiving savings deposits, is one so peculiar in itself, that it is deemed a duty by the Superintendent, to briefly give his reasons why he has reached the conclusion, that it is wrong in principle and should not be permitted. Through the provisions of our General Bank law, under certain requirements, every man or combination of men can present himself or themselves to the public, as a banker or bank. They legally exist as such, and it is not competent for the public to know the object of the parties in presenting themselves to it in that capacity.

While one association or banker enters upon his business with honesty, capacity, and capital, for the successful prosecution of it, able and willing to fulfil every obligation he may incur, another with the same outside presentment to the public, may enter upon a career of fraud. The end of the one legitimate and commendable; the other conceived in fraud and successfully prosecuted to the end originally intended. The personal liability and the capital of the one, a sure and perfect guarantee that every obligation assumed, whatever may be its nature, will be freely and promptly paid; the other without the intent or capacity to do the same. Both exist by their own volition in the capacity of bankers; both exhibit on the record of legal enactments the same condition. In other words, the counterfeit banker, if I may use the term, is as well executed for the public eye as the genuine one. Personal character and reputation, I freely admit, will do much towards establishing the difference between the genuine and the counterfeit, and will certainly do it with the business community. But we should remember that this is not the class who deposit their surplus money in a savings bank. They cannot, as before said in this report, from their vocation and positions in life, know but little, if any thing, of personal credit or responsibility. They can only judge from external appearances, and are liable to be deceived and cheated by what would be a warning to the business man—the glitter and show of the spurious banker himself.

A successful fraud once perpetrated of this description, would be disastrous not only to every bank of discount and deposit holding savings deposits, but would fall with equal force upon the chartered savings banks. The payment of a depositor in any savings bank in the State, is generally from the funds in the hands of a bank of discount and deposit. A portion of their funds are of necessity (for immediate use) on deposit with those banks. A panic among savings bank depositors, strikes instantly and certainly at our banks of discount and deposit. Is it not wise to keep the interests of these two classes of institutions, as wide apart as the nature of their circumstances will admit? The base of each rests upon the same confidence in the public mind: the one upon commercial credit; the other upon real estate and stock investments; both sound in themselves, but obviously weakened by commingling these elements more than is absolutely necessary for the beneficial transaction of their respective trusts; the one for the benefit of its stockholders, the other for a peculiar class of depositors. The object of one, income; the other, ultimate security for the depositors. Most of our large cities and villages have one or more chartered savings banks, and they are confined to a particular class of investments, in the main. A bank of discount and deposit receiving this class of deposits usually and immediately absorbs them in its line of discounts.

While doubting the principle of paying interest upon deposits, I would not by legal enactment attempt to prevent the banker from borrowing money at such rates as may suit his convenience or profit. Any attempt to prevent this practice by legislation, will be another of the many failures in attempting to control the use of capital. Still, while we have free banking in this State, no bank or banker, of discount and deposit in any city, village or town in this State, should be allowed to present his institution as a savings bank, by any sign, device, advertisement or otherwise, if in such city, town or village there exist a chartered savings bank actually transacting business.

It is but simple justice on the part of the Superintendent to say that, as far as his knowledge extends, those banks of discount and deposit receiving savings deposits, are perfectly sound and abundantly able to repay the same. His views upon this subject look to future disaster, and not immediate danger. Returning to the proposition of uniform laws for the government of all savings banks in the State, the Superintendent is fully aware that the project is not one to meet the views of all the managers of these institutions. As before stated, the provisions of their charters differ so widely, that an extensive curtailment of the powers of the old charters must be acquiesced in, or additional powers granted to those of more modern date. The old charters contain but little restriction as to the method of their investments. Still, no failures have taken place under the very liberal provisions contained in them. The more recent ones are minutely and specifically particular in their provisions as to the investments. The only failure of a modern savings bank, is that of the Sixpenny Savings Bank of Rochester, which will pay its depositors the amount due them, or within a small fraction of it.

The recent charters are more uniform in their provisions, yet by an unfortunate sentence, common to the most of them, one-third of the total deposit is left entirely at the discretion of the trustees, as to its employment. The sentence is this (meaning the one third of the aggregate deposit, or what amounts, in fact, to nearly that sum), "which they may keep to meet current payments of said corporation, and which may by them be kept on deposit on interest or *otherwise* in such available form as the trustees may direct." Under this provision any savings bank out of the city of New York and County of Kings (and this power existed there until the passage of the act of 1853) may discount commercial paper, buy and sell bills of exchange, or be used in any manner the trustees may direct.

This is the worst feature of our modern charters, and should be amended by applying the provisions of section 6 of chapter 257 of the Laws of 1853, to all saving banks in the State. It will be observed on an examination of the general summary presenting the conditions of all the savings banks in the State, the following items—invested according to their charters beyond all doubt—but not the legitimate investments of savings banks, in the opinion of the Superintendent :

Amount loaned upon personal security, . . . . .	\$21,046 00
"    "    or deposited under the schedules furnished by the Superintendent, . . . . .	50,462 00
Miscellaneous resources, . . . . .	17,190 00
	<hr/>
	\$88,698 00

This appears small when an aggregate excess of resources over liabilities of nearly \$2,500,000 is shown by their aggregate statement; nevertheless, the investments alluded to above are radically wrong, and the evidence of the fact is shown by their existence mainly among the smaller and weaker institutions. While the Superintendent fully admits the necessity of keeping quite a percentage of the liabilities of savings banks in an available form, it appears to him prudent to define more particularly, how the available funds shall be kept. Would it not be more prudent to compel their deposit in some sound bank or trust company, rather than have them loaned upon personal security? This could work no hardship to either the trustees or depositors; and for the reason, that in any locality where there exists a savings bank worthy of the name, or where one should be located, there also is found a bank of discount and deposit. I admit that ordinarily there exists such a connection when they are neighbors, and properly so, and that it is almost a matter of necessity itself; still no legal obligation exists in most of the modern charters to place a dollar in deposit in a bank, and the discretion of the trustees is the only legal guide to the investment of very large amounts of money in the hands of the trustees of our savings banks.

Another reason why as little as possible (consistent with the easy and prompt transaction of their business) should be left to the discretion of the trustees, is, unless the gentlemen who constitute the trustees of our savings banks are different from those who act in the same capacity in other moneyed institutions under the name of directors, the main control and direction of their affairs soon fall into the hands (probably from the pressure of their individual affairs) of one, two or three of the most active and energetic of their body; and more frequently into the hands of the officers themselves.

This, I admit, is a theory drawn from my own experience from other sources, and not from my own knowledge of those particular institutions, never having had any connection with any savings bank in the State. I hope I am mistaken in my conclusions on this particular point, from the magnitude of the trust committed to them, and the fearful consequences to follow a fraudulent or careless administration of it. But the experience of the Superintendent in positions of a similar nature, shows him the truth of the saying "that power is always stealing from the many to the few." A transaction in a neighboring State should awaken every trustee of our savings banks to the necessity as well as the obligation to perform his entire duty to the trust committed to him.

In table A, the Superintendent presents in the aggregate the condition of the savings banks of this State, on the morning of the 1st of January, 1858. Their condition is sound and satisfactory to him as shown by their respective statements. It will be observed how strong the public confidence still remains with them, by seeing that the monetary crisis of the year 1857, only reduced their deposits \$1,711,239. No greater evidence of the public faith in their management and the integrity and capacity of their respective trustees could be given.

By the provisions of section 5 of chapter 136 of the Laws of 1857, "the Superintendent is authorized to employ so many clerks as may be necessary to discharge the duties hereby imposed; the salary of said clerks shall be paid monthly on his certificate upon the warrant of the Comptroller out of the treasury, and it shall be the duty of the said Superintendent

in his annual report to the Legislature to report the names of the clerks so employed and the compensation allowed them severally." By the following section it is the duty of the Superintendent to collect these expenses of the different banks in proportion to their respective deposits.

The clerical labor connected with the savings banks, is concentrated into two periods of the year, immediately before and after the January and July reports to this office. It became unnecessary to employ one or more clerks permanently for this service, as the office would be in a measure a simple sinecure for at least six months of the year. Under these circumstances, the Superintendent permitted the necessary services to be performed by some of the present employees in his office, without interference with their ordinary duties. \* \* \* \*

The only suggestions by the Superintendent as required to be made to the Legislature in relation to savings banks by the act of 1857, are embraced in the following provisions:

1st. The passage of an act making the investments of savings banks uniform throughout the State.

2d. The passage of an act preventing any bank of discount and deposit, located in any city or village in this State, from representing itself by sign, device, advertisement, or otherwise, as a savings bank, when a chartered savings bank is actually transacting its business in such city or village.

3d. To prevent, by legal enactment, all savings banks in this State from making any loan upon personal security alone.

4th. Give by legislative enactment the power for a majority of the trustees of every savings bank, to remove any trustee who shall have absented himself from three successive regular meetings of the board, unless such board are satisfied that such absence arises from sickness or absence from the city, town or village where such bank is located.

In concluding this report, the Superintendent would most respectfully suggest to the Legislature, that it should scrutinize with great care, all applications for the chartering of new savings banks. They are sufficiently numerous at present for the accommodation of the public. An examination of their condition in detail, as presented in table B, will show that competition for these deposits by dividing them, adds no strength to their ultimate security. It requires a reasonable amount of deposits to pay the necessary expenses of the institution.

A savings bank to be successful, and consequently useful, requires the concentration of population found only in our cities or very large villages; and, even in those localities, it will be wise to ascertain if an additional one is really wanted, before another charter is granted. Except in such localities they are comparatively useless, not to say dangerous, their expenses being liable to trench upon their deposits. The granting of new charters for savings banks, is worthy of, and should excite, the closest scrutiny of the legislature. In the opinion of the Superintendent, nothing will tend to decrease their usefulness and safety, more than an indiscriminate granting of this description of charters. All of which is most respectfully submitted.

JAMES M. COOK,

*Superintendent.*

*SUMMARY, showing the aggregate of the resources and liabilities and other matters of the institutions for savings of the State of New York, as exhibited by their reports to the Superintendent of the Banking Department, of their condition on the morning of January 1st, 1858.*

## RESOURCES.

Bonds and mortgages.....	\$20,234,586
Estimated value of mortgage premises.....	\$48,668,888
Stock investments, amount invested.....	17,349,300
Par value of stocks.....	17,818,700
Estimated value of same.....	17,029,242
Stocks upon which money has been loaned, par value.....	1,582,227
Amount loaned thereon.....	1,123,961
Amount loaned upon personal securities.....	21,046
Amount invested in real estate.....	947,165
Cash on deposit in banks.....	3,287,441
Cash on hand, not deposited in banks.....	854,770
Amount loaned or deposited, not included under the above heads.....	50,462
Miscellaneous resources.....	17,190
Add for cents.....	70
<b>Total Resources.....</b>	<b>\$43,885,991</b>

## LIABILITIES.

Amount due depositors.....	\$41,422,672
Miscellaneous liabilities.....	25,651
Excess of assets over liabilities.....	2,437,623
Add for cents.....	45
<b>Total Liabilities.....</b>	<b>\$43,885,991</b>

Averaging to each depositor.....	\$203 24
The number of open accounts January 1st, 1858, was.....	203,804
The total amount deposited during the calendar year 1857 was.....	\$24,830,443
The total amount withdrawn during the calendar year 1857 was.....	26,541,682
The amount received for interest during the calendar year 1857 was.....	2,643,615
The amount placed to the credit of depositors for the same period was...	2,070,851

**SAVINGS BANKS' REGULATIONS.**—The Bowery Savings Bank of New York city, has adopted new and important Regulations to secure itself against sudden demands in time of excitement and financial revulsion, viz:—

The depositors are hereby notified that, on a revision of the By-laws of this institution, the 8th article thereof has been amended by the Board of Trustees, the same forming the 5th section of article 6, and being as follows, viz:

Drafts may be made, personally, or by the order, in writing, of the depositor (if the Bank have the signature of the party on their signature book,) or by letters of attorney duly authenticated; but no person shall have the right to demand any part of his principal or interest without producing the original book, that the payments may be entered therein; nor shall any person have such right without previous notice to the bank of his intention to make such demand, of thirty days for any amount not exceeding three hundred dollars, and of sixty days for any amount exceeding that sum. All deposits received by the Secretary shall be in money taken in deposit by the incorporated banks of the City of New York, at par; and all payments shall be made in the same manner.

The effect of this amendment is to allow depositors to draw their moneys on any business day, upon notice of thirty days if the sum drawn is less than \$300, and of sixty days if over that amount, instead of restricting them to the third Monday of each month, and one week's previous notice. In practice, depositors have been permitted to draw at any time, without notice. It is not intended in ordinary times to deviate from this practice. But in the event of a money panic the limitation to a single day, if enforced, would prevent many persons in actual need from the opportunity of drawing, and the trustees have, therefore, with a view to the accommodation of all, made the above change; securing, however, beyond contingency, the interests of all the depositors, by requiring the previous notice of thirty days, and sixty days, according to the amount intended to be drawn.

## THE CRISIS OF 1857 AND ITS CAUSES.

*From the Westminster Review, January, 1858.*

AMERICAN LAND SPECULATORS.—In America, as in all new countries under the process of population, land is a staple commodity, frequently changing hands, subject to great fluctuations in price, and a chief object of speculation. In the old countries of Europe, land is that commodity which changes hands most seldom, which is stable in price, and which is little employed for speculation. In Holland, Flanders, France, and all the well settled and well cultivated countries, land but rarely comes into the market; and, apart from other reasons, there is one great cause for this in the restrictive effect of a close law of inheritance. This land is transmitted by inheritance, and only casually subjected to sale; and although eagerly competed for when in the market, yet the new purchaser steadily retains it, and keeps it again out of the market for a long term. As the purchases are made direct, there is no opportunity for land jobbers nor for speculation. Land constitutes the steadiest investment, and the only speculation in this branch is in town houses.

In America and Australia, as already stated, the conditions are widely different, and land becomes to a great extent an article of speculation. Every thing encourages this. Wild land has only a nominal price, and is readily obtainable, while the improved price may reach within a short period tenfold or even a hundred-fold the upset price. Bring near a newly surveyed district a stream of population, open roads, make its waters navigable, or place mills upon the torrents, give value to the lumber, and each lot has an immediate or prospective value. The buyer buys not with the view of having one hundred pounds for the hundred he has laid out, or of having the use and enjoyment of the produce of his hands; but it is irresistibly forced upon his mind that year after year his land will rise in value, and that at a future time it will attain a certain assigned rate. His thoughts are bent, not upon the original price, not upon the immediate selling price, but upon this future contingent and prospective price, always taken at a high rate. The soberest man, thoroughly settled down, who has made a homestead for his children, nurses the thought that some years hence his farm or station will be of a certain given value; and this governs all his ideas with regard to it, and his ideas and conversations as to his neighbor's land. Wilder imaginations or more eager spirits seek to realize the prospective advances; and many specially devote themselves to land dealing, as in the Old World to horse gambling, mining speculations, and the various operations of chance of high or low character, or of greater or less extent: and just as in Cornwall all have a greater or less taste for mines, and in Yorkshire for horses, so in the new continents all dabble in land.

There is a great encouragement to land dealing, which secures the adhesion of the steadiest holder, and it consists in the constant advance in the value of wild land with the spread of population. Although in a depressed colony, as all our colonies and all the Western States have been at times,

lands may be thrown on the market and sold at very low rates, yet the steady holder always comes out with a higher value the longer he holds. It is an investment of an accumulative character, like woodland in England, which, although not yielding a yearly income, gives an aggregate accumulated return when realized.

The fever and the greed for money which mark a colonial population more strongly than the home population, because there are wanting the softening influences of the old country, lead to eager efforts to become suddenly rich by land speculations: and as in mining, Potosi, Devon Great Consols, and Burra-Burra are prizes leading on thousands to profitless ventures by the dazzling charm of their enormous returns, so the wonderful transformations from prairie wastes to cities abounding in wealth, luxury and population, encourage the land speculator to invest in likely lots, with water privileges, mill power, and the chance of the stream of westward emigration and eastward exportation passing through and gilding the path with wealth. Chicago and Melbourne are enough in their magical growth, giant offspring born but yesterday, to lure on thousands of adventurers; for there is no ordinary site which may not become a great city, and few places, so remote or so barren but that they may look to a goodly increase. Therefore, lands are taken up at a low price and held at a speculative value.

Such is the case with regard to rural land, but town lots have no less claims on the town populations. New York has spread over commons, swamps, and sea strand, and planted suburbs on the neighboring shores. Its growth in population and size has been rapid, but the increase in rents has been enormous. It might be expected that the central thoroughfares would improve in value as the suburban population extended, but the increase in rent has gone far beyond that, and year after year rents have been raised throughout New York. The habits of the population, migrating from flat to flat, and from house to house, favor for a longer time than would be expected the common effort of the landlords for raising rents; and, indeed, as the whole community are engaged in seeking enhanced prices for houses and unbuilt lots and blocks, they can scarcely rise in insurrection against the oppressive influence, although many grumble and the poor feel it.

The mechanic who is saving money buys a lot, because he can fairly expect an enhanced value greater than the ordinary return of interest; while, having a good registered title, he knows what he holds; and in no money investment in bank or railway bonds, or on mortgage, can he feel secure. The man who has more than enough for his subsistence, and who is yearly putting by money, has not the necessity for a regular yearly return on his investment, as he looks only to a future accumulated value.

Thus, from one motive or another, the greater part of the community are engaged in a general scheme in which every one is to become rich—all who can hold eventually to become so, those who can sell rapidly at improved prices to grow wealthy at once; and so a *régime* of artificial prices is created, regularly rising so long as the operations are unchecked—for such is the physiology of speculations—but as a matter of course attended with a sudden downfall whenever these fictitious and assumed prices are brought to the test of the market on a considerable scale. Then, instead of land being an article of steady price, as in the Old World, it is a drug, because it is unproductive or little productive, because it is prospective or contingent in its results, and not immediate and certain.



As land in time, and to a great extent, represents a positive value, so the adventitious operations in it become connected with real transactions, and a basis is prepared for a most fearful panic, such as regularly besets the American States and the colonies from time to time, and to which a European panic of 1825 or 1857 bears no comparison; but which rather, in its prostration, resembles a revolutionary crisis, whole classes being reduced from opulence to beggary, and whole communities, corporately and individually, becoming insolvent; but less permanent in its influence, because the growing resources of the country soon restore the population to the wealth they had lost.

It is not that the land and town speculations of themselves create panics, but that they greatly increase the effect of panics, while they promote the spirit of speculation, gambling, and greed after sudden wealth. Speculations in wool, cotton, sugar, and manufactures are less disastrous, because the fluctuations in price are not so great, as there are positive commodities in hand; but when wild land, prairie, bush, sheep runs and town lots are brought to the hammer, the fluctuations are great and the depreciation enormous, and in so far as they constitute the assets of the merchant or storekeeper, or of his customers, their forced realization is ruinous, and leaves him an insolvent before his foreign creditor.

AMERICAN SPECULATION.—In conjunction with this vast land speculation, the United States have been the scene of various great operations, which, being simultaneously wound up, have aggravated the severity of the crisis and constituted a panic. The railway system has been enormously extended in the United States, because each community knows the advantages of it and is desirous of enjoying them by any means, believing that the pecuniary results may in time be sufficient to repay the outlay, and being perfectly regardless of who finds the capital or what is the fate of the capitalist. A railway act is eagerly and freely granted by a Western legislature sitting in the woods; and the projector, president or director who get together capital by any means, and lays down the road, is regarded as a national benefactor. What happens to the shareholders who invest the money is quite a secondary consideration. The formation of a railway is often a political engine for the improvement of a district, and is conducted on the political code of morality by political adventurers. The lines have, therefore, as a general rule, been very loosely conducted, both in the East and the West; large dividends have been declared from the first, paid out of capital, fresh capital has been raised to pay them, and the future has been drawn upon to supply the present. Wisconsin or Michigan has got its railway, and whether Downeasters or Britishers hold the bonds does not disquiet the passengers and freighters, who, besides having a railway, are in some cases indulged with its free use, or with unremunerative rates of fare and toll. This cause of proceeding has been carried on to such an extent, that railway boards became insolvent one after another; suspicion was aroused, inquiry made, discredit was thrown on board after board, and a general collapse has taken place.

In these operations the spirit of land speculation is to be clearly traced, for many of the companies are as much land as railway speculations, endowed with large grants of alternate sections of the public lands, and relying upon the sale of these at an improved price for the supply of funds, rather than on existing traffic. Coincidentally with the progress of railways,

they have in many districts destroyed the traffic on the canals and river improvements, and utterly depreciated the canal bonds; as the water traffic being in one line, and the railroad traffic in another line, the railways by their superior accommodation and connection have carried off the passengers and the best goods, and destroyed the basis of the goods traffic. By the diversion of traffic many towns and properties on the water navigations have been thrown back in value.

Steam navigation has been forced on an artificial basis, and vessels have been built on a large scale from motives of national vanity, to compete with the English lines and to engage in the coasting trade. This branch of enterprise has on the whole proved a failure, and the public benefits have been achieved at a sacrifice of capital.

Mining has been attended with a sacrifice of capital, as in the Old World, for mining, uncertain in its results, is most commonly an operation of gambling, with a few enormous prizes. Exploratory operations conducted in the best manner do not uniformly lead to productive returns, and even when mineral is found it may be of low average and unremunerative. The copper companies on Lake Superior, although turning out a considerable mass of rich metal, have caused a large absorption of capital, and the gold companies of Virginia and the South have given no adequate return. The attempt to achieve European results without European advantages of cheap and organized labor and cheap capital, have led to large operations in working ironstone, and in forming smelting works, also working at unremunerative rates. In England, the iron trade, although it yields large profits to some individuals, and extensive employment, is frequently enough in an unprofitable condition. In the States such branches of industry are forced into activity by artificial protection. This, besides its intrinsic weakness embarrassing its victims, is in danger of extinction from a more enlightened policy, which already exerts on them a blighting influence.

The manufacturing interests generally in the United States are in the same condition. Fostered by protection and incompetent to contend with the European productions of free trade, they have been very seriously affected by the amendment of the tariff, and many concerns have been forced to wind up, contributing to bring about the panic and increase its intensity.

Although the States are to a great degree dependent upon Europe for capital, their merchants have engaged largely in export foreign trade with all parts of the world, and notably with the whole of South America, China, India and Australia; and these operations, instead of contributing to the wealth of the States, have been a drain on their resources. In many cases their merchants cannot supply suitable goods for outward cargoes, and cannot take return produce. American notions go but a small way in making up a shipment, and guano is but in small demand in the States. The American operations generally large, and the American houses fail one after another, few having real capital or being of a stable character, and therefore ill able to compete with the merchants of England, Hamburg, or even of France. So far as the import of sugar and coffee goes, there is a legitimate basis for transactions; but American enterprise has been omnivorous, and heavy have been the losses. Although some of these fall upon foreign capitalists, a portion of the absorption of resources is felt at home. The Americans occupy a very marked position in many of the

markets, from their enterprise and dashing speculations ; but their real resources are in the intelligence and energy of their shipmasters, and in the ability of the engineers, adventurers and schemers, who are now to be found in every corner of the earth.

**AMERICAN PANICS.**—From all these various causes it will be seen that there have been enough in operation to affect the trading capital of the country, and to derange the whole body of banking institutions. True enough, the resources of the country have been wonderfully developed, and are making undoubted progress ; and this very year the crops of grain, cotton and tobacco have been abundant : it is true, likewise, that a great part of the capital engaged in financial and commercial transactions is European ; but the banking institutions of the country have become affected by advances on depreciated securities, and, having been unable to stem the panic which set in, left the whole fabric of speculation to totter to its fall, themselves being involved in the general crash.

The banks have had the great hand in feeding railway enterprise, in supplying manufacturing operations and in accommodating trade speculations ; and when the crisis has come, the resources on which they depended are unavailing ; for railway bonds are depreciated, mortgages are worthless, manufacturers ruined and merchants insolvent, and the note circulation has been embarrassed by the discredit of the banking operations.

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The Panic has been attributed to the warfare of a bear-party and a bear press, and the material progress of the country is appealed to as an evidence that the panic was groundless and even fictitious. Bear operations there are always in every market, and the mercantile community of the Atlantic cities being essentially speculative, far beyond the standard even of Liverpool or Glasgow, great bearing operations are always going on in stocks and in produce ; and so are operations, for the rise ; but the fall in railway bonds and shares, and similar securities, was dependent on the fact that line after line had been found rotten in its management, untrustworthy in its statements, and destitute of the assumed traffic ; and all other enterprises being eagerly and attentively canvassed, many others were found in the same situation, and a delusion could no longer be maintained.

The fall in railway and the like stocks crippled the resources of the speculative mercantile community and the banks ; loans were drawn in, and the manufacturing community, in reality living on borrowed capital, and having no security but highly priced works and over priced stock, was in jeopardy the moment advances were restricted, while the banks became more jealous and more wary at each stage, but too late to save themselves, though quite in time to aggravate disaster.

As the resources of the mercantile community were trenched upon, mortgages were called in, land lots found worthless, and high rents being no longer maintainable in an impoverished community, a great depreciation took place in real estate. With the thousands now out of employment, and the general pressure on the trading classes, rents in New York, Philadelphia and Boston will largely recede, and outside lots remain unoccupied for a time. Thus the various securities of banks, note-brokers, merchants and storekeepers have, by the reaction of the gigantic system of speculation which pervades the country, been re-

duced to nothingness, and large concerns, with an improving business and accumulating capital, brought to insolvency.

When the banks began to get into difficulties and to curtail their discounts, as the mercantile classes were alarmed, so the lower classes of mechanics and agriculturists, chiefly ignorant foreigners, were seized with alarm, and not only essayed to withdraw their deposits in bullion, but forced in their notes to be cashed. On all sides the resources of the banks were assailed, and a general suspension, alike of solvent and insolvent banks, became a measure of prudence and necessity.

**PANIC IN ENGLAND.**—We are now enabled to see the links of connection by which this panic was brought to bear in Europe, and its reaction on the United States. The view affords us a very disagreeable proof of the intimate relation between the Old World and the New, and of the influence of the latter on our own interests and condition. We have been so accustomed to the old idea of Europe influencing America, that we have hardly been prepared for the counter effect, although we should readily accept a westward transit of power or the spread of pestilence thitherward. The first American panic, in 1837, affected some four mercantile houses in London, and was regarded as only a partial and isolated operation of little significance. The present panic has, however, been of far more serious extent—surpassing 1837 and 1847, and equalling, in the terror it has spread, and perhaps in its appalling effects, the great panic of 1825 '26.

The present so-named American panic is one of those events in our commercial history, as important in its bearings as the supply of new gold, and as various and enduring in its influence and effects. In a general way, we are prepared to admit the community of interest of all nations; but we are as yet sluggish in appreciating the immediate and decisive influence which any one nation now exerts on the destinies of the others. The change of circumstances has indeed been sudden and swift; and the constant development of the operating causes surpasses our conceptions and our power of following and registering the events and their consequences. We have not merely to allow for the influence of railways, steam navigation and the telegraph in uniting us with the rest of Europe, but for the combined machinery which brings us in contact with the new-born and swiftly-growing communities in the West. The abridgment of the Atlantic passage day by day in year after year, hour after hour in each month, as competition effects some improvement, is but one example of the mode in which our union with America is being made closer; for the wonderful march of enterprise among our brethren brings the distant and but lately unpeopled and unproductive regions into rapid contact with us. To say that Quebec is within twenty-four hours' reach of New York—cities once separated by the long marches of armies, by the space of a campaign—is a startling fact, but nevertheless a small one; for Chicago and the cities of the lakes are reached as quickly as railway transit can effect intercourse, and as railways go on forcing communication with Michigan and the infant commonwealths of the far West.

To these regions—remote we no longer dare call them—prices and commercial intelligence are conveyed by telegraph, and thereon sea-going shipping is freighted with produce for the markets of Europe. In little more than a week the Mark-Lane prices reach Chicago more swiftly than,

not long since, they reached Dantzic or Odessa; and, in little more time, cargoes to arrive may be sold in the London market. There is an intimacy of relation established by the intercourse of trade; but we should deceive ourselves if we considered this fact under any limited acceptance; for we have, in truth, to consider communities of buyers and sellers, of borrowers and lenders, with whom our transactions are most active, and whose condition may immediately affect our own. In Europe we have countries of the greatest fertility—Hungary for instance—nearer to our sight and better known to us by name, but with which political or physical circumstances afford less opportunities for intercourse. It is easier to ship corn by the great lakes, the St. Lawrence or the Erie canal, and the Atlantic ocean to London, than from Hungary by the Danube, the Black Sea, the Mediterranean and the Atlantic Sea; for the grower in Michigan is unimpeded by political disabilities or fiscal restrictions, and the geographical difficulties he has overcome, while identity of language and of race facilitates intercourse.

The development of these growing communities of the West, of the South, and of Canada, has materially influenced New York and the other Atlantic cities, but chiefly New York; and the commercial operations of these cities are mainly dependent on the proceedings of the nations of producers inland—in the shipment of cotton, tobacco and flour, and in the consumption of imported goods. We must now go beyond New York, to the customers of New York, to find our own customers, and must prepare ourselves for the establishment of more direct relations. Formerly, New York and her sister cities, solely using European capital and lending it out, commanded the operations of the inland; but now, in many cases, by the growth in wealth of the producers, they are the masters in finance—controlling the destinies of New York, instead of submitting to her commercial sway. The aggregate of these commercial operations is so great, and our own share in them so considerable, that we have the deepest interest in them; for our property and profits are concerned in speculations, whether in New York or the interior—in the abundance or shortness of crops, the arrangements of the Treasury and of currency, the efforts of protectionists or of free traders.

The effects of this new and great panic in England were at first but small, and the intelligence was received with calmness; but quickly they began to spread among the commercial community here, for, in reality, the whole course of trade had been stayed on the other side of the Atlantic. The currency being disturbed, not only did the great and accruing liabilities of the American merchants remain unliquidated, but the holders of cotton, corn, tobacco and other produce—of late independent of the merchants—hesitated whether to forward produce to the merchants in their cities, ignorant even of the solvency of any in the general mistrust. So, too, the English merchant was left with dishonored drafts and without any remittances, while his own produce lay unsalable, unless at ruinous prices, in the Atlantic cities.

The Bank of England—the great monetary institution which so strongly affects the financial destinies of the old and new country in this crisis—gave an additional shock to the Atlantic trade by raising rapidly its rate of discount—by impeding the remittance of specie to the United States for the resumption of specie payments there, and at a period when the rates of discount were enormously enhanced, by treating with suspicion the paper

of all American houses—thus virtually depriving them of discount altogether. Thus, solvent houses and insolvent houses of all kinds were brought down; for, though it has been said that no solvent house could want accommodation, yet, inasmuch as so many houses were endangered by the mistrust and suspicion of the regulators of the discount market, houses having good bills, but with the names of suspected firms upon them, were left with inconvertible paper. A bill with three names was reduced to two names, or one name, and placed out of line. Next, the joint stock banks were disabled from rediscounting, and a name lost thereby; so that day by day the proportion of first-class bills was reduced, and no man having good bills in his hand could tell—if he kept them for a month, a fortnight, a week, or even a day—but that they might become discredited, thus depriving of all resource therefrom. Therefore he rushed to the Bank of England to obtain accommodation while he could; and, with a diminished trade, we saw the phenomenon of an increased amount of discount. Those who had produce strove to realize and obtain resources; thus prices and produce were depressed, and, as the usual course of credit was disturbed, further damage was caused. Alarm was spread among the small tradesmen and the working classes of Scotland and Ireland—notes were forced in for gold, deposits left in confidence were summarily withdrawn, and the banks, unable instantly to realize their resources, or to discount the paper on hand, had, in several cases, to succumb to the sudden pressure.

In such a crisis rotten houses stopped, because rotten houses must stop, and it is besides expedient to cover a disgrace by the appearance of yielding to a general misfortune; but solvent houses suspended, some of which have since resumed, and others will pay twenty shillings in the pound. The liabilities of the British houses and banks which have failed during the crisis are estimated at £50,000,000.

The panic spread to the Continent, not only through the customary channels of trade, but because the Germans of late years have acquired a very close connection with the States by the intercourse of half a million of emigrants, while in the trade of England itself the Germans have now a very great share. The desire of freedom has made many of the most active men of Germany citizens or denizens of England and the United States, while those at home look with interest and longing to these emigrant kinsmen. Thus, Germany has in this crisis suffered even more than France and Hamburg; Bremen and every commercial city of Germany have been stricken with disaster.

**FRENCH DRAIN FOR GOLD.**—Concurrently with the extensive and eager demand for gold as the sovereign remedy for the evil we have described, the Bank of England has been subject to a drain on its vaults in order to supply the demands of French merchants through the Bank of France. But in regard to this bank, that efficient check which, in all monetary operations unfettered or not interfered with by governments, regulates the purchases of gold by the ability to do so profitably, proves powerless. The political purposes of Louis Napoleon override the natural laws of commerce: gold is taken from England to France, although while merchants are glad to pay a discount of ten per cent. for it in London, they can get it for eight or even seven in Paris. That the French Bank, as acting under the direction of the French government, is subject knowingly and aforethought to

heavy loss in the acquisition of bullion, is an admitted fact. The Emperor is not deterred by the consideration of cost; cost does not enter into his calculations, because he weighs something more than the money cost—the political objects he has at stake, the maintenance of commercial credit, the supply of the hoarders of bullion, and the upholding of the whole imperial system. Were each million of bullion to cost another million of bullion to acquire, and did one month's tenure of the reins of power depend on this, no one imagines the ruler of France would hesitate at the cost in the disposal of the revenues of the State under his absolute control; whether a few hundred thousand pounds shall be directly or indirectly laid out in the purchase of bullion, or the purchase of bread, or in pulling down houses, or in maintaining soldiers, or deporting political offenders, is not a matter of moment. That government, too, has so many engines for effecting its purposes in an indirect manner—as, for instance, the Municipality of Paris, the Bank of France, the *Credit Mobilier*—that it can readily enough carry out any financial expedient, nor is it restricted by the dictates of political economy. For that matter, the *Société des Economistes* is defunct since the imperial *régime* has been in full vigor: and Horace Say, Michel Chevalier, Adam Blaise des Vosges, and their colleagues, have no longer any organization, although individuals occasionally tilt on unequal terms with the protectionists. The French government have provided work for Paris and Lyons, have supplied the public with cheap bread in times of scarcity and with dear bread in times of cheapness, have again regulated the *boucherie*, and duly publish from month to month assizes with fixed prices of bread and meat, according to categories and qualities.

It must be observed, however, that much of the bullion which France has obtained belongs rightfully to her in the course of trade, and in no way owes allegiance to the dominion of our banking institutions. When a West India steamer comes in, and sends up seven wagon loads with two millions of dollars to the Bank of England, it is gravely remarked, and in tones of lamentation, that one million or a million and a half, have been taken to the Continent; and it is held forth that we have been in some way defrauded of our due right of locking up the dollars in the Bank of England, and that it has been surreptitiously carried off by the bullion stealers of Paris; and yet, if we could know the truth, probably the whole remittance belongs to the Continent, and not five thousand dollars are on English account. However it may be, the lamentation is great, and doleful prognostics are indulged in.

It is quite forgotten or lost sight of that the people of the Continent have a very large trade in South America, and that they can receive no returns in any thing else but bullion, and through the channel of England. It is, however, the case, that Mexico, Colombia, Peru, Bolivia, Chile and Buenos Ayres, are full of merchants and dealers from the Continent, and that the shopkeepers in many places are French, Catalans and Genoese. While the English and Americans hold in their hands the great staples of trade, the country towns are occupied by petty shopkeepers and storekeepers of the classes named. Since the hatred to Old Spain has worn off, and a *chino* is no longer a doomed man, the Spaniards have returned, and a feeling of affection and reverence for Old Spain is springing up, which may be productive of serious political results. The old Spaniard has the advantage of possessing the same language, the same habits, the same institutions, the

same vices, and the same foibles as the inhabitants of the New York World ; and he can in many cases best suit their tastes and habits. Thus the trade with Old Spain is growing. The Frenchman has the *prestige* of fashion in South America ; the French language is the foreign language most readily acquired, and that from which the supply of Spanish book-making in these days is readily obtained. The French there, as elsewhere, are dealers in nick-nacks, hair-dressers, and perfumers, and milliners ; and they have no despicable share in the supply of commodities where luxury and frivolity are dominant. The Italians, or more properly the Genoese, unwatched by us, are making a figure in South America, and steadily increasing in numbers. Not to speak of their great colony in Montevideo, where Garibaldi may again command an Italian legion, they are spread over every Southern commonwealth, having a sufficient resemblance in language, manners and religion, readily to establish themselves ; and having a frugality and perseverance which enable them to flourish in communities in so low a state of advancement that the Anglo-Saxon retires from trade in disgust. The Germans are increasing in numbers, but they are chiefly connected with Hamburg and Bremen, and work either directly with English or American houses, or share in the trade with them. They are either merchants or mechanics, like the English or Americans. The Swiss are, as everywhere, hotel-keepers.

**BULLION TRADE.**—The several continental nations ship assorted cargoes of goods, and their shopkeepers likewise largely supply themselves with English goods ; but in the trade the other way, they have but a small share, and it is almost engrossed by the English. Thus the produce of the West Coast available for shipment chiefly consists of guano, copper, silver ores, tin, nitrate of soda, grain, alpaca wool, and bark ; and of these the Continent takes but little. Thus guano, being so little appreciated on the Continent, if shipped on a foreign bottom, must go to England. Copper ores, if carried to France, are often transhipped to England. Silver ores must go to England. All the bulky cargoes go to England, the United States, or Hamburg, and the lighter articles go with them. So the goods being, as it were, monopolized by England, there remains the silver of Peru and Chile for the continental remitters ; but as bullion must be conveyed by the English mail steamers through the Pacific and the West Indies, there being no others, the bullion comes to England, and the continental remitters buy bills on that market. Looking, therefore, to the fact that the English and Hamburg returns are made chiefly in goods, it is a natural conclusion, that the silver chiefly falls to the lot of the continental traders ; and it will follow, as the bills remitted to Paris, Havre, Rouen, Bordeaux, Lyons, Switzerland, Barcelona, and Genoa, are made available in London, the bullion will be withdrawn.

In all likelihood, if a French, Spanish, or Genoese line of steamers were to be extended round Cape Horn, we should lose much of the West Coast bullion remittances, and those on continental account would go direct, as is the case with those from the United States, now that we have no longer the monopoly of the carrying, but that direct lines of steamers carry specie to Havre and Bremen.

At present a large proportion of the remittances are brought in transit to London ; which has become undeniably the great bullion market of the



world; which receives the gold of Australia, much of that of California, the silver of Mexico, Peru, Chile, Colombia, and Buenos Ayres, and the gold dust of Brazil and Africa. In the operation of parting or purifying these metals, carried on upon a gigantic scale by the Rothschilds, at the Royal Mint works, a considerable quantity of gold, silver and platinum, with small portions of palladium and rhodium, are obtained. England has likewise the monopoly of separating silver from the copper and other ores of Chile and the West Coast, carried on at Swansea, and occasionally extracts large quantities from Spanish and other lead ores, or lead in the desilvering works at Newcastle. England now produces no mean quantity of silver from its own silver-lead mines. All this serves to build up, as we may say, the bullion market here, and to create a considerable profit in dealing with the commodities; though it is evident that as to much of the bullion we are only interested as carriers in transit or warehouses.

The demand for this bullion in France is referable to two causes—first, for the supply of manufactures, which constitutes a permanent demand; and secondly, for coin for current circulation and for hoarders, which is to some extent a casual, irregular and adventitious demand. France, Switzerland, Italy and Western Germany produce only a fractional quantity of gold or silver; and Marseilles has only a casual share in the refining of Spanish produce; the demand, therefore, for the goldsmiths, silversmiths, for gold leaf, looking glasses, and for other purposes, both for home consumption and for export, is very great, and must be supplied from imports. As the direct imports from the United States and South America are limited, the supply must pass through this market.

The demand for hoarding in France is undoubtedly very great—first, because the population is ignorant, and an ignorant population always hoards; and secondly, because great political distrust and commercial uneasiness prevail. There must be a large permanent demand for coin for hoarding in France, among the peasant proprietors, and the amount disgorged for the so-called voluntary loans during the Russian war is a sufficient proof of this. Although such large sums were then let loose, there is not the least ground for believing that the peasants are more enlightened or less disposed to hoard; on the contrary, there is good ground for the surmise that they are now engaged in restoring their hoards to their former amounts. With such consumers of coin, legislation and reasoning will have no effect, and there is no course left but to submit as easily as may be. The same remark applies to such hoardings, now going on in Europe, as are attributable solely to feelings of political or commercial mistrust. Such hoarding will only cease with the mistrust which causes it.

**INDIA IS A CONSUMER OF BULLION.**—Notwithstanding its high price, bullion is steadily exported to the East; the drain of silver has continued in peace and in war. In India there is a demand for bullion on account of the improved condition of the population, enhanced by the consequent rise in prices. A government which has protected the population of India from external aggression, although it has not always succeeded in abolishing internal oppression, has allowed the resources of the country to be further developed. The exports are but a part of this result, as there has been an enhanced consumption in the country, which, with the exports, gives the measure of the total increased production. Little comparatively

as has been done, still the means of transportation, and consequently of exchange of commodities, have been greatly increased by road, railway, river and sea. From cowries, the currency of a district has advanced to copper, while another has advanced from copper to silver, and other portions of the country now circulate gold mohurs in addition to silver rupees. Thus there is a yearly augmenting demand for bullion for circulation, hoarding and personal ornaments—another form of hoarding. This demand will not decrease, for the extension of railways among one hundred and eighty millions of people, will raise wages and prices to something like a European standard; and if bullion is supplied in a corresponding degree, it may readily be judged the demand will be great.

The only remedy propounded for this demand is a government paper money; but this will be of very partial effect, as paper notes will neither do for hoarding, nor for bangles and nose jewels. Still, ultimately, with a greater rise of prices, paper money will be to some extent available. One remedy available is to make the rupee of the same denomination as the florin, to make them convertible, to make the sovereign current as a mohur of ten rupees, and to decimatize the rupee on the mill system, giving the *cuma* and *pie* different values. As the rupee has been lately altered throughout India, the new variation will be little felt there, and a uniform decimal currency will be obtained for England, India, and Australia, avoiding re-coinage, simplifying the operations of remittance and circulation, and preparing the way for the extension of uniform currency.

In time of peace the demand for India is great, and on the commencement of the insurrection, some authorities considered that this demand would be forthwith stayed, as the commercial operations were slackened. This assumption, however, was founded on forgetfulness of the new class of demand now brought to bear for the purposes of the war: first, because the disturbed condition of India restrained the circulation of the currency then existing; and next, because in a state of war, troops, even if they can make requisitions, must chiefly be dependent on purchases by coin. Bullion in the military chest is one of the first necessities of an army, for a free market is a quicker and readier resource than forced requisitions for supplies, as Wellington has well laid down in opposition to the practice of Napoleon. Such bullion, as the elder Rothschild showed in his evidence before the Bank Inquiry committee, does not enter into circulation, but must be constantly supplied, as the peasant, liable to requisitions and forced contributions, hoards whatever coin comes into his possession. Thus, whether in peace or war, and although the neck of the rebellion is broken, the agitation of the country will not be repressed for some time; we must still look upon India as a large consumer of bullion; and the demand being partly political, for the purposes of the Indian government, will not be subjected to purely commercial considerations.

China is undergoing an economical, as well as a political revolution. The active emigration to Australia and California, and the return of emigrants with their savings, have exercised a great influence not only on the maritime provinces, but inland; and there is a demand for bullion, which can only be supplied by importation. The political difficulties of the country stimulate hoarding, the chief antagonistic influence to the free circulation of coin. Speculative writers look upon circulation as the living function of coin; the Spaniard or the Hindoo considers hoarding as its le-

gitimate destination, and we may to this day see large masses of gold and silver coin of the seventeenth century untarnished and unworn. As the passion for hoarding allows of no alternative, it must be satisfied. We may extend our import of tea and silk, and increase our export of English manufactures, but the demand for bullion we must continue to supply.

We have now enumerated the various causes, permanent and recurrent, which have combined to drain the Bank of England of its bullion so effectually as to induce the suspension of the Bank Charter Act a second time. The value of an act which Ministers have felt constrained virtually to repeal, on the arrival of the only two crises the dangers of which it was expressly devised to avert, we shall discuss elsewhere. From the events which preceded and gave rise to the second repeal, and which we have striven to sketch, we arrive at the following conclusions :—

First—That we are subject to a great disturbing power in the influence of the United States.

Second—That land speculations, as inducing panics, will seriously affect us, in proportion as Australia, Canada, and South Africa advance under the stimulus of self-government.

Third—That the currency laws of England and the United States do not provide such a supply of bullion as will meet a general or considerable conversion of notes under the influence of a panic.

Fourth—That the currency laws of England and the States of the Union have been practically suspended under the operation of panic.

Fifth—That the currency of the note issues of England and of the States has, nevertheless, been maintained at par ; and in England, its convertibility has not been suspended.

The effects of this panic on the United States are but transitory. The resources of the Union increase enormously every year ; large crops are now in hand, the public works now remain, and the land is available for fresh speculations. In a short time speculative prices will rise again, and the general community will be restored to its real and fictitious wealth ; and although the individual distribution will be affected, yet, as the most of the ruined individuals will engage in fresh operations in a rising market, individual suffering will not be great or continuous, nor will any serious or impressive warning be given by this crisis.

It is, however, most probable that the banking laws of the various States will be so far amended, that a larger proportion of bullion will be required to be kept ; and it is possible that the executive or legislature in some of the older States may be armed with power to meet a financial crisis, though great constitutional jealousy is felt as to any such action. In all States in which a general banking law has not been, it is to be expected it will be early applied, as the late crisis has proved the intrinsic and ultimate value of the established currency under the deposit of security.

Commercial losses will not be retrieved, nor in most cases compensated ; the insolvency, bankruptcy, or assignment laws of the States are lax—insolvency being a general fate, involves no stigma ; and as positive swindling escapes unpunished, so there is no legal punishment for those offences which come next to it. The traders who have failed will start again, and their home and foreign creditors will bear with the losses.

In the case of many great railway undertakings, the interest of the bondholders will suffer for a while from the necessity of providing for im-

mediate liabilities, and for creating preferential securities; but as the traffic of the country is in rapid development, the ultimate returns will, in most cases, restore revenue to the various classes of bondholders and shareholders. In some instances, however, the first or other class of bondholders will have got possession of the works, and destroy the securities of all other classes of creditors. The prospects and position of each line depend, however, on individual circumstances, and can only be determined in detail.

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## THE ROYAL BRITISH BANK FRAUD.

*From the London Times, March, 1858.*

It is a sad thing to see a number of persons, either of middle age or advanced in life, who throughout their career have borne a respectable character, suddenly placed upon their trial for a disgraceful offence, and found guilty by a jury of their fellow-countrymen. We have no wish to write one sentence which could unnecessarily embitter a position already painful enough, and as far as is consistent with integrity of comment upon the facts, we will endeavor to refrain from reflections, now unnecessary, upon the conduct of the late directors of the Royal British Bank. They have all been found guilty of conspiring to defraud the shareholders of the bank by false representations as to its real position. Not only were the shareholders their victims, but all persons who might be induced by these representations to become shareholders, and all persons who might in the same way be allured to use the bank as a place of deposit. A more righteous verdict was never delivered than the one which has set a mark of infamy upon the names of men who had been proved to be guilty of what Lord Campbell very properly called "this great crime." For it is a "great crime"—it is a wicked and heinous thing for men not driven thereto by any pressure of overwhelming necessity, but for the mere purpose of adding to fortunes already considerable, or of procuring means to carry on wild speculations for their own advantage, to open a bank with all the usual solemnities, to abstract the funds for their own use, to publish false accounts, to attract new shareholders into the vortex of their own ruin, and when they have extracted the last farthing from the till, and worn the last rag of credit threadbare, to shut the doors in the face of their dupes, and leave them to seek their remedy in a Court of Bankruptcy. No man of proper feeling would wish to insult in the hour of the disgrace which has overtaken them, the defendants in the late trial—Brown, Esdaile, Cameron, Stapleton, Kennedy, Owen, Macleod; but we cannot forget, even in the presence of the misery these men have brought upon themselves, the amount of dire suffering they have inflicted upon others by their dishonest dealings. Had we space or time to lay before our readers but one tithe of the dismal stories of the misery these men have caused, they would scarcely wonder that we rejoice, not from any vindictive feeling to the wretched men who have just been found guilty, but simply because this

verdict may be the means of deterring other unprincipled persons from following in their footsteps. There are many crimes for which prisoners are constantly and most deservedly sentenced to punishments far more severe by the Judges of our criminal courts, but which, morally speaking, are far less heinous and far less productive of misery to society. The crime of the forger, of the coiner, has but a limited range; the false bill, the base half-crown, must soon be detected. Not many persons can be injured by such offences as these, for the forger is soon found out—the base money is quickly nailed to the counter. A conspiracy to defraud and swindle the Queen's subjects, such as this one of which the directors of the British Bank have been found guilty, may, on the other hand, go on for years without suspicion, accumulating every year greater loss upon the heads of innocent men. The Eastern Corporation—Colonel Waugh's concern—is another case in point. Another instance is that of the great Scotch bank which smashed during the late commercial crisis. Many others of the like kind, inferior in guilt, because inferior in opportunity, might be named; but these three instances alone would be sufficient to point to the necessity that existed for interposing some check between the operations of a fraudulent banking company and the innocent persons whom they have endeavored, and were daily endeavoring, to bring to poverty and ruin for their own selfish ends.

It is not our intention here to inflict upon our readers even a recapitulation of the evidence as it was brought out in the case of the fortnight's trial. The proceedings, indeed, were like those usual in the Court of Bankruptcy when debts are in course of proof. The process is a very tiresome and a tedious one to all but the persons immediately concerned. The grand result, however, was as follows:—On the 31st of December, 1855, the Directors made out and published a balance-sheet for the year just expired, and declared a dividend at the rate of 6 per cent. per annum, clear of income-tax. Now, on the creditor side of that balance-sheet credit was taken for all moneys advanced on the Welsh works, for all past-due bills, and bad debts, although something very much like £150,000 of these ostensible assets had melted into air. Interest was calculated upon these worthless figures so as to produce the balance for the half-year out of which a sum was set apart to pay the dividend of 6 per cent. This is just the gist of the whole case. The jury the other day were not occupied in trying how Brown had abstracted money from the Bank by the help of colorable securities, nor how others of the directors had followed in his footsteps with more or less success. The questions for their consideration, and the only questions, were—First, on the day when that balance-sheet was published did it or did it not contain false and fraudulent statements, and until the bank closed its doors, was not that sheet held out as truth to the public and the shareholders by all the directors? Secondly, had the directors a knowledge of the falsehood and fraud of these statements? If they had the knowledge, it was a guilty one. These are the only real points to which the attention of the reader need be directed in considering the facts of this protracted trial. The jury found that the directors had such knowledge, and therefore, as was their bounden duty, brought in a verdict of "Guilty" against them all.

We should have been glad to speak of Lord Campbell's charge to the jury with admiration and respect—for the occasion was a great one. The

Chief Justice might have rendered signal service to the community, but he appears to have used different weights and measures for the different offenders who were placed before him charged with the commission of this "great crime." For example, in the case of Owen, the haberdasher, we find Lord Campbell telling the jury, "*If he had chosen to investigate the books, he might have arrived at the truth and the knowledge of the insolvent state of the Bank.*" With regard to Stapleton, a man far more highly placed in society, and for whom, consequently, there was less excuse than for the others, we find Lord Campbell exerting all his power as a judge to procure an acquittal. He actually paid irrelevant compliments to the man who was standing before him charged with such heavy guilt. "He did not come into the bank with a view of making a fortune by means of speculating with the money he might obtain from it, but, having been a barrister, and not having met with great success, *for the race is not always to the swift*, he wished to be employed in some other department of life." No doubt, the moral guilt of Stapleton does not consist in having stolen money for his own use from the till, but in the fact that he, knowing the concern to be hopelessly bankrupt, endeavored to slip his own neck out of the yoke and to allure dupes into his place, by becoming a party to a declaration which has just been stigmatized by a jury as a falsehood and a fraud. His legal guilt, of course, in the present instance, depended on the fact of his knowledge that the concern was irretrievably bankrupt. Some of his associates had robbed the till—Stapleton knowing that he with the others was answerable for the robbery, endeavored to get out of the scrape by palming off the concern on the world as a flourishing one. That is just the difference between the two classes of offenders.

The sentence passed upon this man in great measure revoked the verdict of the jury, Lord Campbell imposing only a nominal fine, and discharging him from custody. He had just been haranguing the three defendants, Brown, Esdaile, and Cameron, in this wise,—"*It would be disgraceful to the law of this country if this were not a crime to be punished. It is not a mere breach of contract with the shareholders, or with those who deal with the Bank, but it is a criminal conspiracy to do that which inevitably leads to great public mischief, to the ruin of families, and reducing the widow and the orphan from affluence to destitution.*" Many persons will think that a sentence of one year's imprisonment, among the most favored class of prisoners, upon men who had been found guilty of so heinous an offence as this, with not one circumstance of mitigation which could be pleaded in their favor, was a particularly light one. We have no objection to a distinction in the punishments awarded, and, as the jury had recommended Owen, Stapleton, Kennedy, and Macleod to the merciful consideration of the Court, it was right that their recommendation should be taken into account; but Lord Campbell had left himself no lesser punishment to award which was at all adequate to their guilt, and their sentence was accordingly almost nominal. We fear that this manner of dealing with such misdemeanants will disarm future proceedings of all their terror, and render this prolonged trial barren of result to the community.

## A SKETCH OF WILLIAM PATERSON,

PROJECTOR OF THE BANK OF ENGLAND.

FROM THE PARIS CORRESPONDENT OF THE "NEW YORK JOURNAL OF COMMERCE."—ROBERT WALSH, Esq.

PARIS, *March 1, 1858.*

AMONG the new British publications which came into my hands last week, there is a duodecimo of four hundred and thirty-five pages, handsome and comfortable in the typography, of which the contents seem to me replete with curious information. It is an authentic biography of WILLIAM PATERSON, "Statesman, and Founder of the Bank of England." The author is S. Bannister, formerly Attorney-General of New South Wales. He diligently sought, and has judiciously used original documents and contemporary evidence and opinion. The volume is recommended further by fac-similes of remarkable letters; the introduction (of 32 pages) is exactly what it should be as an announcement of life and character.

William Paterson was born in Scotland in 1665, and died in London in 1719. He was the son of a respectable farmer, whose ancestors were of the gentry; his education was plain and rural; he went forth at an early age, to earn a livelihood as a pedler. Soon after he acquired distinction in Edinburgh among the merchants; ere long, he visited the West Indies, and was indefatigable in examining localities and studying British interests. On his return, he devoted himself to a project which he conceived abroad, of founding a Scottish colony in Darien—Isthmus of Panama. It captivated his countrymen of all classes; a company was formed, and liberal contributions towards the enterprise quickly followed. The original subscription book was deposited, 1705, in the Advocates' Library, and has been there preserved. The first signature is that of Mr. Robert Blackwood, for two thousand pounds sterling.

The departure of the first fleet from Leith to Darien took place in July, 1698; twelve hundred men sailed in five stout ships. Paterson accompanied them as a volunteer—a simple adventurer. His correspondence—produced in the duodecimo—forms a circumstantial narrative of the design, adventures, and final miscarriage of the whole undertaking, and the cruel disappointment of his patriotic and philanthropic hopes. The Darien colony was to be regulated on the broadest principles of toleration in religious matters, and of social as well as commercial freedom. Its site, called Caledonia, was two leagues to the southward of Golden Island (Guarda). He says, in his report, "we are but eight or nine leagues from a river where boats may go into the South Sea; the natives for fifty leagues on either side are friendly to us;" and in a letter to an acquaintance in Boston, Massachusetts (1699)—"If merchants should once erect factories here, the place will soon become the best and surest mart in all America, for inland and overland trade." In that year the Grand Monarque, Louis XIV., entertained designs on Darien: the French meant to open their way to the South Sea, by Conception River, knowing then no better nor more commodious way. Port Caledonia was about thirty-five or thirty-six leagues eastward of the

Samblas. Paterson's ideas of the proper treatment of the native race were the same as those of Penn. The colony was mismanaged, in opposition to his counsels: the English government conceived a bitter jealousy of it as Scottish: King William prohibited all intercourse of the English colonists in the West Indies and North America with the Scottish emigrants. These, threatened with starvation, broke up the settlement.

For political purposes, an Indian chief was metamorphosed into the Emperor of Darien. One of Paterson's earliest letters from the colony was addressed to a friend in Boston, and there printed. To his page on the departure of the emigrants from Leith, the biographer annexes a notice of that of Sir Hugh Willoughby from the Thames, on the fatal voyage by the North-East passage, toward Cathay, when King Edward VI. sent letters missive to the ruler of Cathay, the Emperor of China—"expressing all that Christianity dictated for the governance of the intercourse of nation with nation." An old chronicle says—"Our merchants even in 1553 counselled diligently with *Sebastian Cabota*, a man in those days very renowned." At the sailing of a like expedition, three years after, "the right worshipful Sebastian Cabota came on board at Gravesend; the good gentleman, Master Cabota, gave to the poor liberal alms, wishing them to pray for the prosperous success of his pinnace in the expedition. Master Cabota, for very joy to see the towardness of the intended discovery, entered into the dance with divers gentlemen and gentlewomen, and he was then eighty years old, among the young and lusty company."

On the 18th June, 1699, Mr. Paterson embarked at the desolate port with about 250 of the emigrants; their ship Unicorn first made on 28th July, "the Bay of Mataneses, upon Cuba." After setting sail thence, and running great hazard of shipwreck on the coast of Virginia, they arrived at Sandy Hook, near New York, on the 13th August; a hundred and fifty out of the two hundred and fifty passengers, died during the voyage—"most of them, for want of looking after, and of means to recover them." At New York, an arrangement was made with Messrs. Wenham and De Lancie, to fit out a sloop for the colony, laden with provisions for the remaining adventurers; at New York there was a universal good will, and regret that the colony was to be dispersed.

"Our hero" sailed from New York on the 12th October, and reached Edinburgh on the 5th December. Here, he entered on a new and extraordinary career, and regained in a short time his influence with the great traders and public men, by very able writings that prove him to have been much in advance of his times. He materially promoted the Union of Scotland and England of 1706, and then urged the measure for Ireland; he took an important share in the discussion of the questions of monopolies, taxation, of pauperism, corn laws, and usury laws, public granaries, prison discipline, reform of penal legislation, free-trade, imprisonment for debt; his tracts relating to them are of the most liberal and salutary purport; he abounds in conceptions and amendments which might then be thought original. In Edinburgh, 1701, he put forth a book entitled "Proposals and Reasons for Constituting a Council of Trade," which was reprinted in Edinburgh in 1751, and which Dugald Stewart, in his *Memoirs of Adam Smith*, erroneously ascribed to John Law. He was the principal antagonist of Law in the controversy respecting banks and paper currency. In fact, he anticipated most of the maxims and views of Adam Smith, whose "Wealth of Nations" was not given to the world before 1777.



Paterson was elected from Scotland to the British Parliament, and earned high consideration in the British metropolis. He ingratiated himself with King William III. so far as to be called frequently to communicate with him in person, and to be treated with entire familiarity and confidence. He transferred his residence to London, where he became an eminent and wealthy merchant of primary consequence in both municipal and state concerns. It is sufficiently shown, in the Life, that he laid the first design and project of the Bank of England, of which he was one of the first directors. "The proprietors and directors of the Bank"—he wrote—"must pay the amount of their notes in coin on demand, whatever it may cost them." The biographer claims for him, the suggestion and adoption of the Sinking-Fund. He held that the worst bargain the people can make in time of peace is that which involves the continuance of interest on war-loans, instead of paying them off. His plan was accepted in 1717 by the ministry. Among his printed *proposals*, we find these principles, too long afterwards neglected by the legislators and administrative functionaries of Great Britain, and indeed every other country of Europe: mild laws will lessen crime; improved prison-discipline will reform criminals; fraud in trade should be punished criminally, and only *fraudulent* debtors imprisoned. The last point, Lord Brougham is now endeavoring to compass in his bill before the House of Lords. We know how recently fraud in the management of joint-stock companies has been enacted criminal by Parliament. The discussion of the plan for abolition of imprisonment for debt on the 14th ult., by Lord Brougham, and the Lord Chancellor, who styled it, "one of the most difficult of the social problems," challenges close attention in the United States.

To proceed with William Paterson, whom Burton, in his "History of Scotland," warrantably designates illustrious, and whom the London mercantile and financial world quoted as "the great calculator." In 1701 the recognition by Louis XIV. of the Pretender, "roused all England, as one man, to resist the pretensions of France, the more formidable from the accession of the grandson of Louis to the throne of Spain." Paterson remembered fondly his old Darien project; he resolved to profit by the conjuncture of circumstances to revive it on a larger scale of commerce and colonization. He submitted to King William an ample memoir extensive in the views, vigorous and racy in the suggestions and diction. He aimed at opening the trade of South America to all nations; he urged that not only the trade but the very Indies of Spain were capable of vast improvement, because the Isthmus of Panama was not only the natural centre of the west, but to be put easily in a state of being that of at least two-thirds of the trade and treasure of both Indies, west and east: he opened a minute geographical survey of the passes from the Atlantic to the Pacific Ocean, Chagres, the port of Concepcion, Tubugantee or Caledonia, the port *Escoces*, of the modern maps, the Gulf of Uraba, by the river Atrato, Cacarica and Gulf San Miguel; he noticed the ways by Cape Horn, the River La Plata, Acapulco, from the Gulf of Mexico: he proposed that the Isthmus of Darien or Panama, with Carthagena and the Havanas or Cuba, should be seized. "The situation of the Havanah upon one of the greatest islands in the world, in the centre between the northern and southern parts of America, made a *pass* of the greatest consequence, and a natural bridge to all that great inlet commonly called the Gulf, and no small awe to the navigation of the whole Bay of Mexico."

## BANK CAPITAL IN NEW YORK.

*Resumé of the Increase of Capital, Loans, &c., of the Banks of this State, since the Year 1848.*

THE rapid accumulation of wealth in this State, and the equally rapid enlargement of trade in its various channels up to the beginning of last year, are fully indicated in the tabular returns of banking capital and loans during each year—1848–1857. In June 1848, shortly prior to the gold discoveries being fully known in the Atlantic States, the bank capital of this State was only forty-three millions; now it is over one hundred millions. In New York city there were in June, 1848, only twenty-five banks, with an aggregate capital of \$24,000,000; the largest capital being that of the Bank of Commerce, \$3,500,000, and only ten out of the twenty-five having \$1,000,000, or more, each. Now twenty-seven out of the fifty-one banks in this city, have a capital of \$65,000,000, or over two millions each on an average. The increase of banks and of capital in the interior has been in an equally large ratio, the capital alone having increased from nineteen millions in June, 1848, to forty-two millions at this date.

We may assume that business, in its various channels, has increased as much, if not more, in the same time. The railroad system has assumed a prominence greater than that of the banks—absorbing over one hundred millions of capital, and affecting all the commercial interests of the State, large and small. The manufacturing interests of the State, far and wide, have assumed more importance, and give employment ordinarily to some three hundred thousand operatives.

Of the growth of the banking capital, the following tabular statement will illustrate the leading items:—

*Comparative Table of Liabilities and Resources of New York Banks, 1848, 1852, 1857.*

	LIABILITIES.		
	June, 1848.	June, 1852.	June, 1857.
Capital.....	\$43,755,089	59,705,683	103,954,777
Circulation.....	20,898,077	27,940,947	32,395,892
Profits .....	6,554,346	10,489,087	13,949,030
Due Banks.....	14,100,359	25,229,167	27,319,817
Due others.....	702,251	1,454,572	1,010,575
Treasurer of the State of New York....	2,305,999	1,592,603	3,254,877
Due Individual Depositors.....	27,554,820	65,034,604	104,350,426
Due to others.....	862,416	1,461,788	1,734,886
<b>Totals.....</b>	<b>116,723,357</b>	<b>192,908,454</b>	<b>287,990,280</b>

RESOURCES.			
	June, 1848.	June, 1852.	June, 1857.
Loans.....	\$73,497,137	127,245,569	190,408,832
Overdrafts.....	219,312	274,577	507,137
Due from Banks.....	8,376,897	11,200,861	11,643,830
Real Estate.....	8,458,943	4,183,970	7,423,015
Specie.....	6,881,663	13,304,354	14,379,434
Cash Items.....	5,923,444	12,871,410	23,737,436
Stocks.....	12,007,344	15,509,500	25,747,472
Bonds and Mortgages.....	3,100,051	4,548,490	9,299,794
Bills of other Banks.....	2,705,418	8,246,286	8,094,298
Expense Account.....	558,118	677,084	1,362,623
<b>Totals.....</b>	<b>116,723,357</b>	<b>193,062,103</b>	<b>287,994,868</b>

New York now holds nearly one-third of the whole banking capital of the country, (\$107,000,000 out of \$320,000,000), and exerts a controlling influence upon the financial movements not only within its own borders, but upon those east, south, and west. Hence we may urge in the strongest language that New York, through its legislature and its financial agents in Wall street, is called upon to inaugurate and to maintain a conservative system in its banking movements—one that, while it will sustain its own institutions within the bounds of prudence, beyond any contingencies or revulsions, shall exercise a controlling spirit over the monetary fluctuations of the whole Union, and prevent any disposition elsewhere to unguarded expansion.

The last official report of the bank department shows the following aggregates as to the condition of the city banks, compared with those of the country in December last:—

LIABILITIES.			
	50 City Banks.	291 Country Banks.	341 Banks, Dec. 1857.
Capital.....	\$65,024,112	42,425,031	107,449,143
Circulation.....	6,279,802	17,620,162	23,699,964
Profits.....	8,170,760	5,814,913	13,985,673
Due other Banks.....	17,152,207	4,116,355	21,268,562
Due Treasurer State of New York.....	421,723	2,641,045	3,002,768
Due Depositors.....	59,912,187	21,126,106	81,128,293
Miscellaneous.....	409,746	1,272,717	1,682,463
<b>Totals.....</b>	<b>157,370,537</b>	<b>95,106,329</b>	<b>252,476,866</b>

RESOURCES.			
	50 City Banks.	291 Country Banks.	341 Banks, December, 1857.
Loans.....	\$97,783,308	56,426,757	154,210,065
Overdrafts.....	95,112	350,352	445,464
Due from other Banks.....	4,031,850	7,693,123	11,726,973
Real Estate.....	5,424,647	1,998,967	7,423,614
Specie.....	26,660,183	2,651,238	29,314,421
Bank Items.....	12,914,769	1,215,904	14,130,673
Stocks.....	8,191,419	14,432,336	22,623,755
Bonds and Mortgages.....	866,558	8,230,752	8,597,310
Bills of other Banks.....	997,689	883,360	1,881,049
Expense Account.....	903,004	1,220,621	2,123,623
Miscellaneous.....	.....	919	919
<b>Totals.....</b>	<b>*157,370,537</b>	<b>95,106,329</b>	<b>252,476,866</b>

\* An error of \$2,042 in the official report of the bank department.

An examination of the last quarterly report of the bank department shows that many of the free banks are doing business upon less specie than \$1,000 each. They are mere banks of issue, and do but little good, perhaps much harm at times, to the State. Such excrescences could with advantage be eradicated, and their places supplied with banking concerns having a solid capital and a respectable body of stockholders.

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## BANK REFORM IN NEW YORK.

*The Chamber of Commerce* of New York held a special meeting in February, and received a Report from the Committee appointed to consider what change is required in the Banking Laws of this State. This Report was afterwards rejected at a regular meeting. We republish the Report because we conceive it embodies very sound and conservative views on the subject of Banking.—ED. B. M.

The Governor recommends that every bank in this State be required, under adequate penalties, to keep on hand in coin not less than 25 per cent. of all its cash liabilities, exclusive of its notes. The Bank Superintendent differs from the Governor, by recommending 20 per cent. instead of 25 per cent., and is suggesting that the banks out of this city be allowed to hold specie funds instead of specie itself. Although the deposits in the country banks may be so small as to make it unimportant whether specie funds or specie are held, we prefer the requirement of actual specie in all banks, as a matter of principle; and certainly, if the deposits in country banks are so small, the condition can be no hardship to them.

We wish the principle to be recognized by law, that not less than a certain proportion of cash liabilities shall be held in coin, and that this proportion shall not be diminished at the discretion of any managers of banks. It is unreasonable and unfair that the banks shall be allowed to expand imprudently as they have done, and thereby given large dividends to their stockholders while hazarding the suspension of specie payments and paralyzing the business of the country. The desirable proportion of specie is 20 per cent., according to the Bank Superintendent; 25 per cent., according to the Governor; 30 per cent. in the opinion of many of our experienced bankers and merchants; and  $33\frac{1}{3}$  by the Louisiana law. The Superintendent appears to have fixed upon 20 per cent., because the proportion actually held by the banks in this city in two years, ending with the summer of 1855, was between 19 and 20 per cent. The advocates of 30 per cent. think it will more completely insure safety, while its opponents allege that so large a holding of idle capital will disqualify our banks for earning fair dividends, and that the New Orleans banks are only enabled to bear  $33\frac{1}{3}$  per cent. by the opportunities which that city presents for making profits in exchanges.

The Governor recommends adequate penalties. The Louisiana law provides the best possible; for those are best which undo the damage while punishing the offence. The penalties that we recommend are, that no loan

or discount shall be made by any bank which has been below its required line of specie for two successive weeks by its weekly statements, until it is restored to line; and in case of violating this provision, the bank shall be wound up as insolvent. It will be necessary, however, that country banks shall give the Superintendent average monthly reports of their condition, (for weekly are scarce necessary,) and that the same penalties shall apply to them after a month of offence as to ours after two weeks. Our aim is to fix upon the largest metallic proportion that the sound interests of our banks will admit of, and with this view we recommend not less than 25 and not more than 30 per cent., believing that either rate will not debar well managed banks from earning fair dividends, such as 8 per cent., when the value of current paper in Wall street is not below 7 per cent. We must remark, prudent and steady banking will practically require the specie holdings in this city to be 3 per cent. and perhaps occasionally 5 per cent. greater than the legal rate; say, 28 or 30 actual for 25 per cent. legal, and 33 or 35 for 30 per cent.; whereas our country banks will need a less margin, and the business of New Orleans admits of working their banks without one of 3 per cent.

Such a law will possess the merit of being self-acting, intelligible, and simple in itself, requiring no new machinery for its supervision, and yet of meeting and checking all those defects of organization and administration in which ruinous contractions and general bank suspensions have their origin. If by any accident the line of specie should be too low for a single week, the proper proportion could be recovered in the second week, and the compulsory stoppage of discounts be avoided. The offending bank will be detected and identified, and the punishment fall upon it alone, without excluding it from the Clearing House or endangering the money of the depositors; moreover, without causing any unwholesome alarm in the community, because the punishment will begin before the offender can have incurred risk of actual insolvency by means of over issues of credit. Competition for deposits by offers of high interest will be checked; for deposits will bring with them the duty of holding more specie, the expense of which duty and the penalty for neglecting it will reduce the question of rate of interest to very narrow limits.

Under the existing laws there is no punishment until the extreme offence of insolvency has been committed; and then the innocent and guilty suffer alike. The confiding stockholder and the innocent depositor may be utterly ruined without the least warning of any danger: but under the proposed change there will be ample warning for them, and for the community, if the bank, as we must always suppose, is managed with common honesty. Penalties often defeat their objects; and it is now clearly demonstrable that the very severity of the existing law contributed to produce the bank suspension, which it had been framed to prevent; for the intense alarm almost necessarily existing when the danger of enforcing such a penalty approached, terrified the depositors, and drove the banks into an otherwise unnecessary suspension. In fact, the proposed law will in a great degree be to commercial and financial offences the desideratum of criminal jurisprudence, viz.: the prevention of those first steps of misconduct which are utterly productive of extreme crimes.

We approve highly of the Superintendent's recommendations that no more mortgages be received as security for bank notes, and that the old banks be gradually brought under the law requiring security for notes;

but we do not approve of his proposition to allow the business of banking to be commenced upon securities for \$50,000, instead of \$100,000. Various projects have been suggested for preventing a recurrence of the recent difficulties. Among them are :—

Prevention of banks paying interest on deposits.

That deposits should not be payable in gold.

Prohibition of bank notes below \$5, \$10, or \$20.

Limitation of the rate of bank dividends.

An enormously large bank.

A Board of Currency to supervise and regulate the banks, &c.

We think we have already shown that the simple plan of holding gold against deposits, will accomplish all the sound and practical objects at which these projects aim. The legal prevention of interest on deposits is not recommended by the Governor or Superintendent, and probably because it would admit of so many evasions as to be useless in practice ; but, even if practicable, we think all its good objects will be attained by the Governor's plan, and we are unwilling to countenance any restrictions of questionable necessity. The payment in gold of deposits in checks cannot be refused. It would amount to bank suspension.

Without denying that some benefit may arise from a prohibition of small notes under certain circumstances, we must admit that this measure has not answered expectation in Pennsylvania ; and undoubtedly it is much more important that notes should be secured by the pledge of good convertible stocks, and undue issues of bank credit be checked by an enforced holding of gold against deposits, than that small notes should be prohibited. We think such prohibition can be of little or no use in practice unless enforced throughout the United States, and therefore we cannot recommend it.

A limitation of bank dividends would be practically unjust, and is not desirable. A very large bank would be useless if the other banks are to be continued, and therefore impracticable for any present beneficial effects.

No Board of Currency is required. As the plan of specie against deposits would be self-acting, the present machinery of officers need not be increased. Much more might be said, but it is probably unnecessary, as we cannot doubt that the Chamber will agree with us in the following conclusions :—The recent commercial and financial derangements require measures calculated to prevent a recurrence of such evils. The present is a most favorable opportunity ; for our banks are full of gold, merchants and traders have not yet embarked in large new operations, and none of the other States have resolved upon any new banking laws. The plan we recommend requires no combination of laws with the risk of their uncertain effects, for it has stood the test of trial in Louisiana. It will not disturb any sound existing interests. It is self-acting, and therefore steady in its operations, for nothing that can endanger our currency is left to the discretion of any man or any body of men ; and under its principles of action the lamentable bank expansion of July last could not have occurred.

We submit a memorial to the Legislature for the approval of the Chamber.

MATTHEW MAURY,  
JAMES BROWN,  
A. A. Low,

ROYAL PHELPS.  
HENRY W. T. MALL,  
P. PERIT.

NEW YORK, Feb. 10, 1858.

## HISTORY OF THE MAGNETIC TELEGRAPH.

1. *Early History.*—2. *Telegraph in the Eighteenth Century.*—3. *The Morse Telegraph.*—4. *The House Telegraph.*—5. *The Hughes Telegraph.*—6. *The Telegraph in Europe.*—7. *Recapitulation of Lines throughout the World.*—8. *The Submarine Telegraph.*

Long before the electric telegraph had been imagined, the art of rapidly conveying intelligence from point to point had occupied the attention of mankind, and various expedients for the accomplishment of this object had been devised. The most primitive modes of telegraphing were by means of signal fires, torches, trumpets. More recently, since the invention of gunpowder, cannon and sky-rockets were used. On the invention of the aerial telegraph, or semaphore, these means were abandoned.

In the year 1684 Dr. Hooke described a plan for an aerial telegraph, and about 1704 M. Amontons instituted experiments with the same end in view. However, neither of these plans were carried into effect; and it was not until 1794 that the semaphore was actually used. In that year an aerial telegraph, the invention of M. Claude Chappé, was employed for the transmission of intelligence between Paris and Lille; the conveyance of a signal from one of these places to the other occupying only two minutes. Semaphores, mostly modifications of the plan of Chappé, were soon in use throughout Europe—in England, in 1795; Denmark, in 1802; India, in 1823; Prussia and Austria about 1833; and Russia, in 1839.

This method of telegraphing is still in use, but is rapidly being superseded by the electric telegraph. In 1852 the only aerial telegraph line in England was between Liverpool and Holyhead. This has now, we believe, been superseded by the establishment of electric communication between those two places. The cost of working the aerial telegraph was enormous. The line above mentioned cost in the vicinity of £1500 (about \$7,500) per annum; and a similar line between London and Portsmouth, cost £3300 (about \$16,500) per annum. These telegraphs were necessarily imperfect; being limited in their power of conveying intelligence, exceedingly slow, and liable to total interruption by storms of rain and snow, fogs and darkness.

The idea of the employment of electricity as a means of conveying intelligence to a distance appears to have been long entertained, and experiments to ascertain the practicability of electrical communication between distant places, were early made by scientific men throughout the civilized world. In 1729 Grey and Wheeler discovered that a current of electricity could be made to flow through considerable lengths of wire. In 1746 Winckler at Leipsic, and La Monnier at Paris, experimented on the same subject of the transmission of the electric current through conducting bodies. In 1747 Dr. Watson, in England, repeated and extended these experiments, sending a current through two miles of wire and two of earth; sending shocks across the Thames and the New River. Dr. Franklin, in 1748, and De Luc in 1749, repeated many of these experiments. In addition, experiments bearing more or less on the subject of electric telegraphy were made by Lesage in 1774, Reusser in 1794, Cavallo in 1795, Betancourt in 1798, Söemmering in 1807, and Prof. Oersted in 1819.

The first electric telegraph actually applied, seems to have been the invention of M. D. F. Salva. Humboldt says his telegraph was established between Madrid and Aranjuez in 1798—a distance of about 26 miles.

In 1816 Francis Ronalds, of Hammersmith, England, constructed a telegraph of eight miles in length. This telegraph was one of the best that had been invented, and was capable of transmitting intelligence with considerable rapidity. In 1823, he urged the importance of his invention for government purposes, writing to Lord Melville on the subject, but without effect.

In 1827 Harrison G. Dyer, an American, constructed a telegraph on Long Island, using frictional electricity. The line was about two miles in length.

Previous to 1809, no mode of electric telegraphing capable of any extended use had been discovered. The principal cause of failure seems to have been in the employment of frictional electricity, which, on account of its high intensity, is confined with great difficulty to conducting bodies, is rapid and incontinuous in its action, and, from its small quantity, devoid of energetic force. Söemmering made a step forward by his application of galvanism to the purposes of telegraphing. In 1809 he constructed at Munich a telegraphic apparatus, using 35 wires. The signals were made by the decomposition of water in 35 tubes, which were in connection with the 35 wires of the line. Telegraphs employing the pure galvanic force were also invented by Schweigger, De Haer, R. Smith (Scotland, about 1843); Bain, 1846; and Morse, 1849.

Bain's was the only telegraph on this principle that was extensively used. He used a very simple apparatus, receiving the galvanic current upon chemically prepared paper, where it made a light-blue mark. A combination of dots constituted his alphabet. This telegraph was exceedingly rapid, being capable of transmitting 1200 letters per minute. In 1850 about 200 miles of telegraph in England, and 1500 in America, were worked under Bain's patents. His plan has gone now almost entirely out of use, other and better instruments superseding it.

The property which lightning possesses of reversing or destroying the poles of the natural magnet, and of imparting magnetism to iron, had long been known; but not until 1820 was the fact turned to any useful purpose. Professor Oersted, of Copenhagen, discovered, during 1819, that if a wire charged with electricity is placed parallel to a magnetic needle, the needle will deviate from its natural position, tending to assume a position at right angles with the conducting wire; and that this deviation follows a regular law. Proceeding on the groundwork of Professor Oersted, many other discoveries were made by Arago, Ampère, Faraday, David, Sturgeon, and Prof. Henry. Arago and Ampère in France, and Sir H. Davy in England, discovered that a current of electricity would render steel magnetic; and Ampère found that by coiling the wire in the form of a helix round steel, the effect was greatly increased. William Sturgeon, of London, in the year 1825, discovered and constructed the electro-magnet. The electro-magnet is one of the most valuable parts of the electric telegraph now in use, and has entered more or less into nearly every telegraph invented since its discovery.

Oersted's great discovery gave a new direction to the science of electric telegraphing. Galvanic or electro-chemical telegraphs were, in turn, discarded, and electro-magnetic telegraphs took their place. Ampère was the first to make use of Oersted's discovery in telegraphing. In 1820 he invented a



telegraph, using 36 magnetic needles. His plan was not practically carried into effect.

Baron de Schilling invented a needle telegraph in 1832, at St. Petersburg. His instrument had five needles, which, by their vibrations to the right or left, indicated signals. He afterwards improved his instrument, using but one needle.

In 1837 Dr. Steinheil had a telegraphic instrument working a distance of 12 miles. His telegraph of one wire, and either one or two magnetic needles, as might be desired, made permanent marks on paper, and also telegraphed by sound. When writing, his needles were furnished with ink-tubes, and by their motions marks were recorded on paper; when telegraphing by sound, the needles were made to strike bells of different tones. He used the earth as part of the circuit. This was very nearly a perfect instrument, and is infinitely superior to the majority of telegraphic instruments since invented.

June 12, 1837, Messrs. Cooke & Wheatstone, in England, obtained a patent for "improvements in giving signals and sounding alarms in distant places, by means of electric currents transmitted through metallic circuits." This seems to have been the first telegraph that was patented in Europe. Cooke & Wheatstone's first telegraph was a needle telegraph. They used five magnetic needles and five wires. An electro-magnet was used to sound an alarm. A second patent, taken out by Cooke only, was issued in April, 1838. These instruments were found to be very imperfect, and after a short trial were abandoned.

A different form of telegraph, the invention of the same parties, having but two needles, has, until very recently, been in general use in England; but the Morse system is now being adopted there and upon the Continent. The last patent taken out by Cooke & Wheatstone is dated May 6, 1845. During the same year an act of Parliament was obtained incorporating "The Electric Telegraph Company," working these patents. The needle telegraph is, comparatively, very slow; the average speed per message being but fourteen words per minute. It is, however, yet extensively used in England. Cooke & Wheatstone took out a patent in America, but their instrument was never practically used in the United States. Since Cooke & Wheatstone's first patent, upward of 40 patents have been taken in England alone. Very few of the instruments since invented are in practical operation.

*Morse's Telegraph.*—In the year 1832 Professor S. F. B. Morse first conceived the idea of an electric telegraph; and in the year 1835 he had a telegraph constructed, the basis of his present simple and beautiful instrument. In September, 1837, he exhibited his instrument at the New York University, working through 1700 feet of wire.

Morse applied for a patent in the United States, in April, 1838. This application was afterward withdrawn, and his patent was not taken out until June, 1840. In 1842 he petitioned Congress, who appropriated \$30,000 to his use for the construction of a line between Washington and Baltimore. In June, 1844, Morse had his invention in successful operation between Washington and Baltimore—a distance of forty miles. This was the only line in the United States constructed under government patronage.

The Morse electro-magnetic telegraph consists mainly of two parts—the receiving magnet and the registering apparatus. The receiving magnet is surrounded by fine wire, and is of the horseshoe form. An adjusta-

ble armature is placed before the poles of the receiving magnet. The main circuit passes unbroken through the receiving magnet to the next station.

The registering apparatus has a powerful horseshoe magnet placed vertically. Above the poles of the magnet is an armature attached to one end of a movable lever, on the other end of which is a steel style for the purpose of impressing marks on paper placed immediately above the style. Intelligence is transmitted by means of breaking and closing the main circuit. For this purpose a small key is employed. When this key is pressed down, the current passes to the receiving magnet of the distant station, causing the receiving magnet to close the local circuit. On the local circuit being closed, the registering magnet becomes excited and attracts the armature downward, causing a mark on the paper, placed above the lever of the armature. On the circuit being opened again by the operator's raising the key, all returns to its usual quiescent position. This operation is performed at every closing and breaking of the circuit. By keeping the key depressed for an instant, a dot is made; if it is depressed for a longer time, a line. A combination of dots and lines forms the telegraphic alphabet used with this system. The speed of this instrument is, in the hands of an expert, about fifteen words per minute.

Professor Morse's instrument was for some time the only instrument in use in this country, and is now used to a greater extent than all other telegraphs combined.

*The House Telegraph*, the invention of Royal E. House, differs materially from all previously invented telegraphic instruments, printing messages in the ordinary Roman letters. Directly under a set of keys, like those of the piano-forte, is a shaft inclosed by a cylinder. This shaft is made to revolve rapidly by means of a treadle. The shaft and cylinder are so arranged that the cylinder can be arrested while the shaft still revolves. On one end of this cylinder is a brass wheel having fourteen teeth. A spring is so arranged, that when the shaft and cylinder revolve it will alternately strike a tooth of this brass wheel and pass into an open space; thus alternately breaking and closing the electric circuit. On the cylinder two lines of teeth project, fourteen in each line, one for each tooth and each space of the circuit wheel. These teeth are immediately below the keys, so that by pressing down a key the motion of the cylinder is stopped. By making the cylinder revolve, the circuit is rapidly broken and closed, which continues till a key is depressed. On the key being released, the revolution goes on as before. The electrical pulsations produced by the breaking and closing of the circuit are conveyed to the magnet of the distant instrument, each pulsation causing the magnet to act.

The type-wheel, a wheel having the letters of the alphabet cut upon it, is made to revolve, but is so checked by an escapement wheel that only one letter goes forward at a time. This escapement is connected by a lever with the piston of an air-chamber. This piston is caused to move horizontally backward and forward, by means of compressed air admitted alternately on different sides of the piston. A valve attached to the magnet regulates the pressure of the air on the piston. Every breaking and closing of the circuit causes the magnet, piston, and escape to act, so that for every time the circuit is broken or closed the type-wheel is advanced one letter. If any letter of the type-wheel is placed in a certain position, and the key corresponding to it is depressed, raised, and again depressed, the circuit

wheel at the transmitting station and the type-wheel at the receiving station make one revolution, bringing the letter back to its former position. Any other letter is brought into the required position by pressing down its key on the key-board of the instrument. The letter first brought into position is the dash. The type-wheel is stopped at the dash, after which the printing goes regularly on as the keys are depressed. Immediately before the type-wheel is the press, containing a narrow strip of paper. At the depression of a key the type-wheel stops, sets a crank in motion, which presses the paper forcibly against the letter opposite to it on the type-wheel. On the key being raised, the type-wheel revolves until the depression of another key, which again unlocks the press and prints a letter.

The electric current is used in this instrument to preserve equal time, that the letters in one machine may correspond to those in the other. The number of pulsations required to indicate a succession of letters is exceedingly unequal; from A to B requires one, from A to A, twenty-eight pulsations.

House obtained a second patent in December, 1852. The House instrument is used to a limited extent in this country. It is still less used in England, where it is known as Jacob Brett's Telegraph. This instrument is more rapid than Morse's, printing accurately twenty to twenty-five words per minute.

*The Hughes Telegraph* is the invention of David E. Hughes, of Kentucky, who obtained a patent in 1855 and in 1858. This, like the House Telegraph, is a printing telegraph, but in principle and in mechanism it is totally unlike that instrument.

The Hughes system of telegraphing combines not only all the advantages of other existing systems, but reduces the labor which electricity has to perform to the lowest possible point. In all other systems it requires several distinct electrical impulses to form a single letter. In the House system, which is based upon the number of waves sent, the average number of impulses required to determine the intended letter is seven: in the Morse system, which is based upon the number and duration of the waves sent, the average is three and a half. To print a letter at every closing or breaking of the circuit, so that every electrical impulse shall determine a letter, has long been a desideratum, more particularly since the discovery that it requires an appreciable time to charge a long wire with electricity; so that on long circuits we should be obliged to send a less number of electrical waves in a given time than on a short circuit. On submerged cables this, and other effects, are still more marked, reducing the speed of transmission upwards of two-thirds. If every wave, instead of every three waves, produced a letter, it is evident enough that the speed of transmission through the cables would be equal to that of the air-lines with the systems now in use, and that the speed of the air-lines would be increased two-thirds. The Hughes system uses but one electrical impulse per letter, and by the use of a new and exceedingly sensitive magnet can work on lines of far greater length, and with a rapidity exceeding that of any telegraph now in existence.

To carry out the one-wave system, it is essential that the type-wheels of the different instruments revolve at precisely the same speed, so that the same letter on each type-wheel shall be opposite a given point at the same time. Clock-work governed by means of a pendulum, is too slow for any

practical use. Instead of a pendulum, Hughes employs as a governor a vibrating spring. This governor is dependent for its correct action on a law of acoustics, viz., "that a certain number of vibrations per second produces a certain musical tone; and if there are two or more springs of the same tone, they invariably give the same number of vibrations per second." If these springs by their vibrations are made to unlock an escapement, it follows that all instruments governed by springs of the same tone must revolve in exactly the same time. The type-wheels, thus governed, revolve at the rate of 100 revolutions per minute, and as the average number of letters sent at each revolution is two, it follows that the speed of the instrument is 200 letters per minute, equal to about forty words.

This is about the speed that an ordinary operator touches the keys, but not by any means the utmost speed of the instrument, as the type-wheels would revolve with undeviating accuracy at a speed of 500 instead of 100 revolutions per minute.

The magnet of the Hughes instrument, which receives the electric current from the distant station, is a combination of a natural and an electro-magnet. The attractive power of the natural magnet, exerted through the electro-magnet, holds a small armature in contact with its poles. A spring attached to the armature is so adjusted as nearly to pull the armature away from the poles of the electro-magnet. The slightest change in polarity causes the spring to pull the armature away from its resting-place. The armature is restored to its place by means of a lever, which acts upon it at the instant it is pulled away from the electro-magnet's poles. This arrangement employs the current of electricity merely to effect a slight change in the force by which the armature is held to the magnet's poles, and is so remarkably sensitive that the mere contact of a piece of zinc against a copper wire has been found amply sufficient to work the magnet. From its sensitiveness it requires scarcely a tenth of the battery-power used by the most sensitive of other systems.

Another wonderful and beautiful feature of this instrument is its power of writing both ways, sending and receiving messages at the same instant over one wire. This instrument thus doubles the capacity of the wire, making it do the service of two; transmitting with certainty and accuracy 200 letters each way per minute, an actual transmission of 400 letters, or 80 words, per minute. This result is accomplished by means of a peculiar arrangement of the batteries and magnets, so that the current from the transmitting station does not influence its own magnet, while it affects that of the receiving station, each magnet thus being placed under control of the distant operator.

The machinery which accomplishes results so astonishing is simple in the extreme. It consists mainly of four clock-wheels used to turn the type-wheel. These wheels are governed by the vibrating spring before explained. At the moment a current from the distant station enters the magnet the armature flies off, opens a detent, which causes a small press to be locked to the wheel-work of the instrument, and then to press a strip of paper against the letter of the type-wheel opposite the press at that instant. A current is sent upon the line by means of keys arranged like those of a piano, and having the letters of the alphabet engraved upon them. At the moment one of these keys is depressed the magnet of the receiving station is made to act, and the press to print the letter corresponding to the

touched key. The receiving operator has nothing to do but to tear off the messages as they arrive.

This instrument, after more than ten years of persevering thought and labor, is at last perfected, and now fulfils all the requisites of a perfect telegraph instrument—more than realizing all that has ever been claimed for it by the inventor. The remarkable ingenuity, talent, and knowledge of the principles of electrical science displayed by Professor Hughes, in the invention of his beautiful machine, deservedly place him foremost in the ranks of the laborers in this branch of art, and justify his claim of having invented a telegraph instrument which, for speed, neatness, and economy, is without a rival.

The numerous advantages that the Hughes instrument possesses over all other existing systems, particularly in the matter of speed and power of working on long circuits, will probably give it the preference in the selection of telegraphic machines with which to work the Atlantic submarine cable. Indeed it may well be doubted if any other system can be made practically available for that purpose.

The following brief summary of the telegraph lines of the world at the close of the year 1857, will furnish some idea of the importance of the telegraphic art, and of its claims to public attention:—

The United States have upward of 35,000 miles of telegraph, employing a capital, as near as can be ascertained, of \$4,000,000. The instruments used are the Hughes, House, and Morse machines.

The British Provinces have 5,000 miles of telegraph, employing a capital of \$500,000.

Cuba and Mexico have short and unreliable lines, which are controlled by the governments.

England has about 10,000 miles of telegraph lines—upward of 40,000 miles of conducting wire—employing a capital estimated at a million and a half pounds sterling. In England the government has the power of ordering all government messages to take precedence of any other communications, and when deemed necessary all telegraphs are required to be placed at the sole disposal of the government. Only one instance of this kind has occurred; on the occasion of the anticipated Chartist riots in April, 1849.

France has 8,000 miles of telegraph in operation, under the exclusive control of the government. Belgium has about 550 miles of telegraph lines, constructed and controlled by the government. Germany and Austria have nearly 10,000 miles of telegraph, controlled by the governments. Prussia has about 4,000 miles of telegraph in operation. The wires are mostly underground—controlled by the government. Holland has 600 miles of telegraph. Saxony and Bavaria have government lines of about 1,700 miles. Italy has 2,500 miles, controlled by its different governments. Switzerland has 1,500 miles, under control of the Federal government. Spain and Portugal have some 800 miles—controlled by the governments.—Of the number and extent of Russian telegraph lines little is known. As near as can be estimated, they extend over 5,000 miles—under government control. India has now in operation 5,000 miles of telegraph, constructed and controlled by the East India Company. Australia has 500 miles in operation, and 800 miles nearly or quite completed.

## RECAPITULATION OF EXISTING MILES OF TELEGRAPH THROUGHOUT THE WORLD.

	<i>Miles.</i>		<i>Miles.</i>
America.....	45,000	Russia.....	5,000
England.....	10,000	The rest of Europe.....	7,650
France.....	8,000	India.....	5,000
Germany and Austria.....	10,000	Australia.....	1,200
Prussia.....	4,000	Other parts of the World.....	500
Total Length of Telegraph Lines, 1858.....			
96,350			

The number of messages passing over all lines in the United States is estimated at about 4,000,000 per annum. In addition to the land lines, numerous submarine cables have been laid in different parts of the world.

The following is a recapitulation of the existing lines of Submarine Telegraphs now known to us:—

<i>Cables.</i>	<i>Miles.</i>	<i>Wires.</i>	<i>Date.</i>
Dover and Calais.....	24	4	1851
Dover and Ostend.....	75	6	1852
Holyhead and Howth.....	65	1	1852
England and Holland.....	115	8	1853
Port Patrick and Donaghadee.....	13	6	1853
Second cable do., do.....	13	6	1853
Italy and Corsica.....	65	6	1854
Corsica and Sardinia.....	10	6	1854
Denmark, across the Great Belt.....	15	3	1854
Denmark, across the Little Belt.....	5	3	1854
Denmark, across the Sound.....	12	3	1855
Across the Frith of Forth (Scotland).....	4	4	1855
Varna and Balaklava (across the Black Sea).....	340	1	1855
Balaklava and Eupatoria.....	60	1	1855
Across the Danube, at Shumla.....	1	1	1855
Across the Hooghly River.....	2½	—	.....
Messina to Reggio.....	5	1	1856
Across the Gulf of St. Lawrence.....	74	1	1856
Across the Straits of Northumberland, Prince Edward } Island.....	10½	1	1856
Across the Bosphorus, at Kandili.....	1	1	1856
Across the Gut of Kansa, Nova Scotia.....	—	3	1856
Six cables across the mouths of the Danube, at the } Isle of Serpents, each one mile long, and having } one conductor.....	6	6	1857
Across the Mississippi, at Paducah.....	1	1	1851
From Petersburg to Cronstadt.....	10	1	1856
Across the St. Lawrence, at Quebec.....	—	1	1855
Across the Soland, Isle of Wight (Eng).....	3	4	1855
Small river crossings.....	20	—	.....
Total length of submarine cables.....			
950			

The total length of submarine cables laid down is 950 miles, and the length of the conducting wires in all is 2,660 miles. Should the attempt to lay the great Atlantic Submarine Cable next June be successful, the length of cable laid down will be increased to 2,564, and the length of conducting wires to 4,075 miles.

Annexed is a brief account of the different submarine cables, lengths, when laid, &c. :—

The first submarine cable was laid between Dover, England, and Calais,

France, during August, 1850. This cable was about 24 miles in length. Electrical communication between England and France continued uninterrupted for about a month, when the cable was broken. Upon examination it was found that the chafing of the cable against the rocks off Cape Grinez had caused it to part. A second cable was immediately relaid, larger and stronger than its predecessor, which has remained in good working order up to the present time.

In May, 1852, a submarine cable was successfully laid between Holyhead and Howth, thus connecting England with Ireland. This cable is 64 miles in length.

During May, 1853, "the Port Patrick and Carrickfergus" cable, 24 miles in length, connecting Scotland and Ireland, was laid.

In June, 1854, a cable 115 miles in length was laid between Orfordness, England, and the Hague, Holland.

A third cable, 75 miles in length, was laid in 1852, between Dover and Ostend.

In 1854 cables from Italy to Corsica, thence to Sardinia, were, after much difficulty, successfully laid down, a distance of about 75 miles.

The New York, Newfoundland, and London Telegraph Company, in 1855, made an attempt to connect the islands of Newfoundland and Cape Breton. The attempt was unsuccessful. In 1856 another attempt was made, resulting in complete success.

*The Atlantic Telegraph.*—In the year 1856 Cyrus W. Field visited England. The result of his visit was the formation of the Atlantic Telegraph Company, with a capital of £350,000, for the purpose of connecting Europe with America by a submarine telegraph cable. In August, 1857, an attempt was made to lay down the Atlantic Submarine Cable, resulting in a disastrous failure. The cable was 2,500 miles in length, weighing nearly one ton per mile, capable of bearing a direct strain of over five tons without fracture. The centre of the cable was formed by seven fine copper wires, twisted into a cord  $\frac{1}{8}$  of an inch thick. This strand was coated with gutta percha, forming a small rope  $\frac{3}{8}$  of an inch thick; then coated with hempen twine soaked in pitch and tar; lastly, an external sheathing of 18 iron wires, each wire being a strand of seven finer wires, making in all 126 wires. The submersion was commenced on the 5th August, 1857. There were present the six steamers, *Niagara*, *Agamemnon*, *Leopard*, *Susquehanna*, *Willing*, and *Mind*, intended to assist in various parts of the operation. The cable came up from the hold of the ship, around a central block, so to the open space above decks; it was there wound round grooved sheaths, geared together by cogs, and firmly planted on girders. Thence it passed over a fifth sheath, out over the stern into the sea, sinking by its own weight. A trifling accident happened on the 6th; this was repaired; and on the 11th, 380 miles (statute) had been submerged. The engineer here concluded that there was too much "slack" in the cable's course, and some modification in the machinery was consequently made. This appears to have been badly attended to by a subordinate. The cable snapped, and thus ended the attempt of 1857.

But little doubt is now entertained that the year 1858 will see this great enterprise successfully accomplished, and the Atlantic Submarine Cable a fixed fact. In regard to the possibility of any transmission of sig-

nals with rapidity sufficient for practical use, it may be stated that on the 9th of October, 1856, a large number of scientific men met at the offices of the Magnetic Telegraph Company, in old Broad street, London, England, to witness the operation of telegraphing through upwards of 2,000 miles of subterranean and submarine wires, through England, Ireland, and the Irish sea, connected for this experiment. Signals were sent throughout the entire distance with rapidity and certainty, 250 being transmitted per minute. Professor Morse, who was present, wrote as follows: "There can be no question but that, with a cable containing a single conducting wire, of a size not exceeding that through which we worked, it would be easy to telegraph from Ireland to Newfoundland at the speed of at least eight or ten words per minute. Take it at ten words in the minute, and allowing ten words for name and address, we can safely calculate upon the transmission of a twenty-words' message in three minutes; \* \* \* \* or fourteen thousand four hundred words per day. In one word, the doubts are resolved—the difficulties overcome; success is within our reach; and the great feat of the century must shortly be accomplished."

The cost of the telegraph cable has been as follows :

Price deep-sea wire per mile.....	\$200
Price spun yarn and iron wire per mile.....	265
Price outside tar per mile.....	20
<b>Total per mile.....</b>	<b>\$485</b>
For 2,500 miles.....	\$1,212,500
For 10 miles deep-sea cable, at \$1,450 per mile.....	14,500
For 25 miles shore ends, at \$1,250 per mile.....	31,250
<b>Total cost.....</b>	<b>\$1,258,250</b>

We learn from the London *Times* that a prospectus has been issued of a company to complete the long-expected telegraphic communication with British Indian territories. It is to be called the European and Indian Junction Telegraph Company, with a capital of £200,000, in £10 shares. The line selected is the same as that for the Euphrates Railway—namely, from the port of Seleucia, on the Mediterranean, to the head of the Persian Gulf, following the valley of the Euphrates; and it will connect, on the one hand, with the Austrian system of telegraphs, which is to be carried to Seleucia, and on the other with a cable to be laid by the East India Company from the Persian Gulf to the Indian port of Kurrachee. It will, therefore, supply the only link necessary to enable messages to be transmitted from London to any of the several Presidencies. Direct pecuniary support is expected from the government and the East India Company, together with a concession from Turkey, and no call is to be made until these arrangements shall have been completed. One-half the shares are to be allotted to the subscribers to the Euphrates Railway, and the other half to the public.

This, in connection with the proposed construction of a continuous line of railroad from Germany to Calcutta, shows that the trade of the East is gradually assuming more importance in the eyes of European capitalists and merchants.



## FOREIGN BANK STATISTICS.

## I. THE BANK OF FRANCE.—II. THE BANK OF EGYPT.

I. *The Bank of France.*

FROM the report just presented to the shareholders of this establishment by Count de Germiny, the governor, on the operations during 1857, it appears that that year was one of the most agitated that the commercial world in France has ever had to encounter. The law for the renewal of the privileges of the bank enabled it successfully to raise its rate of discount without having recourse to the serious measure of restricting the dates of bills. Nine modifications in those rates were made during the year:

viz. :—

June 25.....	From 5	to 5½ per cent.
October 18.....	“ 5½	“ 6½ “
October 20.....	“ 6½	“ 7½ “
November 11.....	“ 7½	“ 8 “
November 15.....	“ 8	“ 9 and 10 per cent.

After the 27th of November the rate was reduced to 9, 8, and 7 per cent. ; on the 7th December to 8, 7, and 6 per cent., and on the 18th to 6 per cent., and finally on the 29th, to 5 per cent.

*Bullion.*—The purchase of bullion, which in 1856 had been 563,600,000f., amounted in 1857 to 568,633,000f., being an increase of 4,733,000f. The rate of premium, however, having been lower, those purchases which had cost 7,394,400f. in 1856, only stood the bank in 1857 in 4,678,100f., being a diminution of expense of 2,716,300f. It is not less true that, during these two years, the bank paid nearly 12,000,000f. to procure the enormous sum of 1,124,500,000 of the precious metals; and yet, notwithstanding such an immense sacrifice, it has barely succeeded in maintaining the sum in its coffers at an amount in proportion with its engagements. It was, in fact, the demand of the bank for bullion that gave rise to operations on a very extensive scale, and which consisted in reselling to the bank in the shape of bullion the money which was drawn from it in specie. The recent influx of specie has fortunately put an end to that traffic. The bank since the month of December last has ceased to pay any premium for bullion, and there is reason to hope that it will not again find itself under the necessity of recommencing this kind of operation, which imposes on it very heavy sacrifices without effecting any sensible modification in the situation of the money market.

*Loans.*—The total amount of the operations of the bank, which in 1856 had attained the sum of 5,809,000,000f., increased in 1857 to 6,065,000,000f. being a difference of 256,000,000f. The general movement of specie, notes, and deposits in the Paris Bank, shows a decrease of 3,000,000,000f., having been in 1856, 35,000,500,000f., and in 1857, 32,000,500,000f.

The discount of commercial bills had increased by 926,000,000*f.*, having in 1857 reached the sum of 5,600,000,000*f.*, against 4,674,000,000*f.* in 1856. The *minimum* of the bills in hand was, on the 11th of June, 1857, 499,000,000*f.*, and the *maximum*, at the end of July, 622,000,000*f.* An idea may be formed of the importance of the operations of the bank during the last months of 1857, from the facts that on the 31st of October, in Paris alone, 67,000 bills, amounting to the enormous sum of 83,000,000*f.* were collected in, and that on the 30th of December the bills presented for discount amounted to 33,000,000*f.* The notes in circulation at the beginning of 1857 were to the extent of 612,000,000*f.*; the average for the year was 649,000,000*f.*, and the *minimum* 529,000,000*f.* The situation of the advances on securities has varied but little, having amounted on the 31st of December, 1856, to 55,717,100*f.*, and on the 31st of December, 1857, to 57,745,000*f.* There were advanced during the year 125,000,000*f.* on Rentes; 12,000,000*f.* on canal shares; and 103,000,000*f.* on railway securities. In 1856 the *maximum* of the accounts current with commercial houses, was 189,768,000*f.*, and the *minimum* 95,115,000*f.* In 1857 the former rose to 250,605,000*f.*, and the latter to 104,052,000*f.* The modifications made by law for the conversion of securities to bearer into nominative ones have not sensibly changed the proportion of the securities deposited, the movement being nearly the same as in 1856. The amount of those securities represents a value of about 800,000,000*f.*

*Branch Banks.*—The operations of the branch banks gave in 1857 a total of 4,159,800,000*f.*, and in 1856, 3,615,800,000*f.*, giving an increase for the former year of 544,000,000*f.* They gave a profit of 21,000,000, in 1857, against 16,000,000*f.* in 1856. The four branch establishments of Marseilles, Lyons, Bordeaux, and Lille, stand first in the list for importance of business. That of Marseilles shows an increase of 201,000,000*f.*; Lyons, of 23,000,000*f.*; Bordeaux, of 47,000,000*f.*; and Lille, of 9,000,000*f.* The three branches of Arras, Dunkirk, and Metz, show a loss of 133,974*f.*, arising, as regards the first two, from the expenses attendant on their establishment, and, as regards Metz, from bills remaining unpaid of Lasalle and Co. The losses of the Bank of France, in the midst of the difficulties of 1857, and after its colossal operations, have been scarcely any thing. Its account of bills overdue during the year 1857 amounts to 292,573*f.*, and this sum was lessened by the recovery of former outstanding debts for 118,663*f.*, which reduces its losses to 173,910*f.* Such a result reflects the highest honor on French commerce, which in the midst of such severe trials has so scrupulously met its engagements. It evinces at the same time great prudence on the part of the bank.

We present the official statements of the Bank for the months of February and March, 1858, as compared with those of May and December, 1856.

As a part of the cotemporary banking history of other countries, we give in a preceding portion of this Number, pp. 860–864, a copious article on the progress of the Bank of France during the past ten years—a period embracing the results of the gold discoveries upon the commerce and finances of France and the world at large. We are indebted for this article to Mr. John Ramsay McCulloch, one of the able contributors to the new edition of the *Encyclopædia Britannica*.

## LIABILITIES OF THE BANK OF FRANCE.

	May, 1856.	Dec., 1856.	Feb., 1858.	March, 1858.
Capital of the Bank.....France	91,250,000	91,250,000	91,250,000	91,250,000
Do. New.....	....	....	91,250,000	91,250,000
Profits in addition to Capital (Law of June 9, 1857).....	....	....	1,435,505	1,435,505
Reserve of the Bank.....	12,980,750	12,980,750	12,980,750	12,980,750
New Reserve.....	....	....	9,125,000	9,125,000
Do. in Landed Property.....	4,000,000	4,000,000	4,000,000	4,000,000
Bank Notes in Circulation.....	534,960,600	514,064,200	528,048,800	519,917,000
Do. of the Branch Banks.....	91,814,750	69,046,375	44,653,050	43,347,600
Bank Notes to order.....	5,276,947	3,650,235	5,871,408	5,622,654
Receipts Payable at sight.....	4,269,384	3,407,896	3,039,342	2,648,186
Treasury Account current.....	90,95,251	92,753,313	78,635,287	94,137,131
Sundry Accounts current.....	169,666,891	116,903,416	117,626,948	123,910,877
Do. with the Branch Banks...	26,047,397	23,930,380	28,389,515	25,975,152
Dividends payable.....	656,653	530,214	2,157,895	1,112,301
Discounts and sundry Interests...	13,775,319	8,781,636	1,424,466	996,796
Commission on Deposits.....	45,277	....	4,438,846	6,119,602
Re-discount the last six Months...	1,738,733	1,867,781	2,209,922	2,209,922
Sundries.....	7,833,582	6,949,789	3,222,270	3,471,197
<b>Total Liabilities.....France</b>	<b>1,055,173,487</b>	<b>950,216,038</b>	<b>1,029,759,068</b>	<b>1,039,516,637</b>

## A S S E T S .

	May, 1856.	Dec., 1856.	Feb., 1858.	March, 1858.
Cash in hand.....	117,610,819	86,158,625	83,776,797	123,194,325
Cash in the Branch Banks.....	168,729,617	112,169,784	199,075,277	214,532,899
Commercial Bills overdue.....	711,697	8,330,525	3,476,446	2,648,729
Commercial Bills discounted, but not yet due.....	238,818,185	237,070,711	244,872,439	214,427,560
Do. in the Branch Banks.....	183,912,127	274,140,615	228,551,219	219,956,080
Advanced on deposit of Bullion..	1,054,800	1,226,500	2,040,000	1,792,700
Do. by the Branch Banks..	2,786,300	3,604,700	2,138,900	2,062,662
Advanced on French Public Securities.....	99,850,536	26,600,436	23,472,300	25,291,400
Do. by the Branch Banks..	8,465,300	10,771,100	7,893,890	8,452,080
Advance on Railway Securities...	40,381,400	17,635,500	48,805,555	51,859,800
Do. by Branch Banks.....	14,535,350	7,922,800	13,975,226	15,528,186
Advance on Crédit Foncier Scrip.	....	....	225,600	243,500
Do. on Branch Banks Scrip.	....	....	100,000	90,600
Advanced to the State, on agreement of June 30, 1848.....	60,000,000	53,000,000	50,000,000	50,000,000
Discount of Treasury Bonds.....	40,000,000	40,000,000	....	....
Government Stock reserved.....	12,980,750	12,980,750	12,980,750	12,980,750
Do. do disposable....	52,190,792	52,190,045	52,189,482	52,189,482
New Shares, not settled.....	....	....	42,114,573	28,202,669
Hotel and Furniture of Bank....	4,000,000	4,000,000	4,000,000	4,000,000
Landed Property of Branch Banks	5,232,304	5,225,668	5,661,617	5,673,222
Expenses of Management.....	1,489,795	776,398	466,394	802,611
Sundries.....	2,423,711	3,326,883	4,338,549	5,587,321
<b>Total Assets.....France</b>	<b>1,055,173,487</b>	<b>950,216,038</b>	<b>1,029,759,068</b>	<b>1,039,516,637</b>

II. *The Bank of Egypt.*

At a meeting of the proprietors of the Bank of Egypt on the 5th of March, in London, Mr. W. Tite, M.P., in the chair, the report and accounts were adopted, and a dividend declared for the past half-year at the rate of 7 per cent. per annum, free of income-tax. The chairman congratulated the shareholders upon the general success of the bank. The amount stated as profit is net profit, all bad and doubtful debts having been written off. The reserve fund is consequently not required to meet any probable loss. The earnings have been influenced by the high value of money, but notwithstanding the late pressure the bad debts have been comparatively few. Little loss has been incurred in exchange operations, the fluctuations of the course of exchange at Alexandria having a limited range. With regard to the new branch at Cairo, the premises have been purchased, and arrangements made with a view to its being opened very shortly. Mr. Forsmann will take charge of the branch, and Mr. Ranking, late of the firm of Ranking and Co., St Helen's-place, who possesses great experience in the Levant trade, will succeed Mr. Forsmann as one of the managers at Alexandria. The last call has been nearly all paid up. A shareholder thought the proposed reserve fund too large, being 5 per cent. on the capital, and that it would be desirable to set aside a smaller sum and increase the dividend. The chairman in explanation stated that it was not contemplated to appropriate so large an amount every half-year. Annexed is an abstract of the report and accounts :

The liabilities and assets of the Bank of Egypt were as follows on 31st December, 1857:—

## LIABILITIES.

Capital (10,000 shares £2 each) £18 15s. paid.....	£187,500
Current accounts, Bills Payable, &c.....	864,858
Profit and Loss.....	13,882
<b>Total Liabilities.....</b>	<b>£565,740</b>

## ASSETS.

Bills Receivable.....	522,020
Specie Funds.....	33,754
Preliminary and Current Expenses.....	9,966
<b>Total Assets.....</b>	<b>£565,740</b>

“ At a special meeting held in August last, the accounts of the first six months of 1857 were laid before you, and a dividend declared. The directors now submit the usual statement of accounts for the six months ending the 31st of December last, showing a net profit of £14,212 ; and they feel confident that the result—conveying, as it does, proof of a progressive increase in the business and profits of the bank—will fully meet the expectations of the shareholders. The directors recommend, first, that a sum of £2,000, be written off preliminary expenses ; secondly, that a sum of £5,000, be set apart to form the nucleus of a reserve fund to meet contingencies ; and, thirdly, that a dividend at the rate of 7 per cent. per annum free of income-tax, amounting to £6,562, be declared for the half-year, leaving a balance of £1,819, to be carried to next account. It is a matter of no small satisfaction to the directors to be able to state that during

the last six months, embracing a period of unexampled commercial distress, the Bank of Egypt has been enabled to reap the benefit of the high rate of interest ruling in Alexandria, without the drawback of large bad debts. It was owing to the same circumstance of financial pressure here, that the directors deemed it advisable to postpone the final call upon the shares, and the opening of the Cairo branch to the beginning of the present year, but they are now engaged in carrying out the latter measure, and feel every confidence in its future remunerative success."

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## CHRONOLOGICAL SKETCH

OF THE LEADING COMMERCIAL EVENTS OF THE SIXTEENTH, SEVENTEENTH, EIGHTEENTH AND NINETEENTH CENTURIES.

1. *The Sixteenth Century.*—The 16th century was more distinguished than its predecessors for the progress of geographical knowledge, and for the extension of commercial intercourse between Europe and foreign nations. Soon after the discoveries of Columbus were made known, at the close of the 15th century, the Spaniards, the Portuguese, the English, the French and the Dutch, severally fitted out expeditions for the purpose of acquiring new territory. The Portuguese opened a trade, and extended their settlements beyond the Cape of Good Hope. The English established colonies in Virginia and Carolina, and explored California on the Pacific. The French planted the Cross in Canada. Spain acquired the Philippine Islands, and extended their dominion over Mexico, Peru, and various portions of South America. Strenuous exertions were made to extend the commerce of each European nation. Voyages round the world were for the first time projected and accomplished. Commercial companies on a large scale, and with large capitals, were formed in England. The whale fishery was first commenced, and a general spirit of commercial enterprise encouraged. Slaves were first imported into the colonies. Tea and tobacco first became known to the Europeans.

1503.—The Portuguese commander Albuquerque, on his way to India, discovered Zanzibar.—1504. Death of Isabella, Queen of Spain, and friend of Columbus, November 26, *Æt.* 53. Columbus returned from his fourth and last Voyage. The Venetians, jealous of the new Indian trade of the Portuguese, incite the Mamelukes of Egypt to commence hostilities against them.—1505. Francisco de Almeida, Portuguese viceroy, established factories along the coast of Malabar, and his fleets interrupted the commerce of Egyptians and Venetians.—1506. The sugar-cane brought to Hispaniola from the Canaries. The *Great Harry*, the first ship of the English navy, built.—1507. Margaret of Savoy, governess of the Netherlands, concluded a commercial treaty with England. Portuguese settlements formed on Ormus by Albuquerque, and on Ceylon by Almeida. Madagascar visited by Tristan d'Acunha.—1509. The Venetians recover Padua, and rise again in power. Diego Columbus (son of Christopher) governor of Spanish America.

1510–1520.—The Portuguese established themselves (1511) at

Malacca, which becomes the centre of their trade with the neighboring Islands and with China.—1513. Vasco Nuñez de Balboa crosses the Isthmus of Darien, and reaches the Pacific.—1515. The Rio de la Plata discovered by Juan Diaz de Sotis.—1516. Death of Ferdinand of Spain, January 23, ÆT. 64.—1517. The Portuguese Trade with China at Macao. Negro slaves brought to Hispaniola. The sweating sickness (cold plague) raged in London.—1518. Silveyra opens the Portuguese trade with Bengal.—1519. Fernando Cortez attacked Mexico. Fernando de Magelhaens sailed on his expedition to the Pacific, and having passed through the Straits now bearing his name, discovered the Ladrones and Philippines, and was murdered by the natives.—1520. Cortez took the City of Mexico.

1521–1530.—After the death of Magelhaens (1521), Cano conducted the squadron to the Moluccas, and (in 1522) returned to Seville, via Cape of Good Hope; having concluded the first circumnavigation of the Globe, in 1,154 days.—1524. First discovery of Peru, by Pizarro and Almagro.

1531–1540.—Porto Bello and Cartagena (Spanish Main) founded in 1532.—Mines of Zacatecas discovered.—1533. Cortez conquered Cusco and Quito, the capitals of Peru.—1534. The Sound opened to the Netherlands Merchants. Canada discovered by Cartier.—1535. The use of Tobacco first known in Europe.—1536. Final subjugation of Peru; discovery of California by Cortez.—1537. Conquest of New Granada.—1540. Cherry-trees brought from Flanders and planted in Kent, England.

1541–1550.—The Portuguese admitted (1542) to trade with Japan.—1543. Death of Copernicus: he deferred until his last days the publication of his great work, *De Orbium Cœlestium Revolutionibus*.—1545. Discovery of the mines of Potosi.—1546. Rate of interest in England fixed at 10 per cent. (37 Henry VIII.)—1548. Introduction of the orange-tree from China into Portugal.

1551–1560.—The London Steelyard Company (the first commercial company established in England, 1232) deprived (1551) of their privileges.—1552. All loans at usury declared illegal, and subject to forfeiture in England. The King of France (Henry II.) prohibits the export of money.—1558. The Salters' Company, London, established.—1560. Ordinary rate of interest at Antwerp, 12 per cent.; and fixed at the same rate in Germany, Flanders, and Spain, by Charles V. Bourse established at Antwerp.

1561–1570.—Merchant Tailors' School, London (1561), instituted.—1564. The Manillas, ceded by Portugal to Spain, received the name of the Philippines.—1567. The Royal Exchange, London, founded by Sir Thomas Gresham, September 7. Caraccas, in Venezuela, built by the Spaniards.—1568. Some ships, conveying money from Spain to the Duke of Alva, are detained by Queen Elizabeth at Southampton and Plymouth.—1569. Luis de Atalde revives the waning power of Portugal in India. Drawing of the first English Lottery.—1570. The Royal Exchange, London, opened by Queen Elizabeth.

1571–1580.—Rate of interest limited in England to 10 per cent.—1571. Large accumulations of gold from America. Manilla built (1573), and made the seat of a Spanish Viceroy.—1576. The plague devastated Italy,—70,000 died at Venice. Martin Frobisher sailed, June 11, to seek a northwest passage; failed, and returned.—1577. Drake commenced his voyage round the world, November 15.—1578. The Norwegians attempted to interrupt the English Commerce with Archangel. California

explored by Drake. First colony planted in Virginia, by Gilbert. Tulips introduced into England.—1579. Queen Elizabeth entered into a treaty of Commerce with the Sultan, and established the Turkey Company.—1580. Drake returned from his voyage, November 3; the order of knighthood conferred upon him.

1581–1590.—Correction of the Calendar by Gregory III. (1582); October 5th made the 15th.—1583. Queen Elizabeth claimed the sovereignty of Newfoundland, and fortified St. John's.—1584. Raleigh conducted a second colony to Virginia.—1585. Drake and Frobisher, with a powerful fleet attacked the Spanish Settlements in the West Indies. Davis explored the Northeast coast of America. Coaches first used in England.—1586. Success of Drake in Hispaniola, San Domingo, and Florida. Potatoes and tobacco introduced into England. Cavendish sailed on his Expedition.—1587. The Scottish Parliament (James VI.) adopted 10 per cent. as the maximum rate of interest.—1588. The Spanish armada sailed from Lisbon, May 29, entered the English Channel, July 19, and was defeated. Lord Burleigh established the first newspaper, *The English Mercury*.—1589. Cavendish returned with great wealth, taken from the Spanish settlements during his voyage round the world. The stocking frame invented by Rev. William Lee, of Cambridge.—1590. The first paper-mill in England, established by John Spillman, at Dartford in Kent.

1591–1600.—English ships pursued the whale-fishery (1591) at Cape Breton. Telescopes improved and brought into general notice by Jansen, of Middleburg.—1593. Whalebone first used in England. 1594. The Falkland Islands discovered by Hawkins.—1595. Oranges first known in England.—1598. Whale-fishery commenced at Spitzbergen.—1600. The English East India Company established.

*The Seventeenth Century.*—The 17th century was distinguished for a still wider range of geographical discovery. The English, under the auspices of James I., Charles I., and Cromwell, planted vigorously their colonies in New England, Maryland, and on the southern portions of the North American coast—established their factories beyond the Cape of Good Hope. The East India Company obtained its charter, and thus opened English trade and government over an area of 750,000 miles and a population of 104,000,000. The commercial prosperity of the Dutch excited the jealousy of Cromwell, by whom most vigorous efforts were made to subdue their naval power. Under Louis XIV. and the auspices of the illustrious legislator, Colbert, the *Ordonnances de la Marine et de la Commerce* were constructed in 1681—the first systematic and complete body of laws relating to commerce by sea and land published in Europe: a system which became immediately the basis of the maritime legislation of Europe. The revocation of the edict of Nantes by Louis XIV., October 24, 1685, was a severe blow to the prosperity of France. This unjust policy lost to France 800,000 Protestants, and gave to England (part of these) 50,000 artisans. Many of these were silk weavers, who settled at Spitalfields, Soho, St. Giles, etc. The Dutch actively planted their colonies in Asia and America; the foundation of New York was laid. They discovered Van Diemen's Land and New Holland, settled the Cape of Good Hope, and Guyana. The French, at the same time, were pushing their settlements at Quebec and other portions of Canada. Louisiana, and the Mississippi and Illinois rivers, were explored by Father Hennepin. The

successes gained by Europeans in South America gave rise to the buccaneers, who for many years infested the sea. The century is also remarkable for the establishment of the Bank of England; the commencement of the British national debt; the more general diffusion of geographical knowledge and of science throughout Europe, and for improvements in shipping and the extension of commerce throughout the world.

1601-1610.—Debate on monopolies (1601), defended by Francis Bacon—abolished by Queen Elizabeth. The first English factories established on the Malabar coast.—1601. The rate of interest in France (Henry IV. and Sully) fixed at  $6\frac{1}{2}$  per cent.—1602. Artichokes introduced into England from Holland; Asparagus from Asia; Cauliflower from Cyprus.—1604. The plague raged violently in London.—1606. English companies chartered for settlements in Virginia. The French established themselves in Canada. New Holland discovered by the Dutch.—1608. Hudson explores the bay now known as Hudson's Bay. Quebec built.—1609. Many puritans left England for Virginia, with Sir Thomas Gates and Sir G. Somers—the latter driven to the Bermudas (or Somers Island). The Dutch, by levying heavy tolls at the mouth of the Scheldt, transfer the commerce of Antwerp to Amsterdam and Rotterdam. Copper coin first issued by the mint, London. Armistice of twelve years concluded between Spain and the United Provinces.—1610. Batavia settled by the Dutch on the island of Java. The invention of the thermometer ascribed to Fra Paolo, to Sanctorio, and to Drebbel of Alkmaar.

1611-1620.—The United Provinces obtained (1612) from the Turks advantageous terms in their commerce in the Levant.—1613. English factories established at Surat, in India, and at Gombroon, on the Persian Gulf. The buccaneers noted on the coasts of America.—1614. Logarithms invented by Lord Napier.—1615. Coffee in use at Venice.—1616. Baffin explored the bay to which his name was given.—1618. First voyage of the Danes to India, and settlement at Tranquebar. Patent granted for a fire-engine for raising ballast and water, nearly on the principle of the steam-engine.—1620. Silk first manufactured in England. Plymouth colony settled.

1621-1630.—The conquests of the Dutch commenced. First permanent settlement on Manhattan Island (1621) by the Dutch. The colony at Nova Scotia (1622) settled by the Scotch.—1624. The rate of interest in England reduced to 8 per cent. (21 James I.), and in Scotland in 1632.—1625. The culture of silk commenced in Virginia.—1626. French settlements at Senegal and Guyana.—1627. Success of the Dutch admiral, Hein, in Brazil: Essequibo, in Guyana, founded by him.

1631-1640.—Charles I. revived monopolies, sold patents and privileges to new companies, and imposed a stamp on cards.—1632. A colony of Catholics, under Lord Baltimore, settled in Maryland. The Dutch acquired the island of St. Eustatia.—1634. Writ for levying ship-money in England. The Dutch took Curacoa.—1635. Proclamation in England against hackney coaches standing in the streets. Guadaloupe and Martinique appropriated by France.—1637. The levy of ship-money unpopular.—1640. Ship-money voted to be illegal.

1641-1650.—Tasman discovered Van Diemen's Land (1642), and named it in honor of the Dutch governor of Batavia.—1643. Cayenne colonized by the French. Van Diemen sent De Vries and Schaeep to ex-



plore the ocean north of Japan.—1645. The greater part of Candia conquered by the Turks.—1647. Huygens invented and applied the pendulum to clocks.—1650. The Dutch took possession of the Cape of Good Hope.

1651–1660.—Quarrel between the English and the Dutch (1651) about the right of fishing; the massacre at Amboyna, and colonial encroachments. Rate of interest reduced by the Rump Parliament to 6 per cent.—1660. Tea used in London.

1661–1670.—Bombay and Tangier ceded to England (1662), and free trade with Brazil.—1663. The profits of the English Post-office and wine licenses, granted to the Duke of York. The finances, manufactures, commerce, marine and colonial systems of France, improved under Colbert.—1665. London afflicted by the plague, April 28.—1666. Great fire in London, from September 2 till September 6; property destroyed valued at £8,000,000.—1667. A tax of twelve-pence levied on every ton of coal brought into London, January 18, to aid the rebuilding of London. The first stone of the new Royal Exchange laid (August 23) by Charles II.

1671–1680.—The money in the Exchequer (12th January, 1672) seized by Charles II. Great confusion and commercial distress followed.—1680. The publication of newspapers and pamphlets without a license declared (May 16) to be illegal in England.

1681–1690.—A penny-post first established in London (1683) by a private individual named Murray.—1685. The Pope of Rome, by compulsory process, reduced the rates of interest on the public debt from 4 to 3 per cent.—1688. The Venetians made further progress in Dalmatia.

1691–1700.—Origin of the Bank of England (1694, 25th April), under William III. Stamp duties in England commenced, 28th June.—1695. Commissioners appointed for building Greenwich Hospital.—1697. Charter of Bank of England renewed till 12 months' notice.—1698. Address of the English House of Commons to William III., for the discouragement of the woollen manufacture and the promotion of the linen, 10th June.—1699. Czar Peter introduced the computation of time in Russia by the Christian era, but adhered to the old style. Dampier explored the north-west coast of New Holland.

*The Eighteenth Century.*—The progress of geographical knowledge rapidly increased throughout Europe during this century; and important projects were entertained with a view to settle remote colonies, and thus extend the commerce with other nations. The Darien expedition under William Paterson had left Scotland in the year 1698, (see page 881.) This gave rise to the South Sea Company in 1710–1712, and further gave rise to many of the monopolies granted early in the century. The Dutch, the Swedes, and the Danes, all strove to extend their commerce in the East Indies—and vigorous efforts were made by the French and the English to attain the ascendancy in the West Indies. Anson, Vancouver, and Cook, made their noted voyages of discovery. The century was further distinguished for the introduction of cotton from Jamaica and other West India islands into Europe, and its conversion into wearing apparel as a substitute for the use of woollen and linen goods. Before the collision between England and her colonies, Arkwright had made known his important improvement in cotton-spinning; and soon after the more important invention of

Whitney accomplished for the American planter the great labor-saving machine known as the cotton gin.

The expensive wars between France, England, Spain, Holland, &c., had drained England of much of her material wealth, forcing her to tax her colonies for her own support. This apparent necessity led to the stamp tax and tax on tea, which in turn were the leading causes of the revolution against the mother country.

This century was likewise noted for the first experiments in the steam-engine (Watt's)—the extensive operations of the East India Company as a commercial monopoly—the rapid extension of commercial transactions between western Europe and India, and North and South American colonies. The first financial revulsion took place; the stoppage of the Bank of England; riots among the working classes, produced by the expensive wars from 1750–1800.

1701. A "Council of Trade" suggested by William Paterson.—1704. The *Boston News Letter* published—the first newspaper in the American colonies.—1708. Bank of England charter renewed, and again in 1713.—1709. Copyright act in England, 8 Anne.—1710. The South Sea Company originated, 6th May.

1711–1720.—A capital of £4,000,000 raised (1711) for the South Sea Company.—1711. Rio Janeiro taken by the French admiral, Duguay Trouin.—1712. The first stamp duty on newspapers levied in England.—1713. The *Clarendon Press* established at Oxford, by the profits of the History of the Rebellion—1714. The rate of interest in England reduced from 6 to 5 per cent., and all contracts at a higher rate declared void.—1716. John Law originated his banking and Mississippi schemes.—1717. First project of a sinking fund for the liquidation of the English national debt. Law obtained extended privileges for his bank.—1718. Law's Company declared to be the Royal Bank. William Paterson, projector of the Bank of England, died.—1720. The South Sea Company Act, passed 7th April. South Sea Stock rose to 890, June 2. Rage for speculative schemes. Seventeen petitions for joint-stock patents refused. South Sea bubble burst, 30th September.

1721–1730.—The directors of the South Sea Company (1721) taken into custody, 24th January. Aislabie, and other members of Parliament implicated, expelled. Walpole, Lord Treasurer and Chancellor of the Exchequer, 2d April. The estates of directors of South Sea Company, amounting to two millions sterling, forfeited.—1723. Act passed to prohibit English subscriptions to the Ostend Company.—1725. Tumults at Glasgow, 25th June, on account of the malt tax.—1726. Cotton a staple product of Hispaniola.—1729. Fire at Constantinople; 12,000 houses and 7,000 people perished. John Law died at Venice, 21st March, aged 58.—1730. Charter of the East India Company renewed.

1731–1740.—Culture of silk commenced (1732) in Georgia. Parliamentary grant to Sir Thomas Lambe (1732, April 3) for having introduced the silk-engine.—1793. The English government refused to join the Dutch in stopping the East India commerce of the Danes and Swedes.—1733. The Excise law proposed in England, and abandoned by Walpole.—1734. English act passed against stock-jobbing. The new Bank of England building opened 5th June, in Threadneedle street.—1736. High tide in the Thames. Westminster Hall flooded. Parliamentary debates published in

the *Gentleman's Magazine*.—1740. The first circulating library in London established at 132 Strand. Parliamentary debates prepared by Dr. Johnson.

1741–1750.—Charter of Bank of England (1742) renewed. Lord Anson returned (1744) from his voyage round the world, with £1,250,000 in treasure.—1750. A riot at Tiverton against the introduction of Irish worsted yarns, 16th January. Bounties granted, and a company formed, to encourage the British and white herring and cod fisheries.

1751–1760.—An act of Parliament (1751, 24 Geo. II.) orders the Gregorian (or new) style to be used in Great Britain.—1753. Two thousand bales of cotton exported by Jamaica.—1754. Commencement of war between England and France, and military operations under Washington in Virginia, &c.—1759. The Bank of England issued £15 and £10 notes, 31st March.—1760. Culture of silk commenced in Connecticut.

1761–1770.—Opening of the Duke of Bridgewater's Canal (1761) between Manchester and Liverpool.—1762. The island of Cuba surrendered to Lord Albemarle and Admiral Pococke. Martinique, St. Lucia, St. Vincent, and other islands taken from the French.—1764. First improvement of the steam-engine, by Watt. Bank of England charter renewed.—1765. Stamp Act for America passed by the British Parliament, March.—1767. The House of Commons resolved to impose duties on various articles imported into America.

1771–1780.—Arkwright's second patent (1771) for his improvement in cotton-spinning. Culture of silk commenced in Pennsylvania.—1772. Commercial panic in London, caused by the failure of Neale, Fordyce & Co., bankers.—1773. Tea destroyed in Boston Harbor, 16th November. The governor of Bengal made governor of all the British settlements in India.—1774. The petition of the Massachusetts Assembly to Parliament presented (January) by Dr. Franklin, who was then removed from office of deputy postmaster general for the colonies. Burke's celebrated speech on the tea tax, April 19.—1774. Watt, in partnership with Boulton, founds his steam-engine establishment at Soho.—1776. Captain Cook sailed on his third voyage.—1780. Charter of the first Bank of North America, approved by Congress 26th May.

1781–1790. Bank of England charter renewed, on making further advances to government of £3,000,000. Necker published his financial statement for France, 1781, and retired from office.—1782. National Bank of Ireland established.—1783. Charter granted to the Bank of Ireland.—1784. The Bank of New York chartered, 9th June.—1786. British treaty of commerce with France.—1787. "Pennsylvania Society for the encouragement of Manufactures and the Useful Arts," formed. Cotton exported by West India Islands.—1789. Issue of assignats in France, 17th December.

1791–1800.—Vancouver's voyage of discovery (1791). The buckle-makers of Birmingham petitioned Parliament against the use of shoe-strings. Numerous riots at Birmingham, 1793. The first ambassador from Turkey arrived in London, December 20. Whitney's cotton-gin invented and first used.—1795. Embargo on all Dutch ships in English ports, 26th January. Warren Hastings acquitted, 23d April.—1797. Suspension of the Bank of England, 26th February. Notes of £1 and £2 first issued, March 11.—1798. Silver tokens issued by the Bank of England, 1st January.—1799.

Sugar first extracted from beet-root, by the Prussian chemist Achard.—1800. General distress and riots in England, caused by the high price of bread, January. Dispute respecting the close of the century. Lalande decided that 31st December, 1800, is the last day of the 18th century. Union of Great Britain and Ireland, 2d July. Bank of England charter renewed until 1833.

*Nineteenth Century.*—The discoveries, inventions, and progress noted in three centuries ending with the year 1800, have all been eclipsed by the astonishing events of the present century. The application of steam as a propelling power may be considered the most important of these changes. The next in importance to the world may be said to be the railroad—not only in developing production, but as a means of civilization and in bringing together remote interests. The vast commercial interests of the world have been more fully promoted by the invention and use of the magnetic telegraph—an invention for which the civilized world is largely indebted to the genius of Professor Morse. While the progress and changes in the physical world have been greater than at former periods, the reform and changes in the science of law and government, and in the social condition of men, have been still greater. Among these revolutions we may name—first, the modification of the Corn Laws of England, after centuries of obstinate legislation; second, the introduction of cheap postage; third, the adoption of general laws for corporations in lieu of special charters. Science has at the same time demonstrated the importance of gutta serena to the world. Steamboats and steamships have been introduced into the waters of all parts of the world. Twenty-five thousand miles of railroad now penetrate the remotest corners of the United States. The population of the United States has increased from 5,300,000 at the opening of the century, to about 30,000,000 in the year 1858. The number of post offices has increased in the same time from 903 to 27,000, and their revenue from \$280,000 to \$8,000,000. The tonnage of the Union has increased from 1,000,000 tons to 5,000,000—the foreign imports from \$91,000,000 to \$350,000,000—and the customs revenue from \$9,000,000 to \$64,000,000. The discovery of gold in California and in Australia has led to the further development of commerce, navigation, manufactures, and trade; and the rapid changes still going on would indicate that the next fifty years will be as prolific as the last half century.

1801–1810.—Embargo laid (January, 1801) on all Russian, Danish, and Swedish vessels in English ports.—1802, Santee Canal, South Carolina, completed.—1803. Louisiana sold by France to the United States for \$15,000,000. The first printing-press in New South Wales established at Sydney. Caledonia Canal opened for travel. Trial of steamboat on the Seine by Robert Fulton, 9th August. The first bank in Ohio chartered.—1804. Wilberforce's slave-trade bill rejected by the House of Lords. The Code Napoleon adopted. Ice first exported from the United States to the West Indies.—1805. The Gregorian calendar again adopted in France.—1806. The Cape of Good Hope surrendered to the English. Abolition of the slave-trade by English Parliament, 10th June. The loom invented by Jacquard, a mechanic of Lyons, purchased by the French Government for public use. East India docks opened at London, 4th August.—1807. Milan decrees against English commerce, 11th November. Fulton's first voyage

on the Hudson. The Bank of Kentucky chartered. First manufactory of woollen cloths in the United States established at Pittsfield, Massachusetts. Middlesex Canal, Massachusetts, completed.—1808. Manufacturing districts of Manchester, &c., petitioned for peace.—1810. Deaths, by suicide, of Abraham Goldschmidt, Francis Baring, and other English merchants.

1811–1820.—English guineas publicly sold for a pound note and seven shillings.—1811. Mr. Horner's proposition for resumption of cash payments in England rejected. First steamboat built at Pittsburg.—1812. Serious riots in the manufacturing districts of Lancashire and Yorkshire. Declaration of war by the United States against England, 18th June.—1814. London *Times* first printed by steam, 20th November.—1815. Veto of the United States bank bill by President Madison. Bank rechartered for 20 years.—1816. The new Russian tariff prohibited the importation of nearly all British goods. Bank of England advanced £3,000,000 further to government, making a total of £14,000,000.—1817. Paris first lighted by gas. First steamboat from New Orleans to Louisville.—1818. First Polar expedition of Captain John Franklin left England. Steamboats built on Lake Erie.—1819. Emigration to Cape of Good Hope encouraged by the British government. The steamship *Savannah* arrived at Liverpool from the United States, 15th July. Commencement of the suspension bridge over the Menai by Telford. The first bank in Illinois chartered.—1820. Florida ceded to the United States by Spain. Suspension bridge over the Tweed. First steamer ascended the Arkansas River.

1821–1830.—Captains Parry and Lyon's expedition to the Arctic Ocean left England 30th March, 1821. Bank of England resumed specie payments.—1822. Funeral of Coutts, the London banker, 4th March. The first cotton-mill in Lowell erected.—1823. Revival of business in the English factories.—1824. Advance in the prices of agricultural produce in England. Act passed for the Thames Tunnel, 24th June. Fauntleroy, banker, hung for forgery, 30th November. Champlain Canal, New York, completed.—1825. Panic in the English money market, December. Failure of numerous country banks. Erie Canal completed.—1826. Mr. Huskisson's free-trade policy advocated in House of Commons by vote of 223 to 40. Coin in Bank of England reduced to £2,460,000, 28th February.—1827. Commercial confidence restored in England, and employment for the poor. "Society for the Diffusion of useful Knowledge," established at the instance of Lord Brougham. Union Canal, Pennsylvania, completed. Quincy Railroad completed.—1828. Delaware and Hudson Canal, Syracuse and Oswego Canal, New York, completed. India rubber goods manufactured in Connecticut.—1829. Increase of silk manufactures in England, and reduction of duty on raw silk. Prize awarded to Mr. Stephenson for his locomotive engine on the Liverpool and Manchester Railway. Subscription by Congress to the Chesapeake and Ohio Canal, May 3. Departure of Captain Ross on his voyage of discovery. Chesapeake and Delaware Canal opened, 17th October.—1830. Opening of the Liverpool and Manchester Railway, 15th September. Free navigation of the Black Sea opened to the United States by treaty, 7th May. Charles X. fled from Paris, 31st July. West India trade with the United States opened to British vessels. Independence of Belgium acknowledged. Pennsylvania State Canal finished.

1831-1840.—Parliamentary reform bill introduced in 1831 by Lord John Russell; rejected by the House of Lords, 8th October. Free trade convention at Philadelphia, October 1. Stephen Girard died 26th December, aged 84. Insurrection in Jamaica, 28th December.—1832. Veto of United States Bank bill by President Jackson, 10th July. New tariff act passed by Congress, July. Ohio State Canal finished. Albany and Schenectady Railroad, Columbia Railroad, Pennsylvania Railroad, Newcastle and Frenchtown Railroad, completed.—1833. Ice first exported to the East Indies from the United States, 18th May. Opening of the China trade to the English. East India Company charter renewed; ceased to be a commercial body. Bank of England charter renewed. Usury restrictions removed in England from all commercial paper having less than three months to mature. Mr. Clay's tariff bill passed by Congress. Removal of the deposits from the United States Bank, September.—1834. The Chinese suspend intercourse with the English at Canton. The first bank in Indiana chartered. London and Westminster Bank commenced business, 10th March. Resolution of the United States Senate condemning President Jackson for removal of deposits, March. Nomination of Roger B. Taney as Secretary of the Treasury, rejected by vote of 28 to 18. Abolition of slavery in British West Indies. Baltimore and Ohio Railroad opened for travel to Harper's Ferry, 1st December. Bank of Maryland failed, 24th March.—1835. French Indemnity bill passed 18th April. Baltimore and Washington Railroad opened for travel, 23d August. Bank of Maryland riots in Baltimore, 8th Aug. Loss of \$20,000,000 by fire in New York, 16th December. Boston and Providence Railroad, Boston and Worcester Railroad, completed.—1836. Charter of United States Bank expired March 4, and succeeded by Pennsylvania United States Bank. Reduction of the newspaper Stamp duty in England, 15th September. Failure of the Commercial and Agricultural Bank of Ireland. Anthracite coal used for steamboats on North River. Independence of South American republics acknowledged by Spain, 4th December.—1837. Panic in the London market, June. Failures of American bankers in London. Further modifications of the usury laws of England. Failure of banks in the city of New York, May 10. Grand Junction Railway, England, opened 4th July. Revolt in Canada. Mont de Piété, Limerick, established.—1838. Railway opened from London to Southampton, 17th May. Wreck of the Forfarshire: heroism of Grace Darling, 5th September. Royal Exchange, London, burned, 10th January. Resumption of specie payments in New York, May. Sub-treasury bill defeated in Congress, June. United States Exploring expedition, under Captain Wilkes, left Hampton Roads, 19th August. Imprisonment for debt abolished in England.—1839. British trade with China stopped, December. Second suspension by the banks at Philadelphia, 9th September, followed by bank failures in the South and West. Western Railroad, Worcester to Springfield, opened 1st October. Union Bank, London, commenced business.—1840. Penny postage adopted in England. Antarctic continent discovered by Wilkes, 19th January. First steam vessel at Boston arrived from England, 3d June. First Cunard steamer (the *Britannia*), arrived at Boston 18th July; and the *Acadia*, 17th August. Fiscal Bank bill vetoed by President Tyler, 16th August. Bankrupt law passed by Congress, 18th August. Bill for distribution of public lands passed by Congress, 23d August. Fiscal corpo-

ration bill vetoed by President Tyler, 9th September. Loan of \$12,000,000 authorized by Congress.

1841-1850.—The island and harbor of Hong Kong ceded (1841) by the Chinese to England. Pennsylvania United States Bank failed third time, 5th February, and made an assignment 4th September. Union of Upper and Lower Canada, 10th February. Foreign trade of Canton suspended, and hostilities with the English renewed, 21st May. Canton taken 27th. American clocks exported to England.—1842. Anti-corn-law movement in Parliament by Sir R. Peel. Captain Wilkes returned from his exploring expedition, 11th June. Ashburton treaty ratified by the Senate, 20th August. British treaty with China (29th August), by which it was agreed to open five free ports.—1843. Return of Captain Ross from the South Pole, 6th September. Treaty of commerce by Sir H. Pottinger with China.—1844. Treaty of annexation of Texas to the United States rejected by the United States Senate, 8th June. Anti-rent riots in New York, August. Re-charter of Bank of England. Magnetic telegraph between Baltimore and Washington. Cheap postage act of United States went into operation July 1.—1845. Treaty between United States and China ratified by United States Senate, 16th January. Sir John Franklin left England 25th May on his Arctic expedition. Anti-corn-law league at Manchester. Steamship *Great Britain* arrived at New York, 10th August. Treaty of annexation of Texas ratified by the United States Senate, 1st March. Loss of \$6,000,000 by fire in New York city, 19th July. Peel ministry resigned, 11th December.—1846. Oregon treaty between England and the United States signed in London, 17th July. Second failure of the potato crop in Ireland. Steamship *Great Britain* stranded in Dundrum Bay, 22d October. Declaration of war with Mexico by the United States, 12th May. New tariff bill passed by Congress, 28th July. Veto of French spoliation bill by President Polk, 8th August.—1847. Gold in California discovered. United States ship *Jamestown* left Boston 28th March, and frigate *Macedonian*, 18th July, with provisions for relief of the Irish. Great commercial distress throughout Great Britain, September to November.—1848. The State of Maryland resumed payment of interest 1st January. Treaty of peace between Mexico and United States, signed 30th May. Suspension bridge at Niagara Falls, completed 20th July. Edict to incorporate Bank of France with nine branches, 27th April. India-rubber life-preservers invented.—1849. Penny postage adopted in Prussia. First experiment of a submarine telegraph at Folkstone.—1850. Invasion of Cuba by Lopez. £20,000 reward offered by Parliament for discovery of Sir John Franklin, 8th March. Collins line of steamers to Liverpool commenced operations. Steamer *Atlantic* left New York, 27th April. The celebrated Koh-i-noor diamond, valued at \$2,000,000, brought to England, July.

1851-1858. The London exhibition opened 1851, May 1. Contract of Pacha of Egypt with Mr. Stephenson for a railroad from Alexandria to Cairo. Railways completed between St. Petersburg and Moscow, Dublin and Galway. Collins steamer *Pacific* arrived in Liverpool, May. Yacht *America* won the race at Cowes, 22d August. Hudson River Railroad opened to Albany, 8th October. Dr. Kane returned from the 'Grinnell expedition, October.—1852. Construction of French Crystal Palace ordered, February. Expedition of United States naval forces to Japan, March. Dr. Rae returned from his search for Sir John Franklin.

February. Ship *Prince Albert* returned from search for Sir John Franklin, 7th October.—1853. Trial trip of the caloric steamship *Ericsson* from New York to the Potomac, 11th January. Second Arctic expedition left New York, 31st May. American expedition arrived at Japan, 8th July. Loss of the steamship *Humboldt*, 5th December.—1854. Combined fleets of England and France entered the Black Sea, 11th January. Loss of the steamer *San Francisco*, 5th January. Steamer *City of Glasgow* lost, March. Declaration of war by England against Russia in behalf of Turkey, 28th March. Commercial treaty between United States and Japan. French loan of 250,000,000 francs, announced March 11, and Turkish loan of £2,727,400. London joint-stock bankers admitted to the clearing-house, June 7. Crystal Palace at Sydenham, opened 10th June. Bombardment of San Juan by ship *Cyane*, 13th July. Loss of steamer *Arctic*, 27th September. Captain McClure returns from Arctic discovery, 28th September.—1855. Discovery of Captain Franklin's remains. £10,000 awarded Captain McClure by Parliament. Paris exhibition opened 15th May. Submarine telegraph wire laid in Black Sea. Resistance by United States to payment of Sound Dues. First railroad train crossed the suspension bridge at Niagara, 14th March. French loan of 500,000,000 francs taken, 18th January. Suspension of Page, Bacon & Co., Adams & Co., San Francisco, 22d February. English loan of £16,000,000 taken by Rothschilds, 20th April. Ships *Arctic* and *Release*, Captain Hartstein, left New York for relief of Dr. Kane and party.—1856. The Arctic discovery-ship, *Resolute*, was delivered to the British authorities at Portsmouth, 30th December.—1857. Trial trip of the United States frigate *Niagara*, 22d April. Suspension of Ohio Life and Trust Company, New York, 24th August. Suspension of the banks at Philadelphia, 25th September, Baltimore, &c., 26th; and at New York, 14th October. Suspension of Bank of England charter, November 12.

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### MISCELLANEOUS ITEMS.

**NEW STEAM LINE**—We learn that the Orleans Railroad Company propose to run a direct line of steamers between France and ports in Virginia. The Hon. JOHN Y. MASON, our Minister to France, says, in a letter to the President of the James River and Kanawha Company, that a line of steamers is to be run between San Nazaire, at the mouth of the Loire, and Norfolk, Virginia. He states that at the mouth of the Loire, "the French Government is constructing the most magnificent artificial harbor in the world, opening to the ocean; a ship sailing between that point and Chesapeake Bay avoids the channel, and will find her route shorter by a considerable time than between Havre and the same point." He adds that "the Orleans Company has a large capital, is the best managed concern in France, and owns a network of railroads which covers one-third of the Empire, connecting Paris with the ocean, and connecting with other lines to Switzerland, Italy, and Germany."

**BANK CASE**.—An interesting case—that of William T. Dalrymple, James Carter, and Gerard Gover *vs.* the Bank of Commerce—has just been disposed of by a jury in the Supreme Court, before Judge Lee, of which the following are the particulars:—This case, it appears, grew out of the fact that Messrs. Lee & Co., Bankers, of which firm Mr. Dalrymple was a partner at the time, had deposited with, or transferred to, the Bank of Commerce five hundred shares of Baltimore and Ohio Railroad Stock, as a



collateral for the current operations of the day, their account to be made good by 3 o'clock each day, during the existence of which arrangement the extra dividend of thirty per cent. was declared by the Railroad Company, but before payable, was enjoined by the court, and not yet permitted to be paid. Messrs. Lee & Co., (or Dalrymple,) closing their account with the Bank of Commerce on the 1st day of January, 1857, then called for the stock, which was promptly delivered or transferred to Messrs. Lee & Co., the bank declining to give an order for the extra dividend of questionable legality, and not payable; stating that as soon as it was payable, or available, they would promptly collect it and hand it over to Messrs. Lee & Co. The bank subsequently rendered an order for the dividend, in which it set forth the ownership; also disavowing any responsibility for interest on the part of the Bank in said dividend; which order Messrs. Lee & Co. declined, the market value of the dividend orders then being some twenty per cent. less. The dividend orders were selling at the time the Bank refused to deliver them, at fifty to fifty-five cents on the dollar, and the suit was brought for the whole amount of their then market value. The jury rendered a verdict in favor of Dalrymple for \$7,500, which is for the whole amount of the dividend, as claimed at fifty cents on the dollar, the dividend on five hundred shares stock being \$15,000 of company's scrip at par—the Bank, of course, becoming now the owner of the scrip or dividend, should it ever be paid out. Exceptions were immediately filed by the counsel for the Bank, and the case will be carried to the Court of Appeals. We are requested to say that the verdict reported as rendered against the defendant, in this case, was rendered under the instructions of the court, both as to the right to recover and the measure of damages.—*Baltimore American.*

**CALIFORNIA BONDS.**—The first of November had been designated by law as the period when the new State Bonds should be issued, in case the people should sanction the State debt; but it seems that the Governor, in order to avoid further complication of the matter, desired that the Supreme Court should first give its opinion as to whether the vote at the recent election is a finality. The decision of the Bench was affirmative, and was of course final.

The Fourth District Court has within a few days ordered the city and county treasurer to pay over to the Commissioners of the city funded debt, the money required to meet the interest falling due, and also the amount of the annual contribution to the sinking fund. The city treasury is now largely in funds, the taxes for 1857 having been paid in with remarkable promptitude.

**PHILADELPHIA.**—We learn that the Mercantile Mutual Insurance Company have executed a deed of trust to Messrs. Thomas, Tyson, Butcher, and John C. Keeffer, for the benefit of the creditors of the company. This institution has been in existence for eight years, and by prudent management and fair dealing had secured a large share of the confidence of the community. We are informed that the company has not only lost severely by marine disasters, but has suffered very heavily in the non-payment of notes received for premiums, and the directors and officers, unwilling to issue policies the security of which had become doubtful, have decided to wind up its affairs.—*Philadelphia Press.*

**HARTFORD.**—The Common Council of the city of Hartford have passed a resolution to provide for the interest on the bonds issued to the Hartford, Providence & Fishkill Railroad Co., due 1st January, 1858, that road being unable to pay it.

**IMPORTANT SUITS ON BUSINESS PAPER.**—*Immense Damages Demanded.*—In January last, eight suits were commenced in the United States Circuit Court, at Cincinnati, by James Lee & Co., of New York, against several banking institutions of Ohio, in which the parties claim damages in the aggregate to the amount of \$397,000. The suits are the following: James Lee & Co. *vs.* Athens Branch of the State Bank of Ohio, twelve bills of endorsement, damages \$900,000. Same *vs.* Chillicothe Branch, fourteen bills, damages \$100,000. Same *vs.* Bank of Marietta, twenty-one bills, damages \$100,000. Same *vs.* Mad River Valley Bank, thirteen bills, damages \$60,000. Same *vs.* Ross County Bank, at Chillicothe, four bills, damages \$35,000. Same *vs.* Branch at Xenia, six bills, damages \$35,000. Same *vs.* Branch Bank at Piqua, one bill damages \$6,000. Same *vs.* Logan Branch of State Bank, three bills, damages \$16,000. The defendants in these suits are endorsers on paper discounted by them and forwarded to E. Ludlow, Cashier of the Ohio Trust Company in New York, and by him passed to other parties. The defendants will resist the suits on the ground that notes were sent to Mr. Ludlow for



*Important to Bill Discounters.*—*Hewson & Holmes vs. C. W. & Z. Railroad Company.* This case was decided by Judge Spencer of Ohio. A promissory note had been placed in the hands of Hewson & Holmes by the President of the Railroad Co., to procure its discount, and an arrangement having been made by the former with some individual to have it discounted, they, therefore, supposing the discount would be made, advanced the amount agreed upon to the President of the Company, being \$1,924, including \$20 commission. The discount charged was at a greater rate than ten per cent. When the plaintiffs found that the party to whom the note had been sold refused to take it, they proposed to the defendants to return them the money and surrender the note; but defendants having used the same, were unable to replace it, and thereon plaintiffs retained the note, together with the securities, consisting of eight third mortgage bonds of \$1000 each. At the maturity of the note it was renewed for ninety days, and defendants deposited as additional security five of their income bonds of \$1000 each.

It appeared in evidence that these bonds were worth only a nominal sum, not exceeding eight per cent. The plaintiffs asked judgment for the amount of the note, with interest, and for an order of sale of the bonds. The defendants claimed that the President had no power to dispose of the note at a greater rate of interest than 7 per cent., or to deposit the securities, and they claimed a judgment and a return of the securities.

It was held by the Court, that the plaintiffs did not intend to discount the note themselves, but advanced the amount on the faith of a contract which had not been carried out; and had become involuntary creditors of defendants; that they were entitled to recover the amount advanced, with lawful interest, and to retain the securities pledged for its payment. Inasmuch, however, as the securities were bonds issued by the Company itself, and were of little value in the market, or would have to be sacrificed, the Court refused to allow them to be sold; and thereon the plaintiff asked leave to withdraw his prayer for the sale of the securities.—*Cin. Gazette.*

**IOWA.**—The Constitution of the State of Iowa provides as follows:

**SECTION 1.** The credit of the State shall not, in any manner, be given or loaned to, or in aid of any individual, association or corporation; and the State shall never assume or become responsible for the debts or liabilities of any individual, association or corporation, unless incurred in time of war, for the benefit of the State.

**SEC. 2.** The State may contract debts to supply casual deficits or failures in revenues, or to meet expenses not otherwise provided for; but the aggregate amount of such debts, direct and contingent, whether contracted by virtue of one or more acts of the General Assembly, or at different periods of time, shall never exceed the sum of \$250,000; and the money arising from the creation of such debts shall be applied to the purpose for which it was obtained, or to repay the debts so contracted, and to no other purpose whatever.

Under this last section of the Constitution, the State has recently made a loan of \$200,000 at par, being 7 per cent. interest, of Messrs. Cook & Sargent of Davenport, Iowa. The Constitution also provides, that no other debt than specified above shall be contracted unless sanctioned by direct vote of the people, and that such debt shall be for some single work or object, and the act creating the debt shall also lay a direct tax for the payment of the interest and the reimbursement of the principal within twenty years.

**CHICAGO.**—The city of Chicago, through its municipal authorities, has the power to issue bonds in any single year to an extent not exceeding \$100,000, to meet ordinary municipal expenditures, until the revenues of the city can be collected. These bonds are distinct and separate from the water and sewerage loans, which are each under the management of Commissioners. Under the authority above mentioned, the amount of \$100,000 was created; but during the past year \$4,000 only was issued, leaving \$96,000 on hand when the Mayor of last year was called upon to vacate his office. Before leaving, however, that functionary made a bonfire of these remaining \$96,000 of bonds, and left the finances of the city in a healthy condition for his successor. The doctrine now most popular in Chicago, so far as the city finances are concerned, is to pay as they go, and to create no debt that is not called for in expenditures which point to the absolute health and comfort of its citizens. It is this conservative spirit which is giving the Bonds of the city of Chicago a well-merited reputation for safety and reliability. It is not a little surprising that a city with such numerous railway connections, and with a population so essentially progressive and enterprising, should not

have loaned its credit to railways. Every dollar of its debt has been created for strictly municipal purposes.

**EXPRESS COMPANY LIABILITY.**—Another case of considerable importance has just been decided in Wisconsin. It appears that Messrs. Marshall & Ilsley of Milwaukee, intrusted the American Express Company with \$7,500 to deliver to the State Bank in Madison, Wisconsin. The Express Company made a tender of the money after banking hours, and the bank refused to receive it. During the night the safe of the Express Company was robbed of its contents, including the \$7,500. Suit was brought to recover the money of the Express Company, who claimed that once having made a tender of the money, they were no longer responsible for it as common carriers, and that they kept it over night as a mere matter of accommodation to plaintiffs. In this view the Jury coincided, and returned a verdict for the Express Company.

In reference to this statement, Messrs. Marshall & Ilsley say:

"This case has not yet been decided, but has gone up to the Supreme Court, where a decision will probably be made in June next. The statement of the case is not altogether correct, and gives the public a wrong impression of its merits. According to the testimony, the tender of the money was this: The express messenger went to the bank (which closed at 4 o'clock) at 5½ o'clock; the business of the bank for the day was over, the vault locked, and the cashier who kept the keys had left. Aside from the want of a proper tender of the money to the Express Company, we hold that they are liable as warehousemen, and that on the evidence it was shown that the Company did not use ordinary care and diligence in taking care of the money, though the Judge charged the Jury that unless it was proved that the Company were guilty of gross negligence, they were not liable; and the Judge's definition to the Jury of gross negligence was, that it was next thing or allied to fraud."

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## NEW PUBLICATIONS.

- I. *Letters to the President of the U. S. on the Foreign and Domestic Policy of the Union; and its effects, as exhibited in the Condition of the People and the State.* By HENRY C. CAREY. Philadelphia: J. B. LIPPINCOTT & Co. 8vo. pp. 171. Price Fifty Cents—postage prepaid.

These letters, twenty-nine in number, were first published in sundry daily journals since the 1st January last. They are now republished in pamphlet form for the benefit of commercial and banking men. We received suggestions from several parties to insert these in the Banker's Magazine; but the republication in their present shape, precludes this. We commend the pamphlet to the consideration of our readers:

II. *Bank Note List.*—We have received from Messrs. T. Groom & Co., Boston, the April No. of the *Boston Bank Note Reporter*, edited by Messrs. Clapp, Fuller, and Browne. The value of this work is much enhanced by the addition of copious tables of Manufacturing Stocks, Copper Stocks, Railroad and Bank Stocks, State, City, and Railroad Bonds.

- III. *The North American Review.* No. CLXXIX. April, 1858. Boston: CROSBY, NICHOLS & Co.

The April No. of this work contains ten elaborate articles on the following subjects:—I. Palgrave's History of Normandy and England. II. Irving's Life of Washington. III. The North American Sylva, by Michaux. IV. Alexander Hamilton. V. Influence of English Literature upon the French. VI. The Brahmanic and the Buddhist Doctrine of the Future Life. VII. Duer's Constitutional Jurisprudence. VIII. The Rebellion in India. IX. The Classic Mythology and Christianity. X. Recent Researches in Africa. There are several topics discussed in the present number, to which it would be well for our readers to refer. The article on Africa points out new subjects of trade with the interior of that hitherto unknown region.

## BANK ITEMS.

**NOTICE.**—A List of the banks in every State and City in the Union, will be published in the June No. of this work, with the names of President and Cashier of each. The editor suggests that any recent changes not stated in the Bankers' Register may be reported before the 10th of May.

**New Subscribers.**—Lately published, "The Bankers' Register," with List of Private Bankers. 2. Alphabetical List of Cashiers in the U. S. 3. Prize Essay on Banking. 4. McCulloch's Essay on Banks and Paper Money. One vol. 8vo., \$1.25. Manual for Notaries Public and Bankers, with additional Chapters to May, 1857—Usury Laws, &c. 8vo. pp. 200. \$2. *A Copy of either of the above volumes will be sent GRATIS to any present subscriber who will procure an additional subscription to the Bankers' Magazine.*

**Notice to Private Bankers.**—The publisher of the Bankers' Magazine will hereafter keep in his office a "Register of Private Bankers," containing their printed cards, with references or names of parties on whom they draw at New York, &c. Those banks who have not yet sent in their Printed Cards for this purpose, are requested to do so at once. Printed Circulars are not wanted for reference by New York bankers and merchants.

**BANK NOTE REDEMPTION OF NEW YORK—AN ASSORTING HOUSE FOR STATE CURRENCY.**—The banks represented in Convention on the 18th ultimo, have completed an arrangement for the establishment of an assorting house for State currency, in connection with the Merchants' Bank and Bank of the Interior of this city, and under their joint management. The Assorting House will commence operations on the 5th of next month, and will receive notes of banks of this State, redeemable at one quarter of one per cent, at the legal rate of discount, and pay in Albany, Troy, or New York, on the morning after receipt. New England bank notes will be received at one-eighth of one per cent. discount, and the notes of banks of Pennsylvania, New Jersey, &c., at New York rates. The country banks will redeem their notes with the Assorting House through their respective agencies, at a discount of fifteen cents per hundred dollars, or three-fifths of the legal discount, giving ten cents per hundred dollars, or two-fifths of the legal discount, to the Assorting House.

This mode of redemption receives the co-operation of the banks in this city, and it is believed that it will be generally adopted. The system now in operation, is not considered to be in harmony with the interests of country banks, and they have long been desirous of freeing themselves from its control. The contraction of business, and the curtailment of bank note circulation throughout the country, afford favorable conditions for the new arrangements, which will commence with the beginning of a new era of sound and healthy enterprise, and will doubtless commend itself to the confidence and support of the banking interests of the State.—*Albany Evening Journal*, March 16.

**New Law.**—The following is a copy of the act passed both Houses of the Legislature of New York, to restrain Banks, Banking Institutions and Individual bankers from assuming the title of Savings Banks, or receiving deposits as such:

**SECTION 1.** It shall not be lawful for any bank, banking association or individual banker, authorized to issue circulating notes by the laws of this State, established in any city or village where a chartered savings bank is located and transacting business, to advertise or put forth a sign as a savings bank, or in any way to solicit or receive deposits as a savings bank, and any bank, banking association, or individual banker which shall offend against these provisions, shall forfeit and pay for every such offence the sum of one hundred dollars for every day such offence shall be continued, to be sued for and recovered in the name of the people of this State by the District Attorney of the several counties in any Court having cognizance thereof, for the use of the poor, chargeable to said county in which such offence shall be committed.

**SECTION 2.** This act shall take effect on the first day of May next.

**Reduced Capital.**—The bill before the Legislature to authorize the Mechanics' Banking Association, East River Bank, North River Bank, and Grocers' Bank, to reduce their capitals in the sums lost through their troubles last Fall, has become a law. All the liabilities of these banks were promptly and successfully liquidated by

the Receivers, and the remainder of the assets handed over to the Directors to begin business again, which they have all done.

*Dover.*—The Dover Plains Bank, N. Y., commenced business on the 1st April, David L. Belding, President, and George T. Ross, Cashier.

*MAINE.*—The City Bank, Biddeford, is, by recent enactments, authorized to increase its capital stock. The Skowhegan Bank is authorized to change its location.

*Reduction of Capital.*—The following banks are allowed by acts of 1858, to reduce their capital :

I. Eastern Bank, Bangor,  
II. Maine Bank,  
III. Pejepscot Bank,  
IV. Union Bank, Brunswick.

V. Richmond Bank,  
VI. City Bank, Bath,  
VII. Gardiner Bank.

and the following banks have been chartered or rechartered :

I. Veazie Bank, Bangor, (rechartered), | Wawenock Bank, (new.)

*MASSACHUSETTS.*—The Annual Meeting of the Boston Bank Clearing House was held on Monday, April 12; Franklin Haven, Esq., President of the Merchants' Bank, was re-elected as presiding officer by a unanimous vote, notwithstanding his express wish to be excused from further service, and he finally consented to retain the position for another year. William Thomas, President of the Webster Bank, was unanimously re chosen clerk of the Association, and the following named gentlemen were chosen a Managing Committee for the current year :—Andrew T. Hall, of the Tremont Bank; Thomas Lamb, of the New England Bank; A. D. Hodges of the Washington Bank; Benj. E. Bates, of the Bank of Commerce; J. Amory Davis, of the Suffolk Bank. From the annual report of the Committee we make the following extract :

"Your Committee feel assured, that under no other form or association among the banks, could such a spirit of harmony and concert of action have been inspired and kept in being, as that which grew out and resulted from our present Clearing House system, and under which we feel confident much evil has been averted that otherwise must have been felt in our business circles. The plan adopted by this Association for the daily settlement of balances, resulted most satisfactorily to the banks, and in every way met our expectations, affording, as it did at once, great relief to our institutions, and occasioning no loss to any—the interest being daily settled at the Clearing House on the payment of balances. It also enabled the Banks to extend a degree of aid and accommodation to their customers, which they could not otherwise have done, the effect of which at once began to act favorably upon the public generally. The exchanges for the past year amount to twelve hundred eighty-nine millions four hundred and ninety-two thousand and seven hundred dollars. Balances received and paid during the same time amount to one hundred and seventeen millions six hundred and fifty-six thousand and nine hundred dollars. The whole amount of certificates issued by the Merchants' Bank to April 1st, 1858, was nine millions seventy-seven thousand and five hundred dollars. The amount cancelled to the same date was five millions six hundred fifty-two thousand and five hundred dollars. The amount in circulation among the Associated Banks to the same date, was three millions four hundred and twenty-five thousand dollars."

*Boston.*—The new bank chartered in April, 1857, called the Hide and Leather Bank, went into operation at Boston on the 17th inst., with a capital of about \$500,000. Lee Clafin, Esq., is the President, John S. March, Esq., Cashier.

*NEW JERSEY.*—A new bank, organized under the general law, under the title of the Merchants' Bank, has just commenced business at Paterson, New Jersey. W. H. Seely, President, James E. Johnson, Cashier.

*Newark.*—The State Treasurer of New Jersey has given notice, that as the Newark City Bank has merged its existence as a free bank into the special chartered bank, all the registered circulating notes must be presented for payment within two years, or the funds deposited for the redemption of such notes will be given up. The bank gives notice that they will redeem the registered notes in behalf of the Treasurer, at the office in Newark, and will continue so to do after the expiration of the two years mentioned.

*PENNSYLVANIA.*—The McKean County Bank, Smithport, Pa., is a new institution, with a capital of \$150,000. Daniel Kingsbury, President, and Wm. H. Diedrich, Cashier.

*Philadelphia.*—The Grand Jury have found true bills, charging Messrs. Thomas Allibone, late President, and Thomas A. Newhall, late a director of the Bank of Pennsylvania, with conspiracy concerning the alleged mismanagement of the business of the bank, thereby causing a great loss to stockholders and others.

*York.*—Henry Welsh, Esq., was on the 15th April unanimously elected president of the York Bank, at York, Pa., in place of Gen. Michael Doudel, resigned. Gen. Doudel has been elected president of this institution for nearly fifteen years, and now resigns in consequence of impaired health.

*Lancaster.*—We learn from Harrisburg that the Commissioners recently appointed by the Legislature to examine into the condition of the Lancaster Bank, have made a report showing the causes that led to the failure of that institution. No estimate is made of the present condition or assets of the Bank, or what proportion of its liabilities will be paid. The Committee state that the assets were appraised in February 1857, at \$540,895, but up to this time but \$147,815 has been realized. At the time of the failure the Bank had \$1,106,183 of notes in circulation, of which \$856,934 has been liquidated, leaving a balance of \$249,247 still unpaid. The Commissioners then enter into an investigation of the causes that produced the failure of the Bank. From evidence laid before them, it appears that a certain set of men surrounding the Bank in connection with its officers, obtained discounts to so large an extent as entirely to sink the whole capital stock of the institution. By the adroit management of some of the officers, the assent of the Board of Directors was obtained to their peculiar proceedings. In short, the Bank fell into the hands of sharpers, who used it as they pleased to forward their own speculations, and for the last few years of its existence, its management was marked with the most utter disregard of the interests of the stockholders and of the confiding public, who held its worthless promises to pay.—*Pennsylvanian*.

*VIRGINIA.*—John Moler, Esq., has been elected President of the Bank of the Valley, Charlestown, Jefferson County, in place of Andrew Kennedy, Esq., deceased.

**RESUMPTION OF SPECIE PAYMENTS.**—The Legislature of Virginia has passed an act to secure resumption of specie payments by the Banks of that State on the 1st of May. The Senate bill requiring the Banks to resume specie payments was returned from the Senate with an amendment to the House amendment, proposing "1st July," in lieu of "1st May," as the date of resumption. [The bill, as originally passed by the Senate, fixed "1st August."] Mr. Edmunds moved that the House disagree to the Senate's amendment, and insist upon its amendment. The previous question was then ordered, on motion of Mr. Hoge, and the motion to disagree and insist was concurred in—yeas 66, nays 46—and the result communicated to the Senate. Subsequently a message from the Senate was received, informing the House that the Senate had receded from its amendment. The Banks of South Carolina and Georgia will also follow suit, and resume on the 1st of next month. Of the Virginia public debt, the *Richmond Enquirer* says: "One law fixes the first day of May next for the resumption of specie payments—the other requires that the Banks shall prepare for a revolution in their mode of redemption. With these two causes operating simultaneously, it is evident that the banks can extend but little specie accommodations during the next few months. Now, it so happens that the State Government will require on the 1st July, about \$1,000,000 in specie, to pay the interest on the public debt. If the banks cannot supply this, then the State must repudiate, by suspending the payment of her debts. The passage of the tax bill has been delayed, till commissioners of the revenue cannot have their work prepared for the sheriffs before the 1st of July. So no taxes will be paid into the Treasury till late in the fall—perhaps none before December.

"We have since acquired information which leaves no doubt that, notwithstanding the injurious operation of the bank acts on the interests of the people of Virginia, the State creditors have no cause for alarm. A careful husbanding of available means, during the past year, leaves nearly \$800,000, of convertible funds at the command of the treasury. Fortunately the redemption does not go into effect until the spring of 1859. Hence it is possible that the banks can, if necessary, supply also the other \$200,000, required to make up the sum needed on the 1st July. If not, a sufficient amount of license taxes can be collected to make up this residue. The peculiar legislation with regard to this species of tax makes it a partial exception from the taxes generally, the collection of which will be delayed by reason of the late consideration which the subject received at the hands of the Legislature. Thus we have a certain assurance that the interest on the public debt will be paid. But it is a close fit, and stretches all the combined resources of the Treasury and the banks. The State is just able to satisfy her creditors, and that is all. Indeed, it is a matter of some surprise that accidental coincidences have interposed to obviate the difficulties created by Legislative omission and commission. The whole thing furnishes another proof of the extraordinary vitality of our State credit.—*Richmond Enquirer*.

*Richmond.*—The Bank of the Commonwealth, to be located in Richmond, with a

minimum capital of \$200,000, and a maximum capital of \$2,000,000, passed both branches of the Virginia Legislature on the 7th April. The independent Banks are authorized to subscribe twenty per cent. of their capital to this new bank, which is intended to be the Clearing-House of the independent Banks. It is understood that the bank is to be shortly organized with its circulation based upon a deposit of Virginia State stocks.

MICHIGAN.—H. O. Moss, Esq., has been elected President, and Samuel Medbury, Esq., cashier, of the Peninsular Bank, Detroit. Julius D. Morton, Esq., has been elected President of the Farmers and Mechanics' Bank, Detroit. R. E. Graves, Esq. has been elected cashier of the Bank of Macomb County, Mt Clemens.

SOUTH CAROLINA.—We are requested to republish the following tabular view of the circulation of the country banks of South Carolina.

Amount of notes in circulation for various periods, commencing with February 1, 1841, and ending with October 1, 1852 inclusive, issued by the Country Banks of South Carolina, viz: Commercial Bank, Columbia, capital \$800,000; Bank of Hamburg, South Carolina, capital \$500,000; Bank of Camden, S. C., capital \$400,000; Merchants' Bank, Cheraw, S. C., capital \$400,000; and Bank of Georgetown, S. C., capital \$200,000. Aggregate capital, \$2,300,000; compiled from official statements.

	1841.	1842.	1843.	1844.	1845.	1846.
February....	\$1,831,527	2,067,690	2,167,876	2,564,370	2,014,750	1,996,319
April.....	1,695,631	1,812,786	1,941,907	2,337,373	2,047,258	2,029,437
June.....	1,706,239	1,526,530	1,817,694	1,976,196	1,874,700	1,738,535
August.....	1,639,501	1,328,485	1,676,246	1,771,906	1,699,011	1,567,028
October.....	1,536,269	1,430,538	1,688,007	1,687,142	1,677,410	1,641,597
December...	2,106,649	2,070,209	2,188,249	1,815,742	1,952,521	2,206,014
	1847.	1848.	1849.	1850.	1851.	1852.
February....	\$2,833,019	2,184,956	2,248,733	3,443,190	4,550,590	3,062,249
April.....	2,644,125	1,964,343	2,190,920	3,110,688	3,849,195	2,767,833
June.....	2,674,853	1,641,013	2,064,600	3,202,018	3,166,229	2,458,617
August.....	2,520,475	1,607,670	2,076,697	3,202,448	3,047,904	2,265,956
October.....	2,301,270	1,686,670	2,034,091	3,236,381	2,591,273	2,200,185
December....	2,176,050	1,920,426	2,785,116	4,111,870	2,716,707	.....

OHIO.—The Franklin Bank of Zanesville, Ohio, closed its general business on the first day of April last. It was organized June 28th, 1847, and for nearly eleven years has done a safe and most successful business. During the financial depression and panic of last fall, it was among the few banks in the country whose issues were at all times convertible into coin, by any holder. Its outstanding circulation will be redeemed on presentation by Messrs. Brush, Potwin & Robins, who have been appointed the Trustees for settling up its affairs, at their banking house in Zanesville. See card of the new firm on cover of this number.

### PHILADELPHIA.

Weekly Statement of the Philadelphia Banks, with a Capital of \$11,300,915.

1858.	Loans.	Specie.	Due from other Banks.	Due to other Banks.	Deposits.	Circulation.
January 11..	\$21,302,874	\$2,770,701	.....	.....	\$11,485,253	\$1,011,088
" 18..	21,068,652	4,018,295	2,085,935	4,849,676	11,512,965	1,046,545
" 25..	20,730,958	4,248,966	2,209,656	4,414,160	11,547,697	1,062,192
Feb'y 1..	20,423,704	4,475,698	2,780,142	4,173,710	12,195,196	1,094,469
" 8..	20,859,226	4,668,085	.....	.....	11,904,519	1,298,046
" 15..	20,071,474	4,938,989	.....	.....	11,887,342	1,359,219
" 22..	20,161,260	4,934,906	1,718,254	2,776,665	12,014,604	1,286,609
March 1..	20,251,066	4,998,986	1,679,344	2,645,662	11,580,583	1,808,731
" 8..	20,471,166	5,147,615	1,646,833	2,726,129	12,253,292	1,916,862
" 15..	20,522,936	5,448,514	1,978,569	2,782,085	12,691,547	2,077,907
" 22..	20,796,955	5,468,353	1,923,038	2,649,730	12,418,191	2,140,463
" 29..	21,020,198	5,661,732	1,689,826	2,945,135	13,201,599	2,296,444
April 5..	21,657,153	5,927,597	1,776,831	3,056,181	13,422,313	2,647,399
" 12..	21,656,023	6,183,000	1,995,019	3,178,955	18,784,656	2,675,198
" 19..	21,776,667	6,382,435	2,163,508	3,071,608	14,682,175	2,454,150



## RATES OF EXCHANGE (SIGHT BILLS).

At St. Louis, on New York,.....	$\frac{1}{2}$ pm.	At Savannah, on New York,.....	$\frac{1}{2}$ pm.
“ Chicago, “	.....1 $\frac{1}{2}$ pm.	“ Charleston, “	..... $\frac{1}{2}$ pm.
“ Cincinnati, “	..... $\frac{1}{2}$ pm.	“ Richmond, “	.....1 $\frac{1}{2}$ pm.
“ Memphis, “	.....2 $\frac{1}{2}$ pm.	“ Louisville, Ky., “	.....1 pm.
“ Nashville, “	.....2 $\frac{1}{2}$ pm.	“ Detroit, “	.....1 pm.
“ New Orleans, “	..... $\frac{1}{2}$ dis.	“ Milwaukee, “	.....1 $\frac{1}{2}$ pm.
“ Mobile, “	..... $\frac{1}{2}$ dis.		

**BANK CASHIERS.**—The following changes have been recently made in Bank Cashiers.

<i>Location.</i>	<i>Name of Bank.</i>	<i>Appointed.</i>	<i>In place of</i>
Providence, R. I.,	Arcade Bank,	Manton E. Hoard,	Benjamin W. Ham.
“ “	Providence Bank,	Benjamin W. Ham,	Isaac Brown.
New York,	East River Bank,	William S. Carman,	William B. Ballow.
Newark, N. J.,	Newark B. & In. Co.,	Charles G. Rockwood,	Jacob D. Vermilye.
Camden, “	Farmers&Mechanics,	James H. Stevens,	Benj. P. Sisty.
Paterson, “	Merchants' Bank,	James E. Johnston,	<i>New Bank.</i>
Doylestown, Pa.,	Doylestown Bank,	John J. Brock,	J. Hart.
Gettysburg, “	Gettysburg Bank,	Thomas D. Carson,	Jos. B. McPherson.*
Lebanon, “	Lebanon Valley Bk.,	George Gleim,	<i>New Bank.</i>
Philadelphia, “	Commonwealth Bk.,	Henry Grambo,	<i>New Bank.</i>
“ “	Farmers&Mechanics'	William Rushton, Jr.,	Edwin M. Lewis.
Reading, “	Savings' Bank,	J. S. Rightmeyer,	Adam Leize.
Stroudsburg, “	Stroudsburg Bank,	James H. Stroud,	<i>New Bank.</i>
Tamaqua, “	Anthracite Bank,	George Wiggan, Jr.,	John Hendricks.
Smithport, “	McKean Co. Bank,	William H. Diedrich,	<i>New Bank.</i>
New Orleans, La.,	Bank of America.	Am. Fortier,	<i>New Bank.</i>
Detroit, Mich.,	Peninsula Bank,	Samuel Medbury,	Henry H. Brown.
Mt. Clemens, “	Bank of Macomb Co.,	R. E. Graves,	J. G. Tucker.
St. Louis, Mo.,	Exchange Bank,	Robert E. Carr,	<i>New Bank.</i>
Louisiana, “	Br. Bank State, Mo.,	B. P. Clifford,	<i>New Bank.</i>
Palmyra, “	“ “ “	E. M. Moffitt,	S. D. South.
Boonville, “	Br. Bank of St. Louis,	William E. Burr,	<i>New Bank.</i>
Ravenna, O.,	Portage County Bk.,	.....	John H. Ebbert.
Milwaukee, Wis.,	Globe Bank,	.....	William R. Freeman.

**PRIVATE BANKERS.**—The firm of Blake, Howe & Co., bankers, Boston, is dissolved; the copartnership having expired by limitation. Messrs. Blake, of the late firm, have formed a new business connection with Gamaliel Bradford, under the name of Blake Brothers & Co. James M. Howe, of the late firm of Blake, Howe & Co., has become associated with William Heath, under the firm of James Murray Howe & Co. The new firm have taken rooms No. 16 Merchants' Bank building.

**MINNESOTA.**—The firm of Borup & Co. succeed that of Messrs. Borup and Oakes, St. Paul (*see card on the cover of this work*). The new firm of Caldwell & Co. at St. Paul is also established (*see their card*).

**ILLINOIS.**—In addition to the list of banking firms at Rock Island, Ill., in our Bankers' Register, we place that of Messrs. N. B. Buford & Co.

**Peru.**—Messrs. F. S. Day & Co. at Peru, La Salle Co., offer to make collections in Illinois, &c. *See their card* on the second page of the cover of this work.

**Moline.**—Messrs. Marshall & Drury have established a banking-house at Moline. (*For references see the cover of this work*.)

**MISSOURI.**—Messrs. Wm. H. Barksdale & Co. have removed their office to the banking house lately occupied by Lucas, Turner & Co., at the corner of Main and Chestnut streets, St. Louis.

\* Deceased.

GEORGIA.—The house of S. Swan & Co., at Augusta, Ga., have established branches at Atlanta, and Geo. Montgomery, ALABAMA (see their card).

KENTUCKY.—The banking firm of Messrs. Gray, Barbour & Co. has been recently established at Georgetown.

Philadelphia.—The new house of Edward W. Clark & Co., bankers, Philadelphia, in announcing that all claims against the late firm of E. W. Clark & Co. have been paid in full, add that henceforward they shall use the old name in all business transactions.

INDIANA.—The banking house of A. R. Forsyth, at Greensburg, Indiana, was accidentally omitted in our Bankers' Register for 1858.

NEW YORK.—Messrs. Gibbs, Watson & Gibbs, have removed from Wall street to No. 106 Broadway. See their card.

IOWA.—At Fort Dodge the banking firm of Messrs. Merritt, Sherman & Co. succeed that of Greene, Wears & Co. See their card.

GEORGE PEABODY, London.—The London correspondent of the *Commercial Advertiser*, under date of April 2, says: "It will be gratifying to the friends of Messrs George Peabody & Co. to know that the firm yesterday repaid to the Bank of England in full all the money borrowed of that institution during the crisis in November last, although it would not have become due till August next. At the same time Messrs. Peabody cancelled the remainder of the credit unused, and thus entirely released all the securities given by them to the Bank, when the aid was considered requisite."

*Collections in the South and West.*—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking houses, as well as of all the banks in the United States, may be found in the "Merchants and Bankers' Register," for 1858, published early in February, the second edition of which is now published. The cards of bankers in the following places may be found on the cover of this magazine:

MASSACHUSETTS.—Boston.—NEW YORK.—New York City, Buffalo.  
 PENNSYLVANIA.—Philadelphia, Pittsburg, Scranton.—MARYLAND.—Baltimore.  
 DISTRICT OF COLUMBIA.—Washington.  
 VIRGINIA.—Fredericksburg, Lynchburg, Richmond.—GEORGIA.—Augusta.  
 ALABAMA.—Mobile, Montgomery.—ARKANSAS.—Helena.  
 CALIFORNIA.—Sacramento.  
 ILLINOIS.—Beardstown, Chicago, Dixon, Moline, Peoria, Peru, Port Byron, Rockford, Quincy, Springfield, Sterling.  
 INDIANA.—New Albany, Richmond.  
 IOWA.—Cedar Rapids, Council Bluffs, Chariton, Clinton, Fairfield, Davenport, Des Moines, Dubuque, Fort Dodge, Iowa City, Keokuk, Muscatine, Sioux City.  
 KENTUCKY.—Lexington, Louisville.—LOUISIANA.—New Orleans.  
 MICHIGAN.—Battle Creek, Grand Rapids.  
 MINNESOTA.—Minneapolis, St. Paul, St. Anthony.  
 MISSOURI.—Boonville, Glasgow, Hannibal, Lexington, St. Louis.  
 OHIO.—Cincinnati, Cleveland, Newark, Sandusky, Toledo.  
 TENNESSEE.—Nashville.—TEXAS.—Galveston, San Antonio.  
 WISCONSIN.—Milwaukie, Mineral Point, Sheboygan, Fond du Lac.  
 CANADA.—Kingston, &c.

In order to furnish information to bankers and those who have frequent occasion to ascertain, at this office, the names of responsible banking firms in the interior, the publisher of this work will hereafter keep in his office "A REGISTER OF PRIVATE BANKERS IN THE U. S.," containing printed cards of bankers in various cities, with the names of their references. This will show, 1. The style of the firm; 2. Individual names of partners; 3. The location and county of each; 4. Their references (or parties in the Eastern cities on whom they draw). For the convenience of merchants and bankers in New York, Boston, Philadelphia, Baltimore, &c., this Register will be available at all times. Those banking firms who wish their names registered will please send their PRINTED CARDS [*not printed circulars*] for this purpose.

## Notes on the Money Market.

NEW YORK, APRIL 26, 1858.

*Exchange on London, at Sixty days' sight, 108½ a 109.*

THE money market for April exhibits not only continued ease, but a tendency to plethora of capital. The business community has recovered only in part from the severe shock of last fall, and some months must elapse before there will be much activity in the various channels of trade and manufactures. The chief features of the month have been, I. Proposals for a further issue in May of Treasury notes to the extent of five millions of dollars. II. Increase in loans by the banks of this city to the extent of \$3,500,000 since the 27th ultimo. III. Farther accumulation of gold from California, and its general distribution throughout the leading cities of the Atlantic. IV. Fixed periods for the resumption of specie payments by the banks of Virginia, South Carolina, Georgia, and Tennessee, thus completing the resumption throughout the Union. V. A gradual approach to a specie basis in the domestic exchanges between New York and the South and West.

The foreign exchanges show that the balance of trade with other nations has become steadily in favor of this country; the reduced importations of foreign goods being fully met by the export of produce, without any drain upon the gold reserve of the banks. We annex current quotations for bills on the leading European cities for the month of April:

<i>Bills at 60 Days on</i>	<i>March 24.</i>	<i>April 6.</i>	<i>April 26.</i>
London.....	106½ a 107½	108½ a 109½	108½ a 109
Paris.....	5 22½ a 5 17½	5 17½ a 5 13½	5 20 a 5 15
Basle and Zurich.....	5 16½ a 5 15	5 17½ a 5 15	5 17½ a 5 15
Antwerp.....	5 20 a 5 17½	5 17½ a 5 15	5 17½ a 5 15
Amsterdam.....	41 a 41½	41½ a 41½	41½ a 41½
Hamburg.....	36 a 36½	36½ a 36½	36½ a 37
Bremen.....	77½ a 78	78½ a 79	78½ a 79½
Frankfort on the Main.....	41 a 41½	41½ a 41½	41½ a 41½
Berlin.....	72 a 73½	72 a 73	72½ a 73
Leipzig.....	72 a 72½	72 a 73	72½ a 73
Cologne.....	72 a 73½	72 a 73	72½ a 73

For Commercial Bills the range is 107½ a 108½. For the past six months the rates have been in a measure sustained while there was going on a gradual extinguishment of the heavy indebtedness created last year, a large portion of which had been deferred by the necessities of American importers and merchants. The heavy indebtedness of the year 1857 is nearly liquidated, and the accruing obligations are only such as can be easily met by current exports, thus keeping the rates for foreign exchange at or near par. Those who have examined the subject closely, with an intimate knowledge of the commercial intercourse between the United States and other nations, consider the existing indebtedness abroad by our people as fully seventy or eighty millions of dollars less than the aggregate of April, 1857—only one year since. The commercial body is still feeble—it is yet in a state of convalescence, and a gradual, not a sudden, recovery may be safely anticipated.

Notice is given that sealed proposals will be received by the Treasury department until the 10th day of May for the issue of any portion, or the whole, of five millions of dollars in Treasury notes in exchange for gold coin of the United States deposited with the Treasurer of the United States, the Treasurer of the Mint at Philadelphia, the Treasurer of the Branch Mint at New Orleans, or the Assistant Treasurers at Boston, New York, Charleston, or St. Louis, within ten days from the acceptance of such proposals, under the authority of the act of Congress, entitled "An act to authorize the issue of Treasury notes," approved 23d December, 1857.

The banking movement in this city is in keeping with the condition of the banks of other cities. The Clearing House System now adopted at Boston, Philadelphia, and Baltimore, and the regular publication of bank returns at New Orleans, enable us to ascertain from week to week (instead of once a year as formerly) the exact movement of the banks of all these cities—a movement that may be considered as a fair index of that of the whole Union. At New York the leading items for 1857-1858 have been as follows :

1857-'8.	Loans.	Circulation.	Deposits.	Sub-Treasury.	Bank Specie.	Total Specie.
Jan. 3,	\$109,149,000	\$8,602,000	\$95,846,000	\$11,430,000	\$11,172,200	\$22,602,300
Feb. 7,	112,876,000	8,426,000	96,029,000	13,618,000	11,143,800	24,761,800
March 7,	111,899,000	8,466,000	95,858,000	15,184,300	11,707,300	26,296,600
April 11,	115,374,000	8,787,000	96,518,000	15,174,800	10,884,400	26,059,200
May 2,	114,409,000	9,006,000	99,159,000	14,408,100	12,009,900	26,418,000
June 6,	115,338,000	8,838,000	96,594,000	12,431,000	13,134,700	25,565,700
July 3,	115,044,000	8,901,000	98,834,000	10,317,000	12,837,300	23,154,300
Aug. 1,	120,597,000	8,665,000	94,445,000	12,161,600	12,918,000	25,079,600
Sept. 5,	112,221,000	8,673,000	79,491,000	11,678,300	10,227,900	21,896,100
Oct. 3,	105,935,000	7,916,000	67,978,000	7,748,200	11,400,400	19,148,600
Nov. 7,	95,866,000	6,434,000	56,424,000	5,407,500	16,492,100	21,899,600
Dec. 5,	96,333,000	6,555,000	78,492,000	3,986,400	26,069,800	30,036,200
Jan. 2,	98,549,900	6,490,400	78,635,200	3,259,300	28,561,900	31,821,200
Jan. 30,	102,180,000	6,369,600	83,997,000	3,288,500	31,273,000	34,561,500
Feb. 6,	103,602,900	6,873,000	86,000,400	3,168,700	30,652,900	33,821,600
Mar. 6,	105,021,863	6,854,624	90,382,446	2,996,700	32,739,70	33,736,400
Mar. 13,	105,291,631	6,755,958	90,063,432	2,964,000	31,961,000	35,925,000
Mar. 20,	107,440,350	6,858,852	91,238,505	5,779,000	31,902,000	37,681,000
Mar. 27,	109,045,412	6,892,231	90,644,098	6,141,600	30,998,400	37,071,000
April 3,	110,588,354	7,232,332	93,589,149	5,548,000	31,530,000	37,078,000
April 10,	101,841,616	7,445,809	93,566,100	4,968,100	32,036,400	37,004,500
April 17,	111,344,891	7,190,170	95,448,456	3,841,500	33,196,500	37,038,000

Compared with the months of April, 1856 and 1857, the results are as follows :

1856 .....	104,962,000	8,347,000	91,008,000	7,576,000	13,381,000	20,957,000
1857 .....	115,374,000	8,787,000	96,518,000	15,174,000	10,884,000	26,058,000
1858 .....	111,344,000	7,190,000	95,448,000	3,841,000	33,196,000	37,037,000

The bank statement for the month of April shows a larger accumulation of specie than at any former period. Capitalists will not allow their funds to lie idle long. We anticipate a favorable change in the business aspects of the city, speedily, and more activity among our manufactures in the interior towns. There is at present a stronger disposition shown for investment in improved city property, but even here there will be only a change of capital from one party to another, and thus no drain upon capital; but new enterprises are already talked off in the West, which will require some of the spare capital of New York for their prosecution. If the advice of our soundest Statesmen is heeded, more attention will be given henceforth to the working of the iron mines of Pennsylvania and Missouri, and the coal mines of the Western States.

The Bank movement reported from the principal commercial cities, and the specie line in the New York Sub-Treasury, are as follows :

	Loans.	Deposits.	Specie.	Circulation.
New York, April 17, .....	\$111,344,897	78,121,055	33,196,449	7,190,170
Boston, " 19, .....	51,752,500	20,357,500	9,007,000	6,224,500
Philadelphia, " 17, .....	21,776,667	14,982,175	6,282,485	2,424,150
New Orleans, " 10, .....	16,471,249	17,324,306	10,962,570	7,692,634
Total .....	\$201,345,307	130,785,036	59,448,504	23,591,454

The Legislature of New York has adjourned without adopting any of the recommendations of Governor King as to a specific reserve of specie for the several banks of the State. This neglect of wise precautions is much to be regretted; not only on account of the banks themselves at a future day, but on account of the commercial community at large. The banking history of 1857 conclusively shows that some legal restraints beyond those previously existing are necessary

to restrain the banks within the bounds required for both safety and profit—safety to their depositors and eventual profit to themselves. In Massachusetts, Louisiana, and Missouri, laws have been passed requiring a specie reserve by each bank, and it would be well if the same principle were adopted in New York, Pennsylvania, and Maryland, &c.

In the stock market we observe a very uniform movement in regard to the more substantial securities—such as State loans and first mortgage bonds of railroad Companies. The U. S. six per cents of 1867-'8 have been stationary at 15 per cent premium. Ohio State sixes have ranged from 106 to 107. Kentucky, Indiana, Pennsylvania, Louisiana, Tennessee, and Georgia bonds have not varied more than one per cent for some weeks; California State bonds have advanced fully ten per cent. since the beginning of the year, in consequence of the adoption of more vigorous financial laws in that State. Virginia bonds have declined slightly; Missouri six per cents, with very large sales, are 1 a 2 per cent. less than in January. We annex the current quotations or the past eight weeks:

	Mar. 5th.	12th.	19th.	26th.	Apr. 2d.	9th.	16th.	23d.
U. S. 6 per cents. 1867-'8.....	115	115	115	115	115½	115	115½	115
Ohio 6 per cents. 1886.....	107½	107½	107	106	106	106	106	105
Kentucky 6 per cents.....	102	102	103½	104	102½	102½	103	103
Indiana 5 per cents.....	84½	84½	84½	85	85	85½	85	85½
Pennsylvania 5 per cents.....	87½	87½	87½	87½	87	87	86½	86½
Virginia 6 per cents.....	93½	92½	92½	91	91	92	91½	92
Georgia 6 per cents.....	—	95	95	93	91	92	85	95
California 7 per cents, 1870,....	88	91	88	86½	83	85½	95	84
North Carolina 6 per cents....	94½	94	94	93	93	92	93	93
Missouri 6 per cents.....	84	84	83½	82	82	82½	82½	83½
Louisiana 6 per cents.....	91	92½	92	88	90	91	91	90
Tennessee 6 per cents.....	89½	89	89	88½	88½	88½	88½	88½

Maryland State loans of six per cent. are quoted 103 a 10½; New York State sixes, 1872-'75, at 112 a 115, and the shorter loans 101 a 110. Illinois Internal Improvement sixes, 98½ a 100.

*Railroad Shares.*—The market shows a decline in almost every railroad share quoted. The business of the year is much less than that of 1856 or 1857; but the fall in values is attributed more to a decline of confidence in railroad management than to any thing else. Since our last monthly return, New York Central shares have declined 5½ per cent.; New York and Erie, 4½; Harlem, 1½; Reading, 1½; Hudson River, 1; Michigan Central, 6; Illinois Central, 4; Cleveland and Toledo, 4; Chicago and Rock Island, 4½; Milwaukee and Mississippi, 3½; Galena and Chicago, 4½; La Crosse, 1½. We annex comparative rates for the past eight weeks:

	Mar. 5th.	12th.	19th.	26th.	Apr. 2d.	9th.	16th.	23d.
N. Y. Central R. R. shares,.....	92½	91½	92	88½	85½	86½	87½	89
N. Y. & Erie R. R. shares,.....	32½	30	29½	24½	21½	21½	24	25
Harlem R. R. shares,.....	14	13½	13½	1½	11½	11½	12	12½
Reading R. R. shares,.....	61	59½	57	52½	46½	47	45½	47½
Hudson R. R. shares,.....	35	31	30	27	27	25½	20	30½
Michigan Central R. R. shares,...	74½	75½	70	67	6½	64	64	63
Michigan Southern R. R. shares,...	31½	25½	22½	23½	22	24½	2½	24½
Panama R. R. shares,.....	106½	106½	106½	105½	105½	108½	106	107½
Baltimore & Ohio R. R. shares,...	51½	50½	47½	47	46½	44½	48	48½
Illinois Central R. R. shares,....	99	96	95	93	94	94½	91	92
Cleveland and Toledo R. R. ....	54	46½	46½	46	42½	44½	42½	43½
Chicago and Rock Island E. R. ....	87	82½	77	75	72	74½	7½	76½
Milwaukee and Miss. R. R. ....	40	37	31½	33	30	34½	28½	32
Galena & Chicago R. R. shares,...	94½	93½	92½	90½	89½	89	88	89
La Crosse and Mississippi.....	10½	10½	10	9½	8½	9	8½	8½

In railroad bonds we find the greatest decline in Erie sinking fund from 60 to 48. First mortgages are held at 99 a 101; third mortgages 77 a 78; Michigan Central first mortgages 94½ a 95½; Illinois Central free land bonds 87 a 88½; New York Central evens 102½ a 103½; Harlem first mortgages 82 a 84; Reading first mortgages 88 a 90; second mortgages 74 a 75. The demand at present for railroad bonds is mainly confined to first mortgages as possessing a solid and

substantial character for permanent investment. We observe sales of Nicaragua Transit Company 2½. The immense travel to California will demand further facilities than those now existing. New lines will be established before long to meet this want. We annex the comparative rates for the past eight weeks:

	Mar. 5th.	12th.	19th.	26th.	Apr. 2d.	9th.	16th.	23d.
Erie Railroad 7s, 1859.....	—	93	93	93	93	94	93½	91
Erie bonds, '75.....	70	70	—	60	56	54	48	48
Erie Convertible, 1871.....	53	57½	—	54	50	45½	44½	40
Hudson River Railroad, 1st mort.	97½	96	95	95½	96	98	99½	99½
Panama Railroad bonds.....	100	100	100	100	100	100	100	100
Illinois Central 7s.....	95½	94½	94½	94	94	87	88	88
New York Central 6s.....	90	90	90½	90	90½	91	91	90½
Canton Co. shares.....	25½	23½	23	21½	22½	21½	21	21
Pennsylvania Coal Co.....	75	73½	73	70	70	67½	70	73
Cumberland Coal Co.....	21½	21½	20½	19	18	17½	18	18
Del. and Hudson Canal Co.....	113½	113½	111½	111	106½	104½	106½	107½
La Crosse Land Grants.....	85	37	37	86	31	34½	31½	32
Pacific Mail Steamship Co.....	—	—	—	—	75½	78½	78½	79

We have intelligence from England and the continent to the 10th inst. It was officially announced that the whole of the Indian loan of £5,000,000 had been taken on the 1st inst., with the exception of £200,000. The minimum accepted is 97; the highest tender was 102. Upon the announcement of the result, the members of the Stock Exchange at once commenced to deal in the new security, which, as a matter of course, will be immediately admitted to the privilege of official quotation. A number of members of the Stock Exchange formed a list, and transmitted to the India house an offer to take the balance of £200,000 at the Company's *minimum* price of 97. This offer the East India Company declined. Contrary to expectation, the Bank Court broke up without announcing a reduction in the rate of discount, but the circumstance had no influence on the stock market. The applications during the first three days were rather numerous in preparation for the coming payments, when the bills maturing on the 4th were to be met, and it is, perhaps, partly to this fact, and partly to the absence of several of the Directors from town, that the resolution not to adopt any change may be attributed. The demand for money in all quarters, including the Bank of England, has become more active than for some time past, but the rates remain as before.

## DEATHS.

At KEENE, N. H., Tuesday, December 16th, ZEBINA NEWELL, Esq., aged fifty-nine years, President of the Cheshire Bank.

At PROVIDENCE, R. I., April 23, DAVID ANDREWS, Esq., aged sixty-four years, Cashier of the Commercial Bank in that city.

THE  
BANKERS' MAGAZINE,  
AND  
Statistical Register.

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VOL. VII. NEW SERIES.

JUNE, 1858.

No. 12.

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THE NEW YORK STATE CENSUS OF THE YEAR 1855.

THERE are some peculiar features pertaining to the late census of our State, to which it is exceedingly interesting to refer. The volume is important as showing where the growth of the State is most apparent, and where such growth is obviously a permanent, not a temporary, one. We will first present a tabular view of the progressive increase of each county, as indicated up to the years 1825, 1835, 1845, 1855. The manufacturing industry of the State, its inherent domestic strength, is demonstrated, together with the agricultural forces; and here lie the powers of permanent wealth, financial prosperity, and the WELFARE of the people, and the true independence of the State. Show us three millions of people possessing eleven thousand school-houses, five thousand churches; over five hundred newspapers, with a daily circulation beyond 300,000; contributing annually four millions of dollars towards their public schools; having thirty millions of dollars on deposit in their savings banks; and it would appear that such a people have the real grounds of progress. It is true that they spend millions annually in bad cigars and worse liquor, yet the extravagance of these deplorable habits may hereafter be essentially lessened by wise counsels.

We select the details as to manufacturing industry as an index to the condition of the State: and here we think there are strong evidences of prosperity. The Census Report is defective in not presenting aggregates of capital, &c. in each county, and is otherwise loosely prepared. We have prepared a table (p. 939) which exhibits at a glance the productive industry of the State. In tables of this kind the new volume is particularly defective and badly arranged.

## POPULATION OF THE SEVERAL COUNTIES AT THE TIME OF TAKING EACH CENSUS.

COUNTIES.	1825.	1835.	1845.	1855.
Albany.....	42,621	59,762	77,268	103,681
Alleghany.....	18,164	35,214	40,084	42,910
Broome.....	13,898	20,190	25,808	36,650
Cattaraugus.....	8,643	24,966	30,169	39,530
Cayuga.....	42,743	49,202	49,663	53,571
Chautauque.....	20,640	44,869	46,548	53,380
Chemung.....	....	....	23,689	27,288
Chenango.....	34,215	40,762	39,900	39,915
Clinton.....	14,486	20,742	31,278	42,489
Columbia.....	37,970	40,746	41,976	44,391
Cortlandt.....	20,271	24,168	25,081	24,575
Delaware.....	29,565	34,192	36,990	39,749
Dutchess.....	46,698	50,704	55,194	60,635
Erie.....	24,316	57,594	78,635	132,331
Essex.....	16,993	20,699	25,102	28,539
Franklin.....	7,978	12,501	18,692	25,477
Fulton.....	....	....	18,579	23,284
Genesee.....	40,905	58,588	28,845	31,034
Greene.....	26,229	30,173	31,957	31,137
Hamilton.....	....	....	1,882	2,543
Herkimer.....	33,040	36,201	37,424	38,566
Jefferson.....	41,650	53,068	64,999	65,420
Kings.....	14,679	32,057	78,691	216,229
Lewis.....	11,669	16,038	20,218	25,229
Livingston.....	23,860	31,092	33,193	37,943
Madison.....	35,646	41,741	40,987	43,687
Monroe.....	39,108	58,065	70,899	96,824
Montgomery.....	40,902	48,359	29,643	30,906
New York.....	166,086	270,089	371,223	629,904
Niagara.....	14,069	26,490	34,550	48,288
Oneida.....	57,847	77,518	84,776	107,749
Onondaga.....	48,435	60,908	70,175	86,575
Ontario.....	37,422	40,870	42,592	42,672
Orange.....	41,732	45,096	52,227	60,868
Orleans.....	14,460	22,893	25,845	28,435
Oswego.....	17,875	38,245	48,441	69,898
Otsego.....	47,898	50,428	50,509	49,735
Putnam.....	11,866	11,561	13,258	13,934
Queena.....	20,331	25,180	31,849	46,266
Rensselaer.....	44,065	55,515	62,338	79,324
Richmond.....	5,932	7,691	13,673	21,389
Rockland.....	8,016	9,696	13,741	19,511
St. Lawrence.....	27,595	42,047	62,354	74,977
Saratoga.....	36,295	39,012	41,477	49,379
Schenectady.....	12,876	16,280	16,630	19,572
Schoharie.....	25,926	28,508	32,488	33,519
Schuyler.....	....	....	....	18,777
Seneca.....	20,169	22,627	24,972	25,358
Steuben.....	29,245	41,435	51,679	62,965
Suffolk.....	23,695	28,274	34,579	40,906
Sullivan.....	10,373	13,755	18,727	29,487
Tioga.....	19,951	33,999	22,456	26,982
Tompkins.....	32,908	38,008	38,168	31,516
Ulster.....	32,015	39,960	49,907	67,936
Warren.....	10,906	12,034	14,908	19,669



COUNTIES.	1825.	1835.	1845.	1855.
Washington.....	39,280	39,326	40,554	44,405
Wayne.....	26,761	37,788	42,515	46,760
Westchester.....	33,131	36,790	47,578	60,678
Wyoming.....	.....	.....	27,205	32,140
Yates.....	13,214	19,796	20,777	19,812
Total.....	1,614,456	2,174,517	2,604,495	3,466,212

We insert here the remarks in the volume in reference to the progress of population, &c.

*Sexes.*—A reference to the number of males and females, as given by successive censuses of this State, will show an excess of the former, at each period before 1855, when a greater number of the latter were reported. The several national censuses have uniformly shown an excess of males in the white population, in the general aggregate, and in all the States, excepting Connecticut, Delaware, Massachusetts, New Hampshire, North Carolina, Rhode Island, Vermont, and the District of Columbia. In Connecticut, Massachusetts and Rhode Island, the females have uniformly outnumbered the males. In New Hampshire, since 1790, in North Carolina, since 1820, in Vermont in 1820, in Delaware in 1840, and in the District of Columbia since 1810, the same has been observed. In general, the excess of males is greatest in newly-settled States, where the population is mostly made up of emigrants from other States or from foreign countries, among whom the male sex uniformly preponderates. As the inducement for immigration ceases, or is diverted to other quarters, the disproportion of the sexes becomes less, until it assumes the condition now observed in this State and New England, and that which exists in nearly every country in Europe. It is a well-established fact, that there are born more males than females, the percentage of the former in Europe being over 51 in 100. The proportion is observed to vary in different countries and periods.

The number of persons of extreme age in a given country, is found to be but an uncertain indication of the general average of human life. France has a greater relative number than England by one-third, of persons between sixty and seventy years, and in the next period of ten years it maintains this superiority; but above the age of eighty, the proportion rapidly decreases, and centenarians become rare, in the same country which has carried life through maturity to a period fixed as the usual limit of man's years. In Great Britain, we notice a considerable diversity in the different kingdoms. While in Ireland, the number of births is relatively much greater, at the age of forty, the number living in Scotland and England is proportionably higher. In the former, the number between forty and fifty is but a thirteenth, while in the latter it is an eleventh of the whole population. Between seventy and eighty, England and Scotland count double the relative number of Ireland, and from eighty to ninety, triple the proportion; but above that age the latter gains in relative numbers, and exhibits as many centenarians as Scotland, and many more than England.

*Place of Birth.*—No inquiries into the nativities of our population were made until the census of 1845, when there were reported as born,  
ii—

	Number.		Per cent.
State of New York.....	1,894,278	or	72.73
New England States.....	226,861	or	8.78
Other States and Territories of the United States....	83,642	or	3.31
Mexico and South America.....	977	or	0.04
Great Britain and its Possessions.....	977,890	or	10.67
France.....	10,619	or	0.41
Germany.....	49,558	or	1.90
Other European Countries.....	8,222	or	0.33
Nativities not reported.....	50,498	or	1.93

The relative proportion of married persons to the total population, is observed in Europe to vary from nearly half, as in France before the revolution, to somewhat more than a quarter. There is usually observed a greater number of unmarried males than females, and the number of widows is uniformly about twice as great as that of widowers. The widows number 1 to every 8 or 9 females in France and England, and 1 to every 11 or 12 in Sweden and Spain; while of widowers there is found 1 to every 18 males in France, 1 to every 21 in Spain, 1 to every 22 in Paris, and 1 to every 33 in England and Sweden. In this State the proportion of the former is 1 to 18 females, and of the latter 1 to 49 males. It is yet to be determined what changes occur in this country between different periods in the relative proportion of these numbers. A reference to the returns will in some degree explain the disproportion of the widowed, by showing a remarkable difference between the number of each sex married within the year. The number of widows in this class is only about half as great as of widowers, being the reverse of the existing proportions, as given on page 16.

*Professions and Occupations.*—In 1840, the number of persons in New York employed in mining, was 1,898; in agriculture, 455,954; in commerce, 28,468; in manufactures and trades, 173,193; in navigating the ocean, 5,511; in navigating canals, lakes and rivers, 10,167; in learned professions and as engineers, 14,111. In 1845, there were reported 253,292 farmers; 20,758 merchants; 13,088 mechanics; 3,549 attorneys; 4,399 clergymen, with an aggregate salary of \$1,531,287, and 4,610 physicians and surgeons. In 1850, there were reported 312,697 engaged in commerce, trade, manufactures, mechanic arts and mining; 313,980 in agriculture; 196,613 in labor not agricultural; 1,462 in the army; 23,342 in sea and river navigation; 14,258 in law, medicine and divinity; 11,104 in other pursuits requiring education; 4,985 in government civil service; 6,324 as domestic servants, and 3,628 in other occupations.

In 1855 the professions and occupations have been reduced to the classification founded on pages 178 to 195. Most statistics in this particular inquiry are defective, from their not also exhibiting the number of persons of all classes dependent upon the several occupations for their support. If an additional column were provided for showing this item, we might arrive at very interesting results, which are now left to conjecture and vague estimates.

In preparing the present census, an inquiry was instituted with the view of ascertaining the number of students from other States attending colleges in the State of New York, and the number from New York attending in other States. Returns were received from 15 colleges and profes-

sional schools in New England, 16 in New York, 3 in New Jersey, 8 in Pennsylvania, 37 in the Southern States, and 23 in the Western States, in all 102. The following table exhibits the results of this inquiry in the principal colleges of the New England and other neighboring States, and the general aggregates of others. These numbers were in most cases derived from the published catalogues of the several colleges for the year ending in the summer of 1855. In medical schools, at which two courses of lectures are delivered during the year, the number of students attending the spring course of 1855, were taken.

EDUCATIONAL STATISTICS OF THE CENSUS OF 1845.

<i>Educational Institutions.</i>	<i>Number.</i>	<i>Cost of Buildings.</i>	<i>Cost of other Improvements.</i>	<i>Cost of Real Estate.</i>
Colleges .....	10	\$505,000	\$119,350	\$781,500
Academies.....	163	743,104	110,640	137,814
Female Seminaries.....	55	206,601	14,753	64,840
Other incorporated institutions.....	22	430,800	22,555	191,720
Normal Schools.....	2	2,000	2,000	10,000
Common Schools.....	10,707	2,987,155	135,362	606,605
Private Schools.....	1,567	312,137	48,306	191,759

MANUFACTURING ESTABLISHMENTS.

*Manufacturing Establishments in New York and Kings Counties, according to the Census of 1855, with the amount of annual product.*

<i>Articles.</i>	<i>Kings Co.</i>	<i>New York Co.</i>	<i>VALUE.</i>	
			<i>Kings Co.</i>	<i>New York Co.</i>
CLASS I.—Agricultural tools and implements.....	1	2	28,000	295,000
CLASS II.—Axe and edge tool manufactories.....	1	6	5,500	39,800
Blacksmith shops.....	11	53	4,550	134,958
Bolt manufactories.....	1	6	1,500	74,000
Brad and sporable manufactories.....	..	1	.....	2,800
Brass and copper foundries.....	4	31	375,000	754,740
Britannia ware and silver plating manufactories..	1	2	6,000	10,500
Bronze casting establishments.....	1	2	25,000	18,000
Castor frame manufactories.....	..	1	.....	29,400
Copper smelting.....	1	14	350,000	416,500
Cutlery manufactories.....	..	6	.....	60,000
Fish-hook manufactory.....	1	..	9,500	.....
Forges.....	..	3	.....	365,000
Furnaces.....	15	37	874,940	2,146,950
Gas fixture manufactories ..	..	13	.....	834,300
German silver ware manufactories.....	..	1	.....	56,000
Gilding establishments.....	..	7	.....	59,000
Gold leaf and foil manufactories.....	..	7	.....	129,225
Gold and silver plating establishments.....	1	13	.....	171,480
Gold and silver refining establishments.....	..	6	224,000	1,966,000
Handiron manufactories.....	..	1	.....	14,000
Hardware manufactories.....	..	1	.....	80,000
Iron pipe manufactories.....	..	7	.....	290,000
Iron rolling manufactories.....	11	13	345,000	807,900
Japanned tin manufactories.....	..	4	.....	21,500
Lead pipe manufactories.....	..	2	.....	400,000

Classification.			VALUR.	VALUR.
	Kings Co.	New York Co.	Kings Co.	New York Co.
Lightning rod manufactories.....	..	1	.....	30,000
Lock manufactories.....	1	9	3,000	88,000
Machine shops.....	11	36	276,000	882,490
Machinists' tool manufactories.....	..	1	.....	8,000
Malleable iron works.....	..	1	.....	100,000
Metallic Life Boat manufactory.....	1	..	80,000	.....
Plumbing establishments.....	3	22	31,700	394,450
Safe manufactories.....	2	5	115,000	566,000
Silverware manufactories.....	2	83	54,000	3,809,381
Spike manufactories.....	..	2	.....	21,300
Thimble manufactories.....	..	3	.....	58,500
Tin and sheet iron manufactories.....	5	54	152,600	953,800
Tin foil manufactories.....	..	1	.....	50,000
Wire works.....	..	9	.....	195,500
Wire railing manufactories.....	..	1	.....	125,000
Wire sieve manufactories.....	2	..	23,000	.....
CLASS III.—Awning manufactories.....	..	3	.....	15,000
Card board manufactories.....	..	2	.....	120,000
Carpet manufactories.....	..	3	.....	887,073
Cotton factories.....	..	3	.....	162,000
Cotton batting manufactories.....	2	..	70,000	.....
Felting and wadding manufactory.....	1	..	5,000	.....
Flax-dressing mills.....	3	..	590,000	.....
Fringe and tassel manufactories.....	2	13	32,000	243,500
Fur-dressing establishments.....	3	11	114,700	462,000
Hair cloth manufactories.....	..	1	.....	4,000
Oakum manufactories.....	..	1	.....	58,000
Paper mills.....	1	..	16,000	.....
Papier mache manufactory.....	..	1	.....	1,000
Playing card manufactories.....	..	3	.....	185,000
Rag carpet and blanket manufactories.....	..	1	.....	1,220
Ribbon factories.....	1	1	900	15,000
Rope manufactories.....	10	1	2,205,153	28,000
Sewing silk manufactories.....	..	2	.....	96,000
Tape and web manufactories.....	..	2	.....	33,600
Twine manufactories.....	1	2	12,000	26,400
CLASS IV.—Bakeries.....	9	54	92,535	1,727,153
Blacking manufactories.....	..	1	.....	15,400
Bleacheries.....	..	1	.....	35,000
Breweries.....	12	19	157,255	1,377,292
Bronze color manufactory.....	1	..	10,000	.....
Camphene distilleries.....	3	..	1,670,000	.....
Chandellers and soap factories.....	2	31	229,100	2,230,927
Chemical laboratories.....	6	3	820,000	29,000
Coffee, spice and mustard manufactories.....	4	14	58,640	772,455
Confectionery manufactories.....	2	14	15,000	490,874
Cotton printing establishments.....	..	2	.....	12,000
Distilleries.....	7	10	2,499,000	2,218,200
Drug and medicine manufactories.....	4	9	14,980	244,000
Dyeing establishments.....	..	2	.....	.....
Dyewood manufactories.....	1	..	104,000	.....
Electrotyping establishments.....	..	1	.....	11,000
Fish and whale oil manufactories.....	2	7	173,000	1,729,900
Gas manufactories.....	3	2	278,000	1,625,500
Glue manufactories.....	1	..	150,000	.....
Gutta percha manufactory.....	..	1	.....	450,000

Classification.	Kings Co.	New York Co.	VALUE. Kings Co.	VALUE. New York Co.
India-rubber manufactory.....	..	2	.....	610,000
Ivory black and bone manure manufactories.....	4	..	106,960	.....
Japanned cloth manufactories.....	1	..	189,600	.....
Lampblack manufactories.....	1	..	3,700	.....
Lard oil manufactories.....	1	6	9,000	1,839,000
Liquorice refinery.....	1	..	49,340	.....
Malt manufactories.....	1	2	90,000	136,500
Match factories.....	..	3	.....	239,000
Medicinal herb and extract manufactories.....	..	1	.....	3,000
Mineral water manufactories.....	..	16	.....	263,912
Oil cloth manufactories.....	5	3	170,250	87,500
Oil mills.....	2	1	286,000	550,000
Paint and color manufactories.....	2	3	50,000	252,000
Painting and glazing establishments.....	1	11	3,000	58,800
Pearlash manufactories.....	1	..	400	.....
Rosin oil factories.....	5	..	161,300	.....
Saleratus manufactories.....	2	..	45,500	.....
Saltpetre refinery.....	..	1	.....	480,000
Satinet printing establishments.....	..	1	.....	18,000
Starch factories.....	1	1	27,900	.....
Sugar and syrup refineries.....	..	14	.....	12,167,900
Varnish manufactories.....	3	5	25,300	497,000
Vinegar manufactories.....	1	1	10,800	.....
Wax bleaching establishment.....	..	1	.....	36,000
White lead manufactories.....	1	2	800,000	115,000
Whiting manufactories.....	1	2	60,000	31,500
CLASS V.—Grate manufactories.....	..	9	.....	188,161
Lamp and lantern manufactories.....	2	5	55,000	97,000
Stove manufactories.....	2	11	85,000	486,350
CLASS VI.—Locomotive spark manufactory.....	..	1	.....	30,000
Steam engine and boiler manufactories.....	1	17	75,000	3,392,800
CLASS VII.—Block manufactories.....	2	10	70,000	37,039
Boat building.....	..	10	.....	127,575
Capstan and windlass manufactory.....	..	1	.....	15,000
Sail-making.....	..	10	.....	181,175
Ship-building.....	6	25	945,000	2,593,761
Ship-rigging.....	..	2	.....	1,700,000
Ship-smithing.....	2	26	8,500	194,499
Spar manufactories.....	..	3	.....	310,000
Steamboat finishing.....	1	..	150,000	.....
Treenall factories.....	1	..	21,500	.....
CLASS VIII.—Barometer manufactories.....	..	2	.....	11,000
Chronometer manufactories.....	..	5	.....	56,500
Clock factories.....	..	5	.....	163,000
Hydrometer manufactory.....	..	1	.....	3,200
Mathematical instrument manufactories.....	..	10	.....	101,000
Nautical instrument manufactories.....	..	3	.....	16,400
Optical instrument manufactories.....	..	3	.....	18,000
Philosophical instrument manufactory.....	..	1	.....	1,800
Spectacle manufactories.....	..	2	.....	19,250
Telegraph instrument manufactories.....	..	2	.....	45,000
Thermometer manufactories.....	1	..	1,500	.....
CLASS IX.—House building.....	11	40	254,000	665,000
Masonry.....	1	..	2,000	.....
Mining machine manufactory.....	..	1	.....	50,000

Classification.			VALUE.	
	Kings Co.	New York Co.	Kings Co.	New York Co.
Ornamental plastering.....	..	1	.....	75,000
Stair-building establishments.....	11	21	.....	21,900
Stone quarries.....	..	8	.....	.....
CLASS X.—Car factories and repair shops.....	..	1	.....	904,000
Coach and wagon manufactories.....	14	59	73,800	1,096,375
Horse carriage manufactories.....	..	2	.....	19,200
CLASS XI.—Bellows making.....	..	3	.....	53,200
Fire engine manufactories.....	..	1	.....	40,000
Pump factories.....	2	..	15,000	.....
Steam pump manufactories.....	1	..	60,000	.....
CLASS XII.—Hoist wheel manufactories.....	..	2	.....	68,000
Hydraulic jack manufactories.....	..	1	.....	6,000
Jack screw manufactory.....	..	1	.....	3,800
CLASS XIII.—Feed mills.....	..	1	.....	150,000
Grist mills.....	5	8	666,250	2,497,719
Millstone manufactories.....	..	1	.....	7,000
CLASS XIV.—Boring machine manufactories.....	..	1	.....	20,000
Box manufactories.....	1	11	25,000	321,550
Carpenters' shops.....	10	76	24,900	1,133,200
Carpenters' tool manufactories.....	1	..	4,000	.....
Coopers' shops.....	6	59	127,500	346,954
Ladder and eave spout manufactories.....	..	1	.....	8,000
Lath manufactories.....	..	2	.....	.....
Plane manufactories.....	..	1	.....	1,000
Planing mills.....	..	4	476,700	165,700
Rule manufactories.....	..	1	.....	25,000
Saw manufactories.....	1	2	.....	47,000
Scroll sawing establishments.....	..	2	.....	4,680
Saw mills.....	2	13	10,800	1,145,000
Shingle factories.....	1	..	10,000	.....
Turning shops.....	1	8	18,000	79,750
Veneering manufactories.....	1	..	16,000	.....
Wood moulding and carving establishments.....	1	13	1,000	906,300
CLASS XV.—Enamelling furnaces.....	..	4	.....	160,500
Fire brick manufactories.....	2	2	40,000	79,220
Glass cutting establishments.....	..	7	.....	131,095
Glass manufactories.....	2	5	322,000	45,000
Glass staining establishments.....	..	1	.....	50,000
Lime manufactories.....	3	4	11,350	61,500
Looking-glass manufactories.....	..	14	.....	331,000
Marble manufactories.....	7	22	95,500	1,154,500
Plaster mills.....	1	5	4,000	85,675
Porcelain manufactories.....	2	..	90,000	.....
Potteries.....	..	2	.....	71,100
Soapstone manufactories.....	..	3	.....	17,500
Stone-cutting establishments.....	14	16	256,300	671,500
Window plate manufactory.....	..	1	6,000	.....
CLASS XVI.—Boot and shoe shops.....	10	71	46,920	1,839,100
Harness, saddle and trunk manufactories.....	5	32	9,300	379,700
Hose manufactories.....	..	2	77,000	.....
Morocco factories.....	4	14	2,021,000	481,130
Morocco case manufactories.....	..	4	131,000	.....
Patent leather manufactories.....	2	1	140,000	50,000
Pocketbook and portemonnaie manufactories.....	..	12	.....	369,000
Shoe peg manufactories.....	..	6	.....	24,200

Classification.	Kings		VALUE	
	Co.	New York Co.	Kings Co.	New York Co.
Tanneries.....	4	14	20,776	.....
Whip manufactories.....	..	9	.....	6,500
CLASS XVII.—Basket manufactories.....	..	1	.....	3,500
Bed, mattress and cot manufactories.....	..	7	.....	82,000
Bedstead manufactories.....	1	4	8,000	41,000
Billiard table manufactories.....	..	6	.....	123,500
Broom manufactories.....	..	2	.....	18,000
Brush manufactories.....	..	20	.....	283,016
Cabinetmaking shops.....	16	98	251,324	2,236,794
Cedar ware manufactories.....	..	1	.....	4,050
Chair factories.....	..	27	.....	503,780
Feather brush manufactories.....	..	3	.....	41,300
House-decorating establishments.....	..	1	.....	7,000
House-furnishing establishments.....	1	10	700	207,500
Iron furniture manufactories.....	..	3	.....	110,200
Paper-hanging manufactories.....	1	5	80,000	428,000
Rug and mat manufactories.....	2	5	87,000	81,705
Sofa and lounge manufactories.....	..	5	.....	181,500
Washing machine manufactories.....	..	1	.....	3,500
Willow ware manufactories.....	..	4	.....	11,500
Window shade manufactories.....	1	5	50,000	252,000
CLASS XVIII.—Artists' brush manufactory.....	..	1	.....	3,000
Block letter manufactory.....	..	1	.....	.....
Bookbinderies.....	1	32	5,350	776,700
Bookbinders' tool manufactory.....	..	1	.....	7,000
Camera manufactory.....	..	1	.....	40,000
Daguerreotyping establishments.....	..	10	.....	200,000
Daguerreotype case manufactories.....	1	1	5,000	108,200
Engraving establishments.....	1	28	1,500	179,200
Envelope manufactories.....	..	4	.....	240,000
Gold pen manufactories.....	1	10	112,000	519,000
Jewelry case manufactories.....	..	1	.....	5,000
Lithographic establishments.....	..	13	.....	260,200
Map coloring establishment.....	..	1	.....	12,000
Map publishing establishments.....	..	2	.....	240,000
Melodeon manufactories.....	..	1	.....	190,000
Musical instrument manufactories.....	..	3	.....	7,500
Organ building establishments.....	..	3	.....	145,000
Organ pipe manufactory.....	..	1	.....	3,000
Paper ruler manufactory.....	..	1	.....	900
Piano forte manufactories.....	..	38	.....	2,000,162
Piano tool manufactory.....	..	1	.....	585
Piano hardware manufactories.....	..	2	.....	45,000
Piano stool manufactories.....	..	1	.....	6,000
Picture and mirror frame manufactories.....	..	8	.....	83,000
Printers' ink manufactories.....	..	3	.....	70,000
Printing offices.....	..	53	.....	1,545,500
Printing press manufactories.....	..	4	.....	670,000
Printers' roller manufactory.....	..	1	.....	4,000
Statuary.....	..	1	.....	3,000
Stereotyping establishments.....	..	12	.....	121,000
Type founderies.....	..	8	.....	383,000
Type founders' tool manufactory.....	..	1	.....	2,600
CLASS XIX.—Gunsmiths' shops.....	1	6	7,000	207,500
Military accoutrement manufactories.....	..	2	.....	12,000
Shot manufactory.....	..	1	.....	300,000

Classification.	KINGS		NEW YORK	
	Co.	Co.	Co.	Co.
Shot belt manufactory.....	..	1	.....	25,000
CLASS XX.—Bathing tub manufactories.....	..	2	.....	27,000
Dental instrument manufactory.....	..	1	.....	.....
Dentists' gold manufactory.....	1	..	100,000	.....
Surgical instrument manufactories.....	..	4	.....	16,000
Teeth manufactories.....	..	2	.....	94,000
Truss and bandage manufactories.....	..	1	.....	30,000
CLASS XXI.—Clerical robe manufactory.....	..	1	.....	850
Comb manufactories.....	..	3	.....	72,000
Corset manufactory.....	..	1	.....	4,000
Dress-making establishments.....	..	12	.....	425,500
Gentlemen's furnishing goods manufactories.....	..	10	.....	601,000
Glove and mitten manufactories.....	..	3	.....	36,000
Hair-dressing and wig manufactories.....	..	4	.....	67,000
Hat and cap manufactories.....	2	51	986,000	2,082,502
Hat block manufactories.....	..	3	.....	6,400
Hosiery manufactories.....	..	1	.....	12,000
Military and Firemen's cap manufactory.....	..	1	.....	900
Milliner shops.....	..	12	.....	341,540
Sewing machine manufactories.....	..	4	.....	245,600
Stock manufactories.....	..	1	.....	24,000
Tailor shops.....	..	126	.....	7,592,696
Umbrella and parasol manufactories.....	..	20	.....	1,173,583
CLASS XXII.—Altar ornament manufactory.....	..	1	.....	7,000
Artificial flower manufactories.....	..	4	.....	17,000
Band box manufactories.....	..	2	.....	16,800
Bird cage manufactories.....	..	3	.....	37,000
Butchers' shops.....	..	9	.....	1,763,860
Cane manufactory.....	..	1	.....	2,000
Cork-cutting establishments.....	..	2	.....	12,000
Fancy turning establishments.....	..	7	.....	108,000
Fishing rod manufactories.....	..	5	.....	26,200
Ice establishments.....	..	1	.....	25,000
Paper box manufactories.....	..	25	.....	464,500
Refrigerator manufactories.....	..	1	.....	22,500
Soda fountain manufactories.....	..	2	.....	85,000
Tobacco and segar manufactories.....	9	36	205,020	589,840
Undertakers' establishments.....	4	3	4,600	86,700
Unenumerated manufactures.....	13	17	157,000	1,275,019
Whalebone manufactories.....	..	2	.....	120,000
Totals.....	390	2,280	\$22,226,001	\$103,278,154

The preceding tabular returns have reference only to the Counties of Kings and New York, embracing mainly the cities of New York and Brooklyn. They represent, for this limited space only, 2,670 manufacturing establishments, and an aggregate annual product of \$125,504,155. We now proceed to show the results as to the whole State of New York, viz.: I. The number of establishments; II. The number of males, females, and minors employed; III. The power used; IV. The amount of capital invested; and V. The cash value of materials and of annual products of these manufacturing establishments.



SUMMARY OF CAPITAL INVESTED, VALUE OF RAW MATERIALS AND PRODUCTS, &c., OF THE STATE OF NEW YORK.  
 COMPILED FROM THE STATE CENSUS RETURNS OF THE YEAR 1855.

CLASSIFICATION.	PERSONS EMPLOYED.				POWER USED.	CAPITAL INVESTED.		CASH VALUE.		
	Men.	Women.	Boys under 18 years.	Girls under 18 years.		Total.	In Real Estate.	In Tools and Machinery.	Of raw materials.	Of manufactured articles.
I. Agricultural tools and implements.....	302	2,343	6	132	3	2,474	65	\$749,505	\$1,235,929	\$3,120,409
II. Metallurgy and manufacture of metals and instruments thereto.....	4,783	30,384	474	8,048	40	33,946	500	10,078,305	21,806,838	43,192,687
III. Manufactures of fibrous and textile substances.....	889	7,380	6,725	2,914	2,750	19,689	505	5,294,629	10,804,178	19,643,028
IV. Chemical processes, manufactures and compounds.....	1,531	11,944	941	1,275	486	14,646	115	11,497,274	35,692,784	61,527,083
V. Calorifics.—Lamps, stoves, grates, &c.....	57	1,732	1	148	1	1,879	3	616,900	201,963	2,348,431
VI. Steam engines, boilers, locomotives, &c.....	3	4,118	16	343	—	4,348	20	1,412,300	1,218,850	2,274,787
VII. Navigation and maritime implements.....	236	4,441	2	343	—	4,786	1	2,070,150	351,245	8,268,106
VIII. Mathematical, philosophical and optical instruments.....	49	304	11	337	1	337	9	105,550	135,440	537,010
IX. Civil engineering and architecture.....	554	5,149	29	139	1	5,317	63	1,606,630	443,511	3,653,398
X. Land conveyance.....	1,462	7,889	12	352	9	8,269	125	2,205,432	819,154	6,977,848
XI. Hydraulics and pneumatics.....	12	77	—	18	—	511	7	97,910	79,465	691,675
XII. Lever, screw, and other mechanical powers.....	1518	3,505	6	114	9	3,634	1,172	8,159,940	2,171,853	158,700
XIII. Grinding mills, mill gearing, &c.....	6,704	20,757	55	697	5	21,514	4,274	9,951,174	3,004,875	24,208,041
XIV. Lumber, including tools and machines for its manufacture.....	865	11,291	90	895	37	12,313	146	3,895,680	1,132,854	9,494,217
XV. Stone, clay, pottery and glass manufacture.....	3,015	15,902	9,215	988	237	19,342	438	4,489,182	956,917	14,921,705
XVI. Leather and manufactures therefrom.....	959	7,493	789	1,172	225	9,679	174	1,977,379	859,894	3,795,337
XVII. Household furniture, and machines and implements.....	76	508	9	60	6	683	89	2,436,717	1,005,309	3,371,788
XVIII. Arts, polite, fine and ornamental.....	34	143	40	28	—	211	3	172,145	140,640	589,764
XIX. Firearms and implements of war.....	1,010	1,481	24,384	987	1,343	38,195	27	2,504,873	791,649	13,656,115
XX. Surgical, medical and dental instruments.....	497	4,092	719	949	430	6,190	15	1,782,672	1,112,531	22,043,229
XXI. Wearing apparel, articles for the toilet, &c.....	94,833	155,139	37,771	15,736	6,233	214,899	2,444	\$71,130,407	\$25,219,570	\$178,394,329
XXII. Miscellaneous manufactures.....										\$317,428,331
Total, State of New York, 1855.....										

## LORD OVERSTONE'S WRITINGS.

WE have received from London three volumes issued by Messrs. Longman, Brown & Co., containing the Financial writings of Lord Overstone (formerly Mr. Jones Loyd). The first is entitled "Tracts and other Publications on Metallic and Paper Currency," including ten tracts or essays published originally between the years 1837-1857, mainly on the causes and consequences of the pressure on the money market (of 1837), and on the charter, management, &c., of the Bank of England, with his evidence before the Select Committee of the House of Commons on Banks of Issue in 1840. To this volume Mr. J. Ramsay McCulloch (author of the Dictionary of Commerce) has prepared an introduction.

The second volume is entitled "The evidence given by Lord Overstone before the Select Committee of the House of Commons of 1857, on Bank Acts." For this volume Lord O. has written a preface, embodying a summary of his views on the Currency question and Collateral topics before the people of Great Britain.

The observations in these two elaborate volumes (pp. 600 and 316) apply more especially to the peculiar features and condition of the English currency question. There are a few persons in this country who are desirous of ascertaining what his views are, but unfortunately the number is so small that no publisher will undertake to reprint them.

The third volume is "A Treatise on Metallic and Paper Money and Banks," by J. R. McCulloch, Esq., written for the new edition of the Encyclopedia Britannica, and published in the fifteenth volume of that work. We took occasion some weeks since to quote from this volume Mr. McCulloch's sketch of the history and condition of the Bank of France. The present volume, as well as any thing from the pen of Mr. McCulloch, should be republished for the information of American readers. In his introduction to Lord Overstone's larger volume, Mr. McCulloch remarks :

"One of the tracts in this volume, 'The Petition of the Merchants, Bankers, and Traders of London against the Act of 1844, with Comments on each Clause,' was the joint production of Lord Overstone and Colonel Torrens, one of the ablest and most consistent supporters of the Act. Inasmuch, however, as their respective contributions were so blended together as to make their separation impossible, it was thought best to reprint the entire tract with this notice of its divided paternity.

"There is only one other part of the volume which may, perhaps, be thought to require explanation. In 1840 a Committee was appointed by the House of Commons to inquire into the condition of the currency and of Banks of Issue. In addition to some of its ablest members, this Committee comprised others distinguished by their peculiar views, or rather crotchets, in regard to money matters. The evidence of Lord Overstone being entirely subversive of the theories and nostrums of these parties, was of course very distasteful to them, and they showed their irritation by addressing to him an all but interminable series of questions, very nearly identical, and leading to no practical result. That portion of the evidence

which consists of answers to these questions had, in consequence, comparatively little bearing on the really important topics into which the Committee was commissioned to inquire."

To the other volume Lord Overstone has added a preface, which we insert here entire.

Some explanation is necessary of what may otherwise have the appearance of presumption in publishing in this separate form, the evidence given by me before the Committee to which the subject of the Bank Charter Act was referred in the last session, and which has already appeared in common with the evidence given by several other witnesses, in the Parliamentary Report. In the year 1833, I was summoned for the first time before a Parliamentary Committee, in reference to the banking and monetary arrangements of the country. Bearing in mind the instructive events of 1825, and the extravagant proceedings of the country banks so intimately connected with the excitement and ultimate convulsion of that period, I then expressed my opinion,

1. That inconvenience and difficulty must arise from any multiplication of the issuers of paper money.

2. That, upon general principles, one bank only of issue throughout the country would be the best system.

3. The essential importance of a full and regular publication of the accounts of the bank, including the bullion.

4. The expediency of repealing the usury laws.

In 1840, I was again called before a Committee of the House of Commons on Banks of Issue.

The perilous position into which the monetary system had been brought in the preceding years, 1837 and 1839, was then fresh in the recollection of the public, and the necessity of some further protective measures, by which the recurrence of similar danger should be effectually obviated, was very generally recognized. A careful consideration of the subject at that time led me to the conclusion that adequate security for maintaining the power to pay the notes of the bank in specie, under all contingencies, must be sought in some further provisions supplementary to those contained in the Act of 1819. The discretionary power over the amount of their issues vested in the Bank Directors by that act, and upon which the public reliance had hitherto rested, was proved by the course of events to be an insufficient security. It appeared to me essential that the privilege of issuing bank notes, that is, of creating money, should be separated, distinctly and entirely, from the business of banking, that is, dealing in money. I therefore advocated before that Committee the separation of the departments of the Bank of England, and the establishment of such further regulations as should secure perfect coincidence at all times between the fluctuations in the amount of the metallic money, as indicated by the state of the bullion. These opinions were very distasteful to some parties; and I was subjected to a protracted and hostile cross-examination, which necessarily drew from me a full statement of the principles by which my judgment had been guided. A few years subsequent to this, the act of 1844 was passed, subjecting the monetary system to regulations which seemed to me to rest upon sound principles, and which I felt great confidence would, under any trial to which they might be subjected, prove sufficient

protection of the bullion reserve, as the means of maintaining the convertibility of the bank note.

In 1848, Parliament was again called to deliberate upon this subject. The very peculiar events of 1847 had led to a temporary suspension of one of the main provisions of the act of 1844. Being called before the Committees of each House of Parliament I endeavored to show that the events of the preceding year, when properly understood, afforded no evidence of failure in the act of 1844 to accomplish its real purpose. On the contrary, I maintained that the effectual protection of the bullion reserve, through all the pressure and convulsion of that remarkable year, was attributable exclusively to the provisions of the act; whilst the difficulties of that period were the result of extensive mercantile insolvency, further complicated by an unnecessary public panic, generated by ignorant and unfounded apprehensions respecting the operation of the act. Ten more years having elapsed, it has now become competent for Parliament to revise the act of 1844, to repeal or to modify any or all of its provisions.

Before the Committee to which this question has been referred, objections of a novel and rather extraordinary character have been urged against the fundamental principles of the bill. It has been my endeavor, in the evidence which I have given, to show the fallacious and untenable character of these objections, and at the same time to draw attention to the confirmation of all the main principles of the act, which may be derived from the practical experience of its operation, during the thirteen years of its existence. All the important parts of the evidence given by me before previous committees, have already been printed in a separate form: to that I now venture to add the evidence given before the committee of last session; being desirous that the grounds upon which I originally advocated the principles on which the act is founded, and the reasons by which I have steadily endeavored to defend it against the ever-varying objections of its assailants, may appear in an uninterrupted and complete form.

To the evidence as delivered before the Committee, I have made some subsequent additions, with the view either of stating more fully the reasons upon which an opinion is founded, or of supporting that opinion by reference to those which are universally recognized as the highest authorities. These additions are placed between brackets, and it will be seen that they in no respect alter the purport of the evidence, as given in the first instance. I now take final leave of this protracted discussion, with a painful consciousness of my incapacity to do justice to the importance of the subject. The principles which are at issue were first brought to light, and established as scientific axioms, by really great minds: my more humble endeavor has been to assist in defending those principles against the transient objections of the day, and in maintaining a great public measure which is a direct and legitimate consequence of those principles. To one test of truth, and that not an unimportant test, I confidently submit the evidence which I have given on consecutive occasions, through a period of more than twenty years. The opinions which I have given, and the reasons by which I have supported them, have been consistent throughout. It would have involved no discredit if the instruction to be derived from the varied course of monetary events, and the accumulating experience of this long period, had necessitated the abandonment or modification of some of the views urged in the earlier stages of the discussion. I am not aware, however, of any principle

once maintained in my evidence or in my publications which has not been confirmed by the ordeal to which it has been subjected, nor of any anticipation which has not been realized by the subsequent course of events.

Previously to 1844, the store of bullion had been reduced on several occasions to a very low amount, and great public alarm as to the power of maintaining specie payments had ensued. The mere convertibility of the note had proved wholly insufficient as a protection against this danger, and reliance upon the discretion of the bank direction had been found in the hour of trial to be delusive. This fact admits of no denial. The act of 1844 was resorted to. The supporters of that act in recommending it to public confidence ventured to make two predictions: That, under the provisions of the act, the extreme and dangerous exhaustion of the bullion would become impossible; and further, that this result would be accomplished without in any respect interrupting or checking the development of national prosperity. It is undeniable that both these prophecies have been fulfilled. During two periods of monetary pressure which has severely tried every trading country in the world, the store of bullion in this country has been effectually maintained, whilst the trade of the country during the time in which the act has been in force, has increased possibly with too much rapidity.

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## A STATE CLEARING HOUSE.

**REPORT OF THE COMMITTEE OF THE CHAMBER OF COMMERCE OF CINCINNATI.**—The duty devolved by the Chamber of Commerce upon this committee, by their action of 29th of March, is to use the words of their Resolution, "To report upon the expediency of having a redeeming agency established in this city by the country banks." In fulfilling this duty they submit the following as their report:

The annually published statements of the Cincinnati Chamber of Commerce show fully the extent of trade and manufactures of this city, and it will be seen clearly, on reference to these statistics, that it has become the centre of the jobbing or supply trade of this, the neighboring, and their contiguous States. In the opinion of your committee it has become, in an even greater degree, a centre of monetary influence, so that now there is an annual demand for bills of exchange, chiefly upon Eastern cities, to the amount of between 65 and 70 millions of dollars. This enormous amount is supplied from the sales of produce, inter-exchanges of various kinds, but in a large proportion is drawn from banks of circulation, in exchange for their circulating notes.

The providing these exchanges, consequent upon the increased business of this city and increased facilities of travel, has brought about the present "Brokers" or "Assorting System," which, in the absence of any other medium, your committee feel, has been a beneficent, though an expensive one, to the Banks and merchants. It has kept down an undue expansion of paper circulation at times when such retrenchment was imperative to the best interests of the community, and although often at exorbi-

tant rates, it has furnished exchange to the merchant, when without this medium it would not have been procurable. But while it has mainly derived its capital from the deposits of merchants and manufacturers, it has been, and will continue to be antagonistic to their interests, in seeking for the largest possible premium of exchange, for from this source its profits are derived; and its effect has already been to force some of the mercantile houses of larger business into competition with them for their own special supplies.

The country banks can best judge how far this system is opposed to their own prosperity, and it seems not necessary to multiply details upon this point. It must be apparent to all, that in the present extension of railroads and express agencies, when an average of two days suffices to make redemptions at all points in Ohio, Indiana and Kentucky, and many in Illinois, the banks of circulation in issuing notes should, as a practical view, expect to be called upon after a short period to redeem them, and this time of curtailment of circulation will keep pace with such increased facilities of travel. In New England and New York, Redeeming Agencies followed almost immediately upon increased railroad communication, and have exerted a highly beneficial influence not only upon the mercantile community, but upon the banks themselves. The ancient stage coach times of our Western States have ceased, and in the opinion of your committee it will be true wisdom to let their remembrance pass away also.

Your committee have some hesitancy in making special recommendation upon the expediency of a Redeeming Agency to the neighboring banks, because it is a matter in which they have so large an experience and so exclusive an interest. They feel authorized in reporting that, so far as these banks in establishing and continuing such an Agency here look to our merchants' and manufacturers' interest, so far they will be supported and sustained by them.

The advantages to be derived by the Banks in making such Agency here are, obviously, the control of their own business by their own agents, instead of their business being controlled by ten or a dozen agents, whose interests are antagonistic; and the economy of employing one set of machinery as contrasted with the cost of ten or a dozen sets. This is a practical matter, which needs but little discussion to come to correct results.

Your committee would advert to the fact that Redeeming Agencies have twice been successfully established in this city; the last by the Ohio Banks in 1850; and it is believed by your committee that the present time, from the present and prospective low rate of Exchange, is unusually favorable for the commencement of such an enterprise; and that but a moderate capital will be required for its successful prosecution.

W. W. SCARBOROUGH,	} <i>Committee.</i>
W. HOOPER,	
JOSEPH C. BUTLER,	
R. B. BOWLER,	
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CINCINNATI, April 28, 1858

## THE STATE BANK OF IOWA.

APPROVED MARCH 20, 1858.

## AN ACT TO INCORPORATE THE STATE BANK OF IOWA.

*This law will be submitted to a popular vote of the people of Iowa, on the fourth Monday in June, for their approval: but will have no effect until approved.—ED. B. M.*

§ 1. *Be it enacted by the General Assembly of the State of Iowa, That the State Bank of Iowa be and the same is hereby incorporated with all the powers hereinafter granted, and by that name shall be capable of contracting and being contracted with, and of prosecuting and defending actions as fully as natural persons, and of doing all other acts necessary to effect the objects contemplated in this act by the creation of said corporation.*

§ 2. *That as soon as five or more branches of the State Bank of Iowa shall be organized as in this act is authorized, the Directors of the said State Bank of Iowa, appointed by such branches, shall meet in Iowa City at such time as shall be designated by the Board of Bank Commissioners, who shall give ten days' previous notice to each branch of the time of such meeting, and provided two-thirds of the whole number of such Directors shall be convened, they shall organize by taking an oath, diligently, faithfully, and impartially to perform the duties imposed upon them by this act, a certificate of which oath, signed by each Director, shall be filed and preserved in the office of the Secretary of State, and by electing some one of their number as President, who shall preside at the meeting of the Board, and sign its official documents; and thereafter the directory of the State Bank shall be composed of one Director appointed by each branch of said Bank, two-thirds of whom shall be a quorum; and other branches may be organized under such Directory as is herein provided.*

§ 3. *The Directors shall, when they deem it necessary, elect a Vice-President, whose duty shall be prescribed by the by-laws. They shall appoint a Secretary, who shall keep a fair and true record of the proceedings of the Bank. They shall keep an office in Iowa City, which, together with their books, papers, records, and accounts of every description, shall at all times be open to the inspection of any committee of the General Assembly, or either branch thereof, and of any commissioner or commissioners specially appointed for that purpose by the General Assembly, or either branch thereof, or by the Governor of the State. They shall procure and furnish each branch with notes for circulation, and decide on the amount to be furnished from time to time to each, within the limits and agreeably to the rules and restrictions prescribed by this act. They may prescribe rules for the settlement of balances between branches, revise their bye-laws and regulations concerning charges for making collections, and cause both to be made uniform, or as nearly so as may be expedient. They shall have power by themselves, or by a committee of one or more members of their own*

body, or by a special agent appointed by them for that purpose, whenever, and as often as they shall think proper, to visit any branch, inspect its books, records and accounts, and all the evidences of debt due to and securities held by such branch, examine and ascertain the amount of money and other property held by such branch; examine on oath the President, Vice-President, and Directors, and Cashier, and all other officers, agents, clerks or servants of the branch, touching its condition, means and liabilities; they shall have power to require any branch to reduce its circulation or other liabilities within such limits as they shall, after full inquiry into its condition, deem necessary to secure from loss either the dealers with such branch, or the other branches of the State Bank of Iowa. They shall, as soon after the first Monday of every month as practicable, publish in some newspaper printed at Iowa City, a consolidated abstract of the monthly reports of all the branches, showing their assets, liabilities and condition, which statement shall be recorded in a book or books to be kept for that purpose. They may appoint an executive committee of not less than three, of whom the Vice-President shall be one, to act in behalf of the Bank in all such cases as shall be prescribed by the by-laws of said Bank, not inconsistent with this act.

§ 4. The President, Vice-President, Secretary, and all other officers or agents of the Bank, shall each receive such compensation for their services as said Bank shall allow, which shall be assessed upon the several branches of the State Bank of Iowa, in the ratio of their capital stock. The Bank may also allow the executive committee such compensation as it may deem just and reasonable, to be paid by the several branches in the same manner; and the expenses of procuring plates and printing notes of circulation shall be paid by the several branches in the ratio of the notes of circulation received by each.

§ 5. Each Director of the Bank, appointed by the branches, shall continue in office until the first Monday in February next after his appointment, and until his successor shall be appointed and qualified; vacancies in the Board shall be filled by the branch by which the appointment vacated was made. In voting, each member shall be entitled to two votes, and to one additional vote for every fifty thousand dollars of the amount of capital stock paid in to the branch represented by him over one hundred thousand dollars at the time of such voting. The President and Vice-President of the Bank shall hold their offices for one year, and until their successors are appointed, but they may be removed by a resolution of the Board. They and all other officers and agents of the Bank shall take an oath faithfully, diligently, and impartially to fulfil the duties of their appointments, and not knowingly violate any of the provisions of this act. They shall be required to give bond in such sum and with such securities as the Bank shall prescribe, and all vacancies in said appointments shall be filled by the Bank.

§ 6. All notes designed for circulation by the branches, shall be furnished by the State Bank of Iowa, but no notes shall be delivered to any branch until they are numbered and countersigned by some person authorized by the State Bank of Iowa to countersign the same as register, and a full record of such numbering and countersigning, made in a book provided for that purpose, and all such notes shall have stamped or printed on their face the words, "Registered by the State Bank of Iowa." All notes so worn, defaced or mutilated, as to be unfit for circulation, shall be returned



by the branch by which they were issued, to the Bank, and an equal amount of new notes received therefor; all such notes so returned by a branch, shall be credited, and all new ones delivered in their stead shall be charged to such branch on the books of said Bank; and the notes so returned shall be burned to ashes in the presence of the President or Vice-President, and at least two of the Directors of said Bank.

§ 7. Before the Bank shall deliver to any branch notes for circulation, it shall require such branch to pay over or deposit to the credit of said Bank, as said Bank shall order, either in money or United States stocks, or interest-paying State stocks, at their current value in the city of New York, but in no instance above their par value, an amount equal to 12 1-2 per cent. on the amount of the notes for circulation, which shall be delivered to such branch. And so from time to time as any branch, by the paying of an additional amount of its capital stock, or by not having received the amount of notes for circulation to which it was previously entitled, shall receive an additional amount of notes for circulation, such branch shall deposit with the Bank 12 1-2 per cent. on the amount of notes so received; and the stocks and money so deposited shall be denominated the "Safety Fund," and shall be invested as hereinafter provided, and held by the Bank as the property of said branch, in trust for the benefit of the several branches of the State Bank of Iowa, and a fund for the redemption of the notes of circulation of any one or more of said branches that may fail to redeem the notes, to be applied to that purpose in the manner pointed out in this act.

§ 8. All money so deposited or paid to the Bank on account of the Safety Fund by any branch, shall be, under the direction of said Bank, invested either in interest-paying stocks of States or of the United States. Each branch shall be entitled to receive its interest accruing on the stocks in which its portion of the Safety Fund shall have been invested; and in case of the insolvency of any branch, the stocks in which the money of such branch shall have been invested as aforesaid, if the proceeds of such stock shall be sufficient to redeem its outstanding notes of circulation, shall as far as practicable be first converted into money, and applied to that purpose, before any part of the Safety Fund belonging to other branches shall be so applied.

§ 9. The State Bank of Iowa shall not furnish to any branch, circulating notes to an amount bearing a greater proportion to the capital stock of said branch, actually paid in and at the time remaining undiminished by losses, or withdrawal, than the proportion hereinafter specified: that is to say, on the first hundred thousand dollars, or any lesser amount of its capital, not more than twice the amount of such capital; on the second hundred thousand dollars, or part thereof, not more than one and three-quarters the amount of such capital over one hundred thousand; on the third hundred thousand dollars, or part thereof, not more than one and a half the amount of such capital, over two hundred thousand; nor shall said bank furnish to any branch circulating notes of any other denomination than of one dollar, two dollars, three dollars, five dollars, ten dollars, twenty dollars, fifty dollars, and one hundred dollars.—Of the notes furnished to any branch, not more than ten per cent. of the amount shall be in notes of one dollar each, not more than ten per cent. in notes of two dollars each, and not more than twenty-five per cent. shall be in notes of all denominations

under five dollars, and not more than fifty per cent. in notes of all denominations under ten dollars.

§ 10. If any branch of the State Bank of Iowa shall refuse to pay its notes of circulation, or any of them, in gold or silver coin, the lawful currency of the United States, on which payment shall be lawfully demanded at its banking-house or customary place of doing business, during the usual banking hours, such branch shall be deemed to have committed an act of insolvency; and thereupon all its property, credits, securities, liens and assets of every description shall forthwith vest in and be the property, credits, securities, liens and assets of the State Bank of Iowa, for the uses and purposes declared in this act. And the said branch shall only be allowed to make payment of any such lawful demand in silver coin where the sum so demanded does not exceed the amount for which silver coin is a legal tender according to the laws of the United States, and when payment shall be demanded on more than one of its notes at the same time, the aggregate amount of such notes so presented for payment, to the amount of one hundred dollars, shall be considered but one demand.

§ 11. The State Bank of Iowa, on receiving information that any branch has committed such act of insolvency, shall forthwith appoint a committee of one or more of its Directors, or others, who shall make immediate inquiry into the truth of such information, and report thereon to the Bank; and if the Bank shall be satisfied from the report of the committee that such branch has suspended the payments of its notes in gold and silver, as provided in section ten (10), it shall forthwith appoint a suitable receiver or receivers, who shall take immediate possession of the books, records, money, choses in action, and property of such branch, of every description, and hold the same for the joint use of the other branches of the State Bank of Iowa and the creditors of the failing branch; and the State Bank of Iowa shall immediately provide money, and place the same in such solvent branch or branches as may be most convenient for the purpose of redeeming the notes of such failing branch, and shall give public notice thereof in some newspaper printed in the place where such failing branch is located; also, in some newspaper of general circulation published in Iowa City.

§ 12. 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, as provided in the preceding section, on the requisition of the State Bank of Iowa, and may be remunerated for such contribution from the Safety Fund, as soon as money sufficient can be raised from that fund, by a sale or hypothecation of the stock, funds, or other securities belonging thereto.

§ 13. The receiver or receivers appointed as provided in the eleventh section, shall be required to give bond in such sum, and such securities as the State Bank of Iowa, or Executive Committee, shall judge sufficient, and, under the direction of said Bank, shall proceed to settle up the affairs of such branch, and convert its assets into money; the money so made shall be applied:

First: To reimburse all moneys which shall have been advanced by the several branches, for the redemption of the notes and bills of the insolvent branch, and which may not have been previously reimbursed from the Safety Fund.

Second: To reimburse all moneys advanced from the Safety Fund,

other than moneys derived from that portion of the Safety Fund furnished by the failing branch.

Third: To the payment and discharge of all the remaining liabilities of such branch; and

Fourth: The residue shall be divided among the stockholders of the failing branch, in proportion to the stock by them respectively held.

§ 14. If any branch against which the State Bank of Iowa shall have instituted proceedings on account of any supposed act of insolvency, as prescribed by the eleventh section of this act, shall deny having committed such act of insolvency, such branch may apply to any court of competent jurisdiction for a writ of injunction to said State Bank of Iowa, to suspend all further proceedings against such branch as an insolvent Bank; and such court, after citing said State Bank of Iowa to appear and show cause why such writ should not be granted, and after the finding of a jury that such branch has at all times continued, and still continues to redeem, in gold and silver coin, its notes of circulation, shall make an order, enjoining the State Bank of Iowa from all further proceedings against such branch on account of the supposed act of insolvency on which such proceedings were instituted, and thereupon all the property and assets of such branch shall be restored to its Directors.

§ 15. If the State Bank of Iowa shall, in any case, fail to proceed in the manner prescribed in the foregoing sections of this act, in providing for the payment of the outstanding notes of circulation, and in closing the affairs of any branch that shall have committed an act of insolvency, the holder of any of its notes of circulation, or other creditor of such branch, may, in case payment of such notes of circulation or other claim has been refused when lawfully demanded, and remains unpaid, apply to any court of competent jurisdiction for its writ, commanding the State Bank of Iowa so to proceed; and it shall be the duty of such court, after citing such Bank to appear and show cause why such writ should not issue, and upon the finding of a jury that such act of insolvency has been committed, to issue their writ, commanding said Bank forthwith to proceed in the manner pointed out in the preceding sections of this act to provide for the payment of the outstanding notes of such branch, close up its affairs, and make application of its assets.

§ 16. That if any branch shall neglect or refuse to comply with any order of the State Bank of Iowa, requiring such branch to reduce its circulation or other liabilities, or provide a larger amount of specie or other means, or to pay in its stock, or to do, or to cause to be done, any other matter or thing which said Bank may deem necessary for the security of such branch, or any other branch or branches, said Bank, or any Director thereof, acting for said Bank, may apply to any judge of the Supreme Court or District Court, or any judge of a Superior Court, or to any judge of any other court, not inferior to the District Court, by petition, in which the State Bank of Iowa shall be made petitioner, and the branch implicated defendant, setting forth the substance of such order or orders, and such neglect or refusal on the part of the branch, its officers or agents, to comply therewith; and if the President, Vice-President, or any Director of the Bank, shall make affidavit of the truth of the facts therein stated, it shall be the duty of such judge to allow an injunction, and to enjoin such branch, its officers and agents, and all others in its employ, or connected therewith

from doing, or suffering, or permitting to be done, any business whatever as a Bank, and from intermeddling with, or in any manner disposing of, the books, papers, monies, choses in action, assets, or property of the branch, until the further order of the Supreme Court, as soon as an injunction is allowed.

§ 17. Upon the allowance of such injunction, the property, credits, sureties, liens and assets of every description, of such branch, shall forthwith vest in the State Bank of Iowa, who shall appoint a receiver to take possession of the same, as provided in the eleventh section of this act. A certificate of appointment of such receiver, by the judge, or court, or clerk thereof, making the same, shall be sufficient authority to him to take possession of the books, property and rights of every description of such branch, and shall be full authority to the sheriff of the county where the branch is located to take and give full possession of such books, property and rights, with the aid of the county, if required; and said bank receiver shall be governed by the provisions of this act, as provided in cases of suspension; and upon the dissolution of such injunction, or a discontinuance of such suit by the Bank, all the rights and property of such branch shall be restored to and vest in such branch.

§ 18. Natural persons, not less in number than five, may associate and form branches of the State Bank of Iowa, for the purpose of carrying on the business of banking, each at such place in the State as shall be designated in the certificate hereinafter required to be made, subject to the contingencies, restrictions, condition and liabilities prescribed in this act.

§ 19. Persons associating to form a branch shall, under their hands and seals, make a certificate, which shall specify:

First: The name assumed by such branch, and by which it shall be known in its dealings, in which name shall be included the name of the city, village or town in which its banking operations shall be carried on.

Second: The amount of the capital stock of such branch and the number of shares into which the same is divided.

Third: The name and place of residence and the number of shares held by each member of the company.

Fourth: The time when such company shall have been formed.

Which certificate shall be acknowledged before a justice of the peace or notary public, and shall be recorded by the recorder of the county where such branch is to be established, in a book to be kept by him for that purpose, which shall at all times during office hours be kept open for the inspection of any person wishing to examine the same; one copy of which certificate, duly certified, shall be transmitted to the Secretary of State, who shall record and carefully preserve the same in his office, and another to the Bank Commissioners in this act named, until the organization of the State Bank of Iowa, and thereafter to said Bank.

§ 20. The officers of each branch shall, at the end of every month, cause to be prepared a statement of the number, names and place of residence of each stockholder in such branch; also, the amount of stock owned by each, and the date of the transfers of any stock, with the names of the transferer and transferee, one copy of which statement shall be posted up in some conspicuous place in the Bank, and one copy shall be caused by the Bank to be filed in the office of the recorder of deeds in the county wherein such branch is located, which last-mentioned copy, or a certified copy of the same

under the hand of the recorder, shall be prima facie evidence in any court of justice in this State in a suit between the branch or State Bank of Iowa and any third person.

§ 21. No branch shall be permitted to commence or carry on the business of banking under this act, unless its capital stock shall be at least \$50,000, nor shall the capital stock of any such branch ever be increased to exceed \$300,000.

At least 50 per cent. of the capital stock of each branch shall be paid in gold and silver coin, and shall be in the actual possession and bona fide the property of the branch at the time of the commencement of its banking business, and the remainder of the capital stock of such branch shall be paid in gold and silver as aforesaid in instalments, each of at least ten per cent. on the whole amount of capital subscribed, as frequently as once in every four successive months, from the time of commencing business until the whole amount of such capital shall be paid up. *Provided*, That the Directors may postpone the payments of the deferred instalments, or any part thereof, to the branches when satisfied that the public interest does not require them to be paid as frequently as above provided for.

§ 22. If any shareholder or his assignee shall fail to pay any instalment on his stock when the same shall be required to be paid, the branch may sell said stock at public auction, having given three weeks' previous notice thereof, in a newspaper published in the county where the branch is located (and having mailed a written notice to such delinquent shareholder or his assignee), to any person who will pay the highest price therefor, not less than the amount unpaid thereon; and the excess, if any, after paying the expenses of the sale, shall be refunded to the delinquent stockholder.

If no bidder can be found who will pay for such stock the amount unpaid thereon to the branch, and cost of advertisement and sale, the amount previously paid shall be forfeited to the branch, and such stock may be subsequently sold in such manner as the branch may order.

The capital stock of each branch shall be divided into shares of one hundred dollars each, and a stock-book shall be kept by each branch Bank, showing who are the stockholders, and what amount is held by each individual or company, which stock shall be assignable only on the books of the branch in such manner as its by-laws shall prescribe; but no shareholder shall have power to sell or transfer any shares held in his own right for the purpose of escaping liability when a Bank is involved, or so long as he shall be liable, either as principal, debtor, surety, or otherwise, to the branch for any debt, nor shall such shareholder, when liable to the branch for any debt that is overdue, be entitled to receive any dividends, interest or profit on such shares so long as such liability shall continue; but all such dividends, interest or profits shall be retained by the branch, and applied to the discharge of such liabilities.

§ 23. No branch shall take, as security for any loan or discount, a lien on any part of its capital stock, or any other than personal security; and the same security, both in kind and amount, shall be required of shareholders, as of persons not shareholders; and no branch shall be the holder or purchaser of any portion of its capital stock, or of the capital stock of any other incorporated company, unless such purchase shall be necessary to prevent loss upon a debt previously contracted in good faith, on security which at the time was deemed adequate to insure the payment of such debt, independent of any lien upon such stock; or in case of forfeiture of stock for the

non-payment of installments due thereon, as provided in the twenty-second section; and stock so purchased shall in no case be held by the branch so purchasing for a longer period of time than six months, if the same can be sold for what the stock cost, or at par.

§ 24. In all elections of Directors, and in deciding all questions at meetings of the stockholders, each share shall entitle the owner thereof to one vote; stockholders may vote by proxies, duly authorized in writing; but no officer, clerk, teller or bookkeeper of the branch shall act as a proxy, and no stockholder whose liability to the branch is past due and unpaid shall be allowed to vote.

§ 25. The affairs of each branch shall be managed by not less than five nor more than nine Directors. Every Director shall be a citizen of the United States, and shall during his whole term of service reside in this State.

Each Director shall take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the branch, and not knowingly violate or willingly permit to be violated any of the provisions of this act; that he is a bona fide owner, in his own right, of the stock standing in his name on the books of the branch, and that the same is not hypothecated or in any way pledged as security for any loan obtained or debt owing; which oath, subscribed by himself and certified to by the officers before whom it is taken, shall be filed and carefully preserved in the office of the Recorder of the county in which the branch is located; but no person shall be President or Director of more than one branch at the same time.

§ 26. The stockholders, collectively, of any branch shall at no time be liable to such branch, either as principal debtors or sureties, or both, to an amount exceeding three-fifths part of the capital stock of such branch, then actually paid in, and remaining as capital stock; nor shall the Directors, collectively, be so liable to an amount exceeding one-fifth part of the stock actually paid in, standing in their names, and of which they are, collectively, the bona fide owners in their own right.

§ 27. The Directors of any branch, first elected, shall hold their place until the first Monday in January next thereafter, and until their successors shall be elected and qualified; all subsequent elections shall be held annually on the first Monday of January, and the Directors so elected shall hold their places for one year, and until their successors are elected and qualified. Any Director removing from the State, or ceasing to be the owner of the requisite amount of stock, shall thereby vacate his place. Any vacancy in the Board shall be filled by appointment by the remaining Directors; the Director so appointed shall hold his place until the next annual election; and if, from any cause, an election of Directors shall not be made at the time appointed, the branch shall not for that cause be dissolved, but an election may be held on any subsequent day, thirty days' notice thereof having been given in a newspaper printed in the county where the branch is located.

§ 28. Every branch authorized to carry on the business of banking under this act, shall be held and adjudged to be a body corporate, with succession, from the date of its certificate of association until the first day of July, A. D. 1878, and thereafter until its affairs can be closed; and by its corporate name shall be competent to contract, prosecute and defend actions of every description, as fully as natural persons; and process against such branch may be served upon its President or Cashier, or by leaving a copy thereof at its usual place of business, during the usual business hours.

Each of said branches shall, during the term aforesaid, if so long it shall comply with the provisions of this act, have power to issue notes for circulation furnished it by the State Bank of Iowa, to loan money, buy, sell and discount bills of exchange, notes and all other written evidences of debt, except such as it shall be prohibited by this act from buying, selling and discounting; but no such loan shall be made on any note, bill of exchange, or other evidence of debt having more than four months to run before maturity; shall have power to receive deposits; buy and sell gold and silver coin and bullion; collect and pay over money, and transact all other business properly appertaining to banking, subject, however, to the provisions and restrictions of this act; may acquire, hold and convey such real estate as may be necessary for the convenient transaction of its business, and no more; but may, however, acquire title to any real estate pledged to secure any debt previously contracted, or purchased on an execution or order of sale, to satisfy any judgment or decree in its favor, or which shall have been conveyed to it in payment of any previous debt; but shall not hold any real estate so acquired longer than, in the judgment of the Board of Directors, is necessary to save the said branch holding such real estate from loss; and it is hereby made the duty of the Board of Directors of each branch to offer any real estate so acquired for sale at least once in each year, first giving thirty days' notice in some newspaper published in the country where such real estate is situated, of the time and place of such sale, if any newspaper be published in such county, and if not, then in some newspaper published the nearest thereto; and at such sale, if the amount bid for such real estate be sufficient to reimburse the said branch in the amount for which such real estate was taken by the branch, with interest and cost, then it shall be the duty of the Board of Directors of such branch to sell and convey such real estate, but not otherwise, unless in their judgment it be deemed necessary for the interest of the said branch to do so.

§ 29. No branch shall at any time issue or have in circulation any note, draft, bill of exchange, acceptance, certificate of deposit, or other evidence of debt, which, from its character or appearance, shall be calculated or intended to circulate as money, other than such notes of circulation as are by this act described, and which such Bank is by this act authorized to issue for the purpose of being circulated as money.

§ 30. Each branch shall receive at par at the office or banking-house of such branch in payment of debts due at such branch for notes of hand, bills of exchange, or other evidence of debt, discounted or purchased by, or belonging to such branch, the notes of circulation issued by any other branch of the State Bank of Iowa.

§ 31. Each branch shall at all times have on hand, in gold and silver coin in its vault, an amount equal to at least twenty-five per cent. of the amount of its outstanding notes of circulation; and whenever the amount of its outstanding notes of circulation shall exceed the above-named proportion, no more of its notes shall be paid out, or otherwise put in circulation by such branch, nor shall such branch increase its liabilities by making any new loans or discount, other than discounting or purchasing bills of exchange, payable at sight, nor make any dividend of its profits, until the required proportion between its outstanding notes of circulation and gold and silver coin on hand shall be restored.

§ 32. Each branch of the State Bank shall be required to keep in its vaults, over and above the amount required to be kept for the protection and redemption of its circulation as required in the last preceding section, at least twenty-five per cent. of its current deposits, and shall be prohibited from paying interest on current deposits.

§ 33. No branch authorized under this act shall at any time be indebted or in any way liable to an amount exceeding two-thirds of its capital stock, at such time actually paid in and remaining as capital stock undiminished by losses or otherwise, except on the following account—that is to say :

1st. On account of its notes of circulation.

2d. On account of moneys deposited with or collected by such branch.

3d. On account of bills of exchange or drafts drawn against money actually on deposit to the credit of, or due to such branch.

4th. Liabilities to its stockholders on account of money paid in on capital stock, dividends thereon, and undivided profits.

Nor shall any branch, either directly or indirectly, pledge, hypothecate or exchange any of its notes of circulation for the purpose of procuring money, to be paid in on its capital stock, nor pledge or hypothecate, directly or indirectly, any of such notes to be used in its ordinary banking operation.

§ 34. No branch shall, during the time it shall continue its operation as a branch, withdraw or permit to be withdrawn, either in form of dividends or loans to stockholders, for a longer period of time than four months, or in any other manner, any portion of its capital stock ; and if losses shall at any time have been sustained by any branch, equal to, or exceeding its undivided profits then on hand, no dividends shall be made, and no dividends shall ever be made by any branch while it shall continue its banking operations to an amount greater than its nett profits then on hand, deducting therefrom its losses and bad and suspended debts ; and all debts due and unpaid for a period of six months, unless the same shall be well secured, and shall be in the process of collection, shall be considered bad or suspended debts, within the meaning of this section.

§ 35. The directors of each branch shall semi-annually, on the first Monday in May and November, declare a dividend of so much of the nett profits of the branch as they shall judge expedient, and as shall be approved by the State Bank ; and on each dividend-day the Cashier shall make a full, clear, and accurate statement of the condition of the branch as it shall be on that day, after declaring the dividend, which shall be verified by the oath of the Cashier, President, and two of the Directors ; and similar statements, verified in like manner, shall also be made on the first Monday in each month in each year, which statement shall contain :

1st. The amount of the capital stock actually paid in, and then remaining as the capital stock of the branch.

2d. The amount of the bills or notes of the branch then in circulation, specifying the amount of each denomination.

3d. The greatest amount in circulation at any time since the making of the last previous statement, as shall have been exhibited by the weekly statements of the Cashier, specifying the time when the same occurred.

4th. The amount of debts of every kind due to the branches of the



State Bank of Iowa, the amount due to other Banks of the State, and the amount due the Banks not of this State.

5th. The amount due to depositors.

6th. The total amounts of debts and liabilities of every description, and the greatest amount since the making of the last previous statement, specifying the time when the same occurred, as exhibited by the weekly statement of the branch.

7th. The total amount of dividends declared on the day of making the statement.

8th. The amount of gold and silver coin and bullion belonging to such branch, and in its possession at the time of making the statement, designating the amount of each.

9th. The amount subject to be drawn at sight then remaining on deposit with solvent banks, or bankers of the country, specifying each city or town, and the amount deposited in each.

10th. The amount then on hand of bills or notes issued by branches of the State Bank of Iowa, the amount issued by other Banks of this State, and the amount issued by Banks not of this State.

11th. The amount of balances due from branches of the State Bank of Iowa, the amount due from other Banks of this State, and the amount due from the Banks not of this State, excluding in the latter case, deposits in the cities of New York, Philadelphia, Boston, Baltimore, and other cities and towns subject to sight drafts.

12th. The amount on hand of bills, bonds, notes, and other evidences of debts discounted or purchased by the branch, specifying particularly the amount of suspended debts, the amount considered good, the amount considered doubtful, and the amount in suit or judgment.

13th. The value of real and personal property held for the convenience of the branch, specifying the amount of each.

14th. The amount of real estate taken in payment of debts due the branch.

15th. The amount of undivided profits of the branch.

16th. The total amount of liabilities to the branch by the Directors thereof, collectively, specifying the gross amount of such liabilities as principal debtors, and the gross amount as endorsers or sureties.

17th. The total amount of liabilities to the branch of the stockholders thereof, collectively, specifying the gross amount of such liabilities as principal debtors, and the gross amount as endorsers or sureties; which statement shall be forthwith transmitted to the State Bank of Iowa, and the Auditor of State.

An abstract of every statement, showing the condition of the branch, shall be immediately published by the branch in some newspaper printed in the county where such branch is situated, a copy of which statement shall be sent to each branch of the State Bank of Iowa.

§ 36. The General Assembly shall never impose any greater tax upon property employed in banking under this act, than is or may be imposed upon the property of individuals.

§ 37. Each branch may take, receive or charge on any loan or discount made, or upon any note or bill of exchange, or other evidence of debt, discounted or purchased by them, interest at the rate of ten per centum per annum on the amount of any such note, bill of exchange, or other

evidence of debt so discounted or purchased, and no more, until the first day of January, 1863; after which time no more than eight per cent. shall be so taken, received, or charged: Provided, however, that interest may be reserved or taken in advance at the time of making the loan or discount, according to the usual rates of banking, or as calculated in Rowlet's tables; and the knowingly taking, reserving or charging on any debt or demand discounted or purchased by any branch, a rate of interest greater than that allowed by this section, shall be held and adjudged a forfeiture of such debt or demand, but the purchase of a bona fide bill of exchange or note, payable at another place than the place of such purchase or discount, and the taking or reserving interest thereon at the rate aforesaid, from the time of such purchase or discount, until the maturity of such bill or note, shall not be held usurious, although exchange on the place where it is made payable is at the time of such purchase or discount worth a premium; nor shall the discount or purchase of a bona fide bill or note, payable at a place between which and the place of discount or purchase there may be a difference in exchange, and the taking, in addition to the rate of interest aforesaid, the rate of exchange between such places, be deemed usurious: Provided, that no loan to, or discount in favor of, any Director or stockholder in which more than such interest as is allowed in this section shall be taken, reserved or charged, shall be forfeited, but the same shall be valid against such party: Provided further, that in no case shall more than the current rate of exchange between such places be taken.

§ 38. The total liabilities of any person or of any company or firm (including in the liabilities of a company or firm, the liabilities of the several members thereof) to any branch as acceptor or acceptors of bona fide bills of exchange, payable out of this State, shall at no time exceed one-fourth of the amount of the notes which such branch is authorized to circulate, exclusive of liabilities as acceptor or acceptors, one-tenth, and exclusive of all liabilities on such bills of exchange, one-twentieth part of the amount of such notes. No branch shall at any time pay out on loans or discounts, or in purchasing drafts or bills of exchange, or in payment of depositors, nor shall it in any mode put in circulation the notes of any bank or banking company, which notes shall not at that time be receivable at par in payment of debts by the branches so paying out or circulating such notes; nor shall it knowingly pay out or put in circulation any notes issued by any bank or banking company which at the time of such paying out or putting in circulation is not redeeming its notes in gold and silver. All notes, bills, and other evidences of debt, excepting bills of exchange, discounted by any branch, shall be made by the terms thereof, or by special endorsement, payable solely to such branch, and no such evidence of debt shall be assignable, except for collection, or for the following purposes:

1. To pay and redeem the circulating notes of such branch.
2. To pay other liabilities of such branch, and after such liabilities shall have been discharged,
3. To divide among the stockholders on their stock.

No branch shall be permitted, in receiving payment at its banking-house, or other places than where the same was payable, of any note, bill, or other evidence of debt, due to such branch, and payable at a place other than its banking-house, to receive, in addition to the amount of such debt and the legal interest due thereon, any sum whatsoever as premium,

exchange, or damage: *Provided*, That nothing in this section contained shall prevent such branch from receiving damages allowed by law upon any bona fide bill of exchange, duly protested for non-acceptance or non-payment.

§ 39. All transfers of notes, bonds, bills of exchange, and other evidence of debt owing to any branch, or of deposits to its credit; all assignments of mortgages or other securities on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its stockholders or creditors; all payments of money made after the commission of an act of insolvency, or in contemplation thereof, with a view to prevent the application of its assets in the manner provided by this act, or with a view to the preference of one creditor to another, except in payment of its circulating notes, shall be held utterly null and void.

§ 40. If the Directors of any branch shall knowingly violate, or knowingly permit any of the officers, agents, or servants of such branch to violate any of the provisions of this act, all the rights, privileges, and franchises of such branch shall thereby be forfeited; such violation shall, however, be determined and adjudged by a court of competent jurisdiction, agreeably to the laws of this State and the practice of such court, before the corporation shall be declared dissolved; and in case of such violation, every Director who participated in, or assented to the same, shall be held liable in his personal and individual capacity for all damages which the branch, its stockholders, or any other persons, body politic or corporate, shall have sustained in consequence of such violation.

§ 41. Every President, Director, Cashier, teller, clerk, or agent of any branch, who shall embezzle, abstract, or wilfully misapply any of the moneys, funds, or credits of such branch, or shall without authority from the Directors, issue or put in circulation any of the notes of such branch, or shall, without such authority, issue or put forth any certificate of deposit, draw any order or bill of exchange, make any acceptance, sign any note, bond, draft, bill of exchange, mortgage, or other instrument of writing, or make any false entry on any book, report or statement of the branch, with an intent in either case to injure or defraud such branch, or to injure or defraud any other company, body corporate or politic, or any individual person, or to deceive any officer or agent appointed to inspect the affairs of any branch, or shall make, or shall omit to make, or shall advise or consent to the making of any report or statement required by this act, shall be deemed guilty of a felony, and upon conviction thereof, shall be confined in the penitentiary at hard labor not less than one nor more than twenty years.

§ 42. Stockholders in branches shall each be individually and severally liable to the creditors of the branch of which they are the stockholders, over and above the amount of stock by them held, to an amount equal to their respective shares so held for all its liabilities, accruing while they remain stockholders, and no transfer of stock shall affect such liability; and should any such branch become insolvent, and its assets be found insufficient to pay its debts and liabilities, its stockholders may be compelled to pay such deficiency in proportion to the amount of stock owned by each; and should the whole amount for which stockholders are individually responsible, as provided in this section, be found in any case to be inadequate to

the payment of all the residue of the debts of any branch after the application of its assets to the payment of such debts, then, the moneys due from the stockholders, on account of their individual liabilities as such, shall be distributed equally among all the creditors of such branch in proportion to the amount due to each; the personal liability in this section provided for, is over and above the stock owned by stockholders, and any amount unpaid thereon.

§ 43. The term stockholder or shareholder, as used in this act, shall apply not only to such persons as appear by the books of the 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 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.

§ 44. The General Assembly may alter or repeal this act at pleasure in the manner provided in the Constitution of this State, but no act altering or repealing this act, shall impose any injustice or wrong upon the stockholders of any branch.

§ 45. Every branch shall have power to make all necessary and proper by-laws for the management and control of its business, and to fix and regulate the rate of charges for making collections, subject to be controlled therein by the State Bank of Iowa.

§ 46. No branch shall issue any notes intended for circulation as money, except the notes furnished for that purpose by the State bank of Iowa, and all such notes shall be payable at the branch by which they are issued, in gold and silver coin, the lawful currency of the United States, as provided for in section ten of this act, on demand; they shall be signed by the President or Vice-President of the proper branch, and countersigned by the Cashier thereof, made payable to the bearer, and shall be negotiable by delivery; all other evidences of debt, issued by any branch, shall be negotiable or transferable in the same manner as if issued by a natural person, and shall be binding on the branch, whether under seal or not, and all such evidence of debt, other than notes of circulation, shall be payable to the order of some person therein named.

§ 47. No branch shall put in circulation in this State the bills or notes

of any bank or banking company out of the State, except such as are received in the usual course of business; nor shall any branch, either directly or indirectly, exchange its bills or notes, intended to circulate as money, with any bank or banking company out of the State, or with the agents of such banks, for the bills or notes of such bank or banking company, with a view to circulate the same in this State.

§ 48. When any number of persons shall have associated together for the formation of a branch, as provided for in section nineteen, they shall give twenty days' public notice in some newspaper published in the town or city where it is proposed to establish such branch, of their purpose to open a book for the subscription of the capital stock of said branch, specifying the time and place thereof; such book shall be kept open for two successive days, between the hours of ten A. M. and two P. M. of each day, under the control and direction of such association, and shall be accessible to every person desiring to subscribe to stock of the proposed branch. On the first day no person, company, or business firm, composed of one or more individuals, shall be permitted to subscribe to more than ten shares, and on the second day to no more than fifty shares, unless at the time for closing the books on that day the aggregate amount of stock subscribed shall not exceed the amount of capital authorized in section twenty-one.

§ 49. The number of branches of the State Bank of Iowa shall not exceed thirty. The Board of Directors of the State Bank of Iowa may increase the capital stock of any branch whose capital does not equal three hundred thousand dollars, by authorizing such branch to receive at any time such additional subscriptions to its capital stock as will increase the same to any amount less than three hundred thousand dollars, if said Board of Directors shall be satisfied that such additional amount of capital is demanded by the public interest, and can be safely and profitably employed; but the aggregate capital of all the branches shall not exceed six millions of dollars. No branch shall be established in any town with a less population than five hundred, nor shall two branches be established in the same town or city.

§ 50. The branches shall continue to exist so long as necessary for the settlement of their affairs, notwithstanding the repeal of this act; and no law shall ever be passed diverting or appropriating the assets of any such branch to any person other than to the payment of its debts and liabilities, and the distribution of the residue among its stockholders, in proportion to the stock by them severally owned.

§ 51. To carry into effect the provisions of this act, C. H. Booth, of Dubuque county, E. H. Harrison, of Lee county, Ezekiel Clark, of Johnson county, J. W. Dutton, of Muscatine county, Wm. J. Gatling, of Polk county, C. W. Slagle, of Jefferson county, Elihu Baker, of Linn county, William S. Dart, of Mahaska county, L. W. Babbitt, of Pottawattamie county, Edmund T. Edgerton, of Lucas county, shall be and they are hereby appointed Commissioners; and they, or a majority of them, after taking an oath diligently, faithfully, and impartially to perform the duties assigned them by this act, a certificate of which oath shall be filed and carefully preserved in the office of Secretary of the State, shall constitute a Board, to be designated the Board of Bank Commissioners, which Board shall continue until the organization of the State Bank of Iowa, as herein provided for, and thereafter the duties which they are required to perform by this

act shall be performed by the said Bank; and if any of said Commissioners shall refuse to serve, shall die, or resign, his place shall be filled by appointment by the Governor. Hoyt Sherman, of Polk county, Benjamin Lake, of Clinton county, and Elias H. Williamson, of Clayton county, are hereby appointed Directors of the State Bank of Iowa, on the part of the State, who shall have the same powers as Directors on the part of the Bank, and who shall be paid by the State, and shall receive three dollars per day for the time actually engaged in their duties, and mileage the same as members of the General Assembly. The term of service of said Directors shall be for two years and until their successors are elected and qualified. It shall be the duty of the General Assembly to elect three Directors of the State Bank of Iowa at each regular biennial session. No person shall be eligible to the office of State Director who holds any office or appointment under any of the branches, or owns any stock in the same, and the acceptance of any office of trust or profit from any branch, or the acceptance of any stock in any branch by a State Director during his term of service, shall be deemed a resignation, and the Governor shall fill by appointment the vacancy. Said Commissioners shall meet at Iowa City, at such time, within thirty days after the adoption of this act, as shall be appointed by the Governor, who shall notify each member of his appointment, and of the time and place of meeting. They shall, when met, appoint one of their number to be their President, who shall, under the order of the Board, sign all official documents; and they shall cause a fair and true record of all their official proceedings to be kept in a book to be provided for that purpose, which shall be delivered by the President of said Board to the State Bank of Iowa, as soon as the same shall be organized.

§ 52. The Board of Bank Commissioners shall examine the certificates of the formation of branches transmitted to them, as required by this act, and shall, by one of their own number, or other special agent appointed by them for that purpose, who shall not be a stockholder in any of the branches formed under this act, immediately proceed to examine the condition of each of the branches which shall have transmitted to said Board the required certificate; and it shall be the special duty of such agent to carefully count and otherwise ascertain the amount of money paid in on account of its capital stock; to ascertain the name and place of residence of each of the Directors of such branch, and whether their stockholders, Directors and officers are men of responsibility and integrity, and entitled to the public confidence, and the amount of capital stock of which each is the bona fide owner; whether such branch has complied with the requirements of this act, necessary to entitle the branch to engage in the business of banking; and shall cause to be made, and attested by the oath of a majority of the Directors, and by the Cashier of such branch, a statement of all the material facts necessary to enable the Board of Bank Commissioners to determine whether such branch is lawfully entitled to commence the business of banking under the provisions of this act; and such agent shall immediately report to the Board of Bank Commissioners such statement, and his proceedings in the premises.

§ 53. If, upon a careful examination of the certificates of association, and the reports and statements of the special agents appointed to ascertain whether the branches so organized have complied with the provisions of this act, it shall appear that five or more such branches have been formed, and

that their stockholders, directors and officers are men of responsibility and integrity, and entitled to public confidence, and that such branches are lawfully entitled to commence the business of banking, the Commissioner shall certify to the same to the Governor, and shall immediately notify each of said branches thereof; and within ten days after receiving such notice, each branch shall appoint, in such manner as the directors thereof shall prescribe, one person to be a director of the State Bank of Iowa.

§ 54. The Governor, if he be satisfied that the law has in all respects been complied with, shall issue his proclamation, setting forth that such branches are authorized to commence and carry on banking, at the places severally designated in their certificates of association; which proclamation shall be recorded in the office of the Governor, and a copy of said record certified under the great seal of the State of Iowa, shall be prima facie evidence of the organization of such bank.

§ 55. The bank Commissioners, and all agents appointed by them, shall each be entitled to receive for their services under this act, five dollars per day for every day necessarily employed in the discharge of their duties, and same mileage as is received by members of the General Assembly, to be paid by the State Bank of Iowa.

§ 56. This act shall take effect and be in force from and after its approval by a majority of all the electors of this State, voting for and against it at an election provided by law, and not otherwise.

STEPHEN B. SHELEDY,  
*Speaker of the House of Representatives.*  
ORAN FAVILLE,  
*President of the Senate.*

APPROVED *March 20th*, 1858.

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## MISCELLANEOUS ITEMS.

OHIO TREASURY.—Ohio has taken the lead in initiating a State Sub-Treasury, as will be seen by the following from the *Cleveland Leader*:—

A bill to establish the Independent Treasury has been read a second time in the Senate and referred to the Committee on Finance, for the purpose of perfecting some of its details. The bill makes the Treasurer's office, vaults, etc., in the State House the Treasury of the State, and the Treasurer's office in the County building the County Treasury. The bill also provides for the semi-annual collection of taxes, unless counties, through their Commissioners, prefer the yearly collections. Taxes are to be collected in coin and bills of Ohio specie-paying banks which issue bills of a less denomination than \$5—a virtual exclusion at once of Ohio bank paper as well as of all other—after the 4th of July, 1860, no bills are to be received below \$10, after the 4th of July, 1865, none less than \$20; State Bank ceases in 1866; and after the 4th of July, 1872, when free banking in Ohio expires, the entire taxes are to be collected in gold and silver.

This measure is obviously unnecessary, when there are responsible Banks and Bankers who can furnish security in State Bonds, (and none better can be desired,) for the deposits of revenue. A Sub-Treasury saddles the general government with heavy outlay for salaries, with more or less risk, while capitalists are willing to do the business for nothing and furnish ample collateral security.

*Sea Letters.*—The British Government pays nearly one million Sterling annually for the support of its foreign steam mail service. Whether the receipts cover (or not) this outlay, is not a matter of consideration. The Government despatches themselves are promptly and regularly forwarded; the correspondence of the people abroad is carried on with great regularity; the Commercial interests of the United Kingdom are promoted by this apparently heavy outlay. Thus directly or indirectly, ample returns are made for the expense of five millions of dollars or £1,000,000. This sum is disbursed as follows for the year 1858 :

Cunard Line to Boston and New York.....	£172,000
Southampton and West Indies Line.....	240,000
Southampton and Sydney (and Branch) <i>via</i> Marseilles.....	185,000
England and Alexandria, Ceylon, and Calcutta.....	189,000
Southampton and Brazil.....	30,000
Panama, Callao, and Valparaiso.....	25,000
England and West Coast of Africa.....	21,000
Dartmouth and Cape of Good Hope.....	59,000
Aden and Bombay.....	24,000
Miscellaneous.....	98,000

Total Steam packet mail service for one year..... £988,000

A due consideration of the importance of Foreign Commercial interests will show that this money is well spent. By this means England augments her trade with and her exports of domestic manufactures to Brazil, West Coast South America, India, Africa, West Indies, Mexico, &c.

A due encouragement of those capitalists in this country who invest their means in costly steamships, for foreign trade, would result in more familiar intercourse with other nations. In this respect we could, with advantage, follow the example of England. The whole mail service of the United States last year was less than ten millions of dollars, only a small portion of which (and that piecemeal) was appropriated to our foreign steam mail service.

The proposition to construct ten or fifteen first class steamers to run to Brazil, West Coast of Africa, the Mediterranean, West India, &c., &c., from U. S. ports, with liberal aid from the Government for postal service, the ships to be under government order in case of war, is one of the wisest schemes of the day. It would obviate the costly construction of sloop-of-war, which may rot at the Navy Yard, and do more for our manufacturing and commercial progress than any one measure now contemplated.

**THE CREDIT SYSTEM.**—On the latter point, the Report of the Boston Board of Trade says :—

The use of paper money, of promissory notes, of bills of exchange, letters of credit, and the like, is well nigh universal throughout the commercial world.

To abolish either, is neither desirable nor possible. But it is manifest, as we venture to think, that the system of banking, and of buying and selling merchandise, needs essential reform. We may not look for entire exemption from times of pecuniary distress. As long as there shall be short production of the fruits of the earth one year, and over-production another year; as long as men shall lack knowledge of the number of the spindles and looms to be kept in motion to clothe the human family; as long as governments shall borrow money, required in commerce, and disturb the laws of demand and supply in the price of commodities, and divert trade and the instruments of trade from the natural and ordinary course, in war, or in hostile manifestations; as long as there shall be sudden and large influx of gold to disturb pre-existing values to property; as long as pestilence shall desolate nations, and fires consume cities; as long as ships and treasure shall go down in the sea; as long as these and similar causes continue, men will become bankrupt, though there be neither credit nor paper money in all the world.

Still, it is undeniable that abuses of the credit system form a very considerable element in "panics," in "pressures," and in bankruptcies. In the belief that the most pernicious of these abuses can be corrected, we earnestly invite the attention of wise merchants and bankers to the subject, and we recommend action on the part of the Board of Trade, in the appointment of a committee to make a deliberate and thorough investigation into the causes of the recent monetary difficulties and mercantile embarrassments, with a view to the adoption of such remedies as the nature of the case will allow.



## BANK STATISTICS.

## NEW YORK.

The quarterly statement of the Banks of this State for the month of March, has been published at Albany. The following are the results compared with 1855, 1856, and 1857 :

*Liabilities and Resources of the Banks of the State of New York for the years 1855, 1856, 1857, 1858.*

	LIABILITIES.				
	March, 1855.	December, 1856.	June, 1857.	December, 1857.	March 13, 1858.
Capital.....	\$24,831,152	\$100,025,796	\$103,954,777	\$107,449,143	\$109,567,702
Profits .....	10,122,835	14,191,284	13,949,030	13,985,673	11,675,106
Circulation .....	27,909,324	33,590,479	32,396,892	23,899,964	22,710,159
Due State of New York	3,842,060	4,492,377	3,254,677	3,062,768	1,951,150
Individual deposits.....	79,727,784	94,872,202	105,361,001	81,128,293	92,638,803
Bank balances .....	26,817,605	28,645,662	27,319,817	21,268,562	28,710,077
Miscellaneous .....	2,505,870	2,298,926	1,755,452	1,682,463	1,442,382
<b>Total liabilities .....</b>	<b>\$235,737,114</b>	<b>\$278,106,728</b>	<b>\$287,990,816</b>	<b>\$252,467,866</b>	<b>\$268,715,378</b>
	RESOURCES.				
	March, 1855.	December, 1856.	June, 1857.	December, 1857.	March 13, 1858.
Loans.....	\$152,181,030	\$183,537,123	\$190,803,832	\$154,210,065	\$161,857,932
Bonds and mortgages....	8,809,624	9,127,732	9,299,794	8,597,310	8,578,308
Stocks .....	20,340,992	25,557,127	25,747,472	22,623,755	22,894,677
Real estate .....	5,479,479	7,075,049	7,423,015	7,423,614	7,681,904
Expense account.....	998,304	1,682,593	1,362,623	2,123,623	1,521,683
Overdrafts.....	401,448	521,236	507,137	445,464	433,717
Specie.....	17,946,432	11,393,302	14,370,434	29,313,421	35,071,074
Cash items.....	13,824,877	22,279,016	23,737,436	14,130,673	16,152,476
Notes of other banks....	3,587,636	3,168,941	3,094,293	1,881,049	1,714,294
Due from other banks....	13,111,990	13,745,309	11,643,830	11,726,973	12,808,512
Miscellaneous .....	121,316	.....	9-0	919	951
<b>Total resources.....</b>	<b>\$235,783,374</b>	<b>\$278,106,728</b>	<b>\$287,990,846</b>	<b>\$252,476,866</b>	<b>\$268,715,378</b>

For copious details as to the New York banks since 1848, refer to February number, pp. 645, 646

Compared with June 1857, when the expansion had reached its highest figures, we find in March, 1858, a reduction of \$9,700,000 in circulation, and of loans \$29,000,000, and in individual deposits nearly 13 millions. The profits are reported more than two millions less, and the specie reserve has increased twenty-one millions, showing at present a larger amount by many millions, than in any year prior to 1858.

The increase of Bank capital since 1854, has been quite rapid, but we believe not more than commensurate with the increase of business generally up to July, 1857. The increase of capital, circulation, and loans, is shown as annexed.

These figures plainly represent the contraction of business during the year 1857. The withdrawal of ten millions in circulation in the short period of eight months, (July to March,) was accompanied by a still greater contraction of Bank loans. The statement for March, 1858, shows a slight

reaction from the extreme depression of 1857, and we may anticipate a more rapid one for the next nine months. The superabundance of capital must have the effect, inevitably, to induce, at a very short time hence, investments in manufacturing concerns, in agricultural improvements, and in other channels, so as to require a healthy increase of Bank circulation, and of Bank loans, &c. Whenever the Banks are profitably employed, the industrial portions of the community also have remunerative employment.

	Capital.	Circulation.	Loans.
Dec. 1854.....	\$83,260,000	\$28,220,000	\$141,604,000
March, 1855.....	84,831,000	27,909,000	152,161,000
Dec. 1856.....	100,025,000	33,590,000	183,557,000
March, 1857.....	102,505,000	32,510,000	168,068,000
June, 1857.....	103,954,000	32,395,000	190,803,000
Sept. 1857.....	107,507,000	27,122,000	170,846,000
Dec. 1867.....	107,449,000	23,899,000	154,210,000
March, 1858.....	109,587,000	22,710,000	161,857,000

The deposits in Savings Banks are at all times a fair indication of the industry of the people. Thus the Savings deposits in this State alone in

January, 1856, were.....	\$37,112,000
January, 1858.....	41,422,000

Of this large sum about three-fourths are on deposit in this city alone, and about two and a half millions in Brooklyn.

## LIFE INSURANCE STATISTICS..

*Synopsis of the Annual Accounts of Life Insurance Companies doing business in the State of New York, for the year 1857. Prepared from the original returns in the State Comptroller's Office.*

NAME OF LIFE INSURANCE CO.	When Organized.	POLICIES ISSUED DURING THE YEAR.		AT RISK AT END OF THE YEAR.		RECEIPTS DURING THE YEAR.		
		No.	Amount.	No. of Poli- cies.	Amount.	Premiums and Interest in Cash.	Premium Notes and other Receipts not Cash	Total Income.
Mutual Life of New York	1843	1,863	\$3,852,067	10,390	80,481,302	1,166,783	.....	1,166,733
New England Mut'l, Bos- ton.....	1843	532	1,719,900	2,831	8,894,190	261,154	98,192	299,346
New York Life.....	1845	711	2,675,102	8,686	12,778,938	358,572	113,619	474,191
Mutual Benefit, Newark, New Jersey.....	1845	522	1,969,650	5,321	17,423,177	634,092	60,926	695,018
Connecticut Mut'l, Hart- ford.....	1846	531	1,310,870	8,529	20,197,164	369,580	237,875	637,455
American Mutual, New Haven.....	1847	582	960,750	3,100	4,050,000	73,347	7,045	80,392
Manhattan, New York...	1850	750	2,345,000	2,478	7,862,928	202,563	114,553	317,106
United States, ".....	1850	1,004	2,537,900	2,440	4,964,824	184,900	.....	184,900
Knickerbocker, ".....	1853	168	365,448	500	1,219,811	49,815	4,009	53,824
Mass. Mutual, Worcester	.....	337	722,150	1,083	2,161,680	43,771	12,864	56,635
Totals.....		7,000	\$20,478,857	40,508	110,024,014	\$3,814,517	651,063	4,065,600

NAME OF LIFE INSURANCE COMPANY.	DISBURSEMENTS DURING THE YEAR.				ASSETS.		
	<i>Paid claims by death</i>	<i>Surrendered Policies, &amp;c., &amp;c.</i>	<i>Expenses includ- ing Com- missions.</i>	<i>Total Disburse- ments.</i>	<i>Cash.</i>	<i>Not Cash.</i>	<i>Total.</i>
Mutual Life of New York.....	\$317,043	39,507	110,085	\$466,635	* 4,685,909	.....	* 4,685,909
N. England Mutual, Boston.....	94,350	.....	24,557	118,907	960,747	199,406	1,160,153
New York Life.....	153,788	‡ 46,442	62,534	262,770	864,620	538,146	1,402,986
Mutual Benefit, New- ark, N. J.....	198,115	§ 179,788	58,301	436,204	1,730,648	1,012,678	2,743,326
Connecticut Mutual, Hartford.....	217,225	186,232	44,972	448,435	1,592,063	1,053,776	2,645,839
American Mutual, N. Haven.....	47,975	243	21,554	69,772	168,781	24,603	193,384
Manhattan, N. York.	57,863	26,859	41,355	126,077	**287,535	312,974	**606,509
United States, New York.....	58,794	¶ 17,169	29,772	105,741	**341,611	‡‡ 78,873	**420,484
Knickerbocker, New York.....	3,000	6,390	14,720	24,170	**155,597	32,713	**188,310
Mass. Mutual, Wor- cester.....	5,500	† 7,000	10,502	23,002	**146,249	47,572	**193,821
Totals.....	1,153,653	§509,646	418,424	2,091,713	\$11,033,951	\$2,606,741	\$14,240,731

*I. Date of Organization.—II. Percentage of Expenditures to Income.—III. Per cent. of Claims on Income.—IV. Per cent. of Cash Assets on amount at risk.—V. Per cent. of other Securities.—VI. Per cent. of Total Assets.*

NAME OF LIFE INSURANCE COMPANY.	<i>When Organ- ized.</i>	<i>Per cent. of Expenses on Income.</i>	<i>Per cent. of Claims on Income.</i>	<i>Per cent. of Cash Assets on amount at risk.</i>	<i>Per cent. of other Assets on amount at risk.</i>	<i>Per cent. of total Assets on amount at risk.</i>
Mutual Life of New York.....	1843	09.5	27.2	15.4	....	15.4
New England Mutual, Boston.....	1843	08.2	31.5	10.8	02.2	13.0
New York Life.....	1845	13.2	32.4	06.8	04.2	11.0
Mutual Benefit, New- ark, N. J.....	1845	08.4	28.5	09.9	05.8	15.7
Connecticut Mutual, Hartford.....	1846	07.1	34.1	07.9	05.9	13.1
American Mutual, New Haven.....	1847	26.8	59.7	04.2	00.6	04.8
Manhattan, New York	1850	13.0	18.2	03.7	04.0	07.7
United States, " "	1850	16.1	31.8	06.9	01.6	02.5
Knickerbocker, " "	1853	27.5	05.6	12.8	02.6	15.4
Mass. Mutual, Wor- cester.....	....	18.5	09.7	06.8	02.1	08.9

\* Includes "deferred premium account and interest accrued," as returned by the other Companies.

‡ Including \$22,332 interest on dividends paid during the year.

§ Including dividends paid

|| Including \$16,000 interest on capital stock.

¶ Including interest on capital stock.

†† Interest on capital stock.

\*\* Including \$100,000 capital stock.

‡‡ Including \$37,919 of "Premium Notes on which policies are issued and in force."

Of the five last columns, the two first represent respectively, the amount paid for expenses of management and for claims by death, for each \$100 of income, while the three last columns represent the Assets (Cash, Credit, and Total), for each \$100 of amount at risk.

## GOVERNMENT FINANCES OF 1858.

## NEW TREASURY NOTES.

On the 10th instant the Secretary of the Treasury opened the bids for taking \$5,000,000 in Treasury Notes in exchange for gold, in accordance with the notice issued from the Department on the 10th ult. The proposals disclosed a very large offering. The biddings amounted to the enormous sum of \$24,131,000; of which \$4,595,000 was offered at rates of interest below 5 per cent., \$15,371,000 at the rate of 5 per cent., and \$4,165,000 at rates exceeding that percentage. The lowest rate of interest proposed was 3½. A very small amount was proposed at as high a rate as 6 per cent. The following is a list of the bidders, the amount offered, and the premium demanded:

<i>Bidders.</i>	<i>Amount offered.</i>	<i>Per Cent. Premium.</i>	<i>Bidders.</i>	<i>Amount offered.</i>	<i>Per Cent. Prem.</i>
United States Trust Co., N. Y.	\$270,000	5	New Haven Bank, Ct.	20,000	5½
York Bank, York, Penn.	20,000	4½	Cronise & Co., Phila.	50,000	5
York Bank, " "	20,000	4½	Cronise & Co., Phila.	50,000	5½
York Bank, " "	20,000	4½	Cronise & Co., Phila.	100,000	5½
Farmers and Mechanics' Bank, Philadelphia.	200,000	4½	Cronise & Co., Phila.	50,000	5½
Farmers and Mechanics' Bank, Philadelphia.	200,000	5	R. Ashurst & Son.	50,000	5
Gaw, McAllister & Co., Phila.	100,000	5	R. Ashurst & Son.	50,000	5½
Columbia Bank, Lancaster Co., Pennsylvania.	25,000	4½	R. Ashurst & Son.	50,000	5½
Columbia Bank, Lancaster Co., Pennsylvania.	30,000	4½	National Bank, N. Y.	100,000	5
Columbia Bank, Lancaster Co., Pennsylvania.	25,000	4½	National Bank, N. Y.	100,000	4½
Read & Lathrop, Wall st., N. Y.	50,000	4½	Fulton Bank, N. Y.	100,000	5
Read & Lathrop, Wall st., N. Y.	50,000	5	Fulton Bank, N. Y.	50,000	4½
Thomas J. Abbott.	6,000	5	Suffolk Bank, Boston.	50,000	4½
Marie & Kanz.	500,000	5	Suffolk Bank, Boston.	50,000	4½
Merchants' Bank, Boston.	100,000	5	Suffolk Bank, Boston.	50,000	4½
Merchants' Bank, Boston.	100,000	4½	Suffolk Bank, Boston.	50,000	4½
Merchants' Bank, Boston.	100,000	4½	Suffolk Bank, Boston.	50,000	4½
Auguste Belmont, N. Y.	250,000	4½	State Bank, Montpelier, Vt.	50,000	5
Auguste Belmont, N. Y.	250,000	5	R. F. Brown, Philadelphia.	5,000	6
Clark, Dodge & Co., N. Y.	200,000	5	Matthew Morgan & Son, N. Y.	120,000	4½
Clark, Dodge & Co., N. Y.	100,000	5½	Matthew Morgan & Son, N. Y.	240,000	4½
Clark, Dodge & Co., N. Y.	100,000	5½	Matthew Morgan & Son, N. Y.	440,000	5
Eutaw Savings Bank, Balt.	10,000	4½	Continental Bank, N. Y.	50,000	4½
Eutaw Savings Bank, Balt.	10,000	4½	Continental Bank, " "	300,000	5
Eutaw Savings Bank, Balt.	10,000	5	Continental Bank, " "	100,000	5
Elxpenny Savings Fund, Phila.	50,000	6	Bank of Commerce, N. Y.	2,250,000	5
Reuben W. Howes, N. Y.	600,000	5	Bank of the Republic, " "	100,000	4½
Reuben W. Howes, N. Y.	200,000	5½	Bank of the Republic, N. Y.	100,000	4½
Reuben W. Howes, N. Y.	200,000	5½	Bank of the Republic, " "	300,000	5
Chemical Bank, N. Y.	450,000	5	Clark, Dodge & Co., " "	100,000	5
Chemical Bank, N. Y.	50,000	4½	George & Samuel Brown, N. Y.	20,000	5
Southwark Bank, Phila.	150,000	5	W. C. Bestor, Washington.	2,000,000	5
New Haven Bank, Ct.	10,000	4½	Sweeny, Rittenhouse & Co., Washington.	500,000	5
New Haven Bank, Ct.	10,000	5	Sweeny, Rittenhouse & Co., Washington.	500,000	4½
			Home Insurance Co., N. Y.	50,000	4½
			Home Insurance Co., " "	25,000	4½
			Home Insurance Co., " "	25,000	5

<i>Bidders.</i>	<i>Amount offered.</i>	<i>Per Cent. Premium.</i>	<i>Bidders.</i>	<i>Amount offered.</i>	<i>Per Cent. Premium.</i>
Lanschalck & De Forrest, N. Y.	100,000	5	Bank North America, Phila.	100,000	4½
Silas Bronson, N. Y.	25,000	4½	Bank North America, "	100,000	4½
Silas Bronson, "	25,000	5	Bank North America, "	200,000	5½
Tradesmen's Bank, N. Y.	50,000	4½	McCready & Armour, N. Y.	15,000	4
Farmers' Bank of Lancaster	20,000		McCready & Armour, "	15,000	5
Farmers' Bank of Lancaster	20,000	4½	B. H. Field, N. Y.	100,000	5
Riggs & Co., Washington	50,000	4½	B. B. Field, "	100,000	5½
Riggs & Co., "	50,000	4½	E. W. Clark & Co., Phila.	100,000	4½
Riggs & Co., "	400,000	4½	E. W. Clark & Co., "	200,000	5
Riggs & Co., "	3,350,000	5	E. W. Clark & Co., "	200,000	5½
Riggs & Co., "	500,000	5½	E. W. Clark & Co., "	200,000	5½
Riggs & Co., "	650,000	5½	E. W. Clark & Co., "	200,000	5½
Van Vleck, Read & Drexel	500,000	4½	E. W. Clark & Co., "	300,000	6
Thompson Brothers, N. Y.	1,000,000	5	State Bank, Boston	100,000	3½
Ketchum, Howe & Co., N. Y.	500,000	5	State Bank, "	100,000	3½
Sewell, Ferris & Co., "	100,000	5	State Bank, "	100,000	4
Sewell, Ferris & Co., "	200,000	5½	John B. Budd, Philadelphia	20,000	5
Sewell, Ferris & Co., "	200,000	6	John B. Budd, "	20,000	5½
Trevor & Colgate	100,000	4½	John B. Budd, "	20,000	5½
Trevor & Colgate	200,000	4½	McKim & Co., Baltimore	30,000	4½
Trevor & Colgate	300,000	5	McKim & Co., "	30,000	4½
Trevor & Colgate	200,000	5½	McKim & Co., "	30,000	4½
Drexel & Co., Philadelphia	300,000	5	McKim & Co., "	80,000	5
Drexel & Co., "	300,000	5½	York County Bank, Penn.	13,000	4½
Drexel & Co., "	400,000	5½	York County Bank, Penn.	14,000	4½
Drexel & Co., "	500,000	5½	York County Bank, Penn.	18,000	4½
Drexel & Co., "	500,000	6			

All the bids under five per cent. were accepted. The Secretary of the Treasury has made the following awards of five per cent. Treasury notes on the bids, being for the remainder of the \$5,000,000 not taken below that rate:

United States Trust Co.	\$6,700	Bank of Commerce	\$56,250
Farmers and Mechanics' Bank, Phila.	5,000	W. C. Bestor, Washington	50,000
Gaw, McAllister & Co.	2,500	Bank of Republic, N. Y.	6,750
Read & Lathrop	1,250	Sweeny & Rittenhouse	12,500
Marie & Kanz	12,500	Riggs & Co.	83,750
Merchants' Bank, Boston	2,500	Thompson Brothers, N. Y.	25,000
A. Belmont, N. Y.	6,250	Ketchum, Howe & Co.	12,500
Clark, Dodge & Co.	5,000	Sewell, Ferris & Co.	25,000
Park Bank	15,000	Trevor & Colgate	6,750
Chemical Bank	11,250	Drexel & Co.	6,750
Southwark Bank, Philadelphia	3,750	Bank of North America	5,000
National Bank	2,500	E. W. Clark & Co.	5,000
Fulton Bank	2,500		

We observe an official announcement that Mr. Cisco, who has for four or five years held the post of Sub-Treasurer at this port, has been re-appointed. In this step the Government consults wisely the public interests, and the commercial community responds to the move on the part of the Treasury. It would be well indeed if the Government were to adopt an invariable and conservative rule, so long prevailing in older countries, of keeping in office those persons who, in the first instant by fitness and at last by experience, ably discharge the duties of office. The present instance is an honorable exception to one of the worst principles or systems ever adopted by any modern government.

A further issue of \$4,000,000 in Treasury notes will take place in June.

## FOREIGN ITEMS.

The following gentlemen were, on the 7th of April, elected Directors of the Bank of England, for the year ensuing. Mr. Sheffield Neave was re-elected Governor, and Bonamy Debreë Deputy Governor. Directors:

Thomas Baring M. P.,	E. H. Palmer,*	J. A. Guthrie,*
Thomas Matthias Weguelin M. P.,	George Warde Norman,	G. J. Goschen,*
George Lyall. M. P.,	James Morris,	Henry Wollaston Blake.
Thomas Hankey, M. P.,	Alexander Matheson,	Henry Hulse Berens,*
John Gellibrand Hubbard,	Thomas Masterman,	Travers Buxton,
C. Frederick Huth,*	James Malcolmson,*	Arthur Edward Campbell,*
Alfred Latham,	John Benjamin Heath,	William Cotton,*
Thomas Charles Smith,	John Oliver Hanson,	J. Patison Currie,*

Those gentlemen marked \* take the place of the following, who retire from the Board of 1857-58. Edward Henry Chapman, Robert Wigram Crawford, Benjamin Buck Greene, Charles P. Grenfell, Henry Hucks Gibbs, Kirkman D. Hodgson, Henry L. Holland, Thomas Newman Hunt.

THE LATE THOMAS TOOKE.—We have the painful task of recording the death of Mr. Tooke, the venerable author of the *History of Prices*, and in many respects for a long period the chief of living economists. Mr. Tooke died at his residence, 31 Spring-Gardens, early on the morning of Friday, the 26th February last, and his remains were interred at Kensal-green Cemetery, in a vault which already contains one or two members of his family. Mr. Tooke's age was within a few days of the completion of his 85th year; but it was not until within the last few months that he manifested very sensibly the decay of powers to be naturally expected at so advanced a period of life. The death of his second son, Mr. Thomas Tooke, junior (one of the directors of the Bank of England), after a very short illness, at the close of December, may be regarded as the more immediate cause of the sad event we now record. The suddenness and weight of the shock occasioned by so severe a bereavement as the loss of his son, exhausted a strength already impaired and failing, and for the two months Mr. Tooke has been gradually sinking. But there has been no interval, even up to the latest moment, during which the clearness and serenity of mind for which Mr. Tooke was so remarkable, was interrupted. For a long period, in the early part of his life, Mr. Tooke was the leading partner in one of the largest houses engaged in the Russian trade. The work which preceded the *History of Prices* was entitled *Thoughts and Details on High and Low Prices*, and appeared in 1823. A second edition was published in the following year. The first two volumes of the *History of Prices*—the work upon which Mr. Tooke's fame principally rests—appeared in 1838; two further volumes appeared in 1840 and 1847, and it was only in the spring of last year that the fifth and sixth volumes, embracing the important period from 1848 to 1857, and extending, in many respects, the scope of the earlier volumes, were published. In these two closing volumes, as is well known, Mr. Tooke relied to a great extent upon his co-adjutor and friend and pupil, Mr. Newmarch, a coadjutor who may be justly said to be in some important degree the representative of the school of which Mr. Tooke was the founder. But the active sphere filled by Mr. Tooke was of scarcely less interest than his pursuits as a philosopher. He was governor by re-election for several successive terms of the Royal Exchange Corporation; he was chairman under similar circumstances of repeated choice of the St. Katherine's Dock Company; and he was one of the earliest promoters of the London and Birmingham Railway. He contributed largely to the establishment of the Statistical Society, and to the latest period of his life he never lost an opportunity of forwarding the objects of that association. He was a factory commissioner in the early days of the great and difficult controversy out of which that commission arose, and he was the chairman of the subsequent commission relative to the employment of children. Among the last honors he received was the distinction of being elected a corresponding member of the French Academy. It is well known that Mr. Tooke was the author of the merchants' petition of 1820 in favor of free trade, and that, in point of fact, the free trade movement then com-

menced was in a large measure originated by him. The petition itself is a noble document, and every principle it sets forth has been since made the groundwork of legislation. He has now passed away full of years and honors; and so long as patience and intrepidity in the pursuit of truth, and the promotion, by his own active example, of every useful work can constitute a claim to gratitude and respect, so long will the name of Thomas Tooke fill a distinguished place in the history of the time in which he lived.—*London Economist*.

*Bank Defaulter.*—The German newspapers by a late European mail were filled with accounts of a great banking defalcation which had just come to light in Stuttgart, the capital of the kingdom of Wurtemberg, and by which hundreds of business men were crippled or ruined. The alleged defaulters were the firm of Arleder & Weiss, one of the oldest and most respected banking houses in the kingdom of Wurtemberg, and who were well known in business circles in this city, being the medium through which remittances from Germans in this country were sent to their native land. Up to the time of their disappearance no firm stood higher in the good opinion of the public than that of Arleder and Weiss, though it subsequently appeared that, either through strong temptation, or some dire necessity which has not yet come to light, they have been led to abuse the confidence placed in their integrity, and forfeit the good opinion the business community had of them.

So far as has been ascertained, about one million of guilders have been defaulted by this firm, a sum equal to about \$415,000 United States currency. This money belonged mainly to small dealers, and was distributed among a number of people. Messrs. Arleder and Weiss disappeared on the eighth of last January, at which time it is supposed they took the Hamburg steamer for their port, and arrived towards the close of the month. Since then they have been living in this city under assumed names, and were about taking measures to go into business shortly, never dreaming that they would be molested by any of the myrmidons of the law. But they were mistaken.

Among the persons who were robbed by the defalcation was Mr. Paul Kolb, of Stuttgart, whose brother, Frederick Kolb, lives in this city. As soon as the flight of the bankers was known, Mr. Kolb suspected they had come to this city, and wrote to his brother telling him to keep a look out, and have them arrested, if possible. A short time since, parties informed Mr. F. Kolb that Arleder was seen in this city, whereupon application was made to the Supreme Court, and Judge Clarke issued an order for the arrest of the alleged defaulting bankers.

*London Money Market for February.*—The month of February will have proved remarkable for the change in the administration and the further gradual retrogression in the value of money. The Bank of England has now brought its rate of discount as low as 3 per cent. and that of the Bank of France stands at 4 per cent. The increase in the abundance of money, which is now flowing in from all quarters, promises to be permanent, the supplies from America continuing important. At the same time, Australia is sending her fair proportion, although shortly it may be expected that the prevalence of easterly winds will operate to retard arrivals. Trade remains in a depressed condition, and there seems little immediate probability of a revival, the returns from the Board of Trade showing a proportionate decrease in exports, arising from the late explosion of fictitious credit. On the Continent the rate for money is rapidly declining, and at Hamburg it has descended to  $1\frac{1}{4}$  per cent. This state of things will not, however, long continue whenever a steady reaction in business commences.—*London Banker's Mag.*

*Turkish Finance.*—Of Turkish aspects the Constantinople correspondent of the *London Times* says:

A country of about 30,000 geographical square miles, comprising some of the finest and most fertile spots on the globe, with about 3,500 English miles of coast and six seas, the Mediterranean, Adriatic, Archipelago, Black, and Red Seas, and the Persian Gulf, for outlets, is thrown open to immigration, and offers gratis lands to those who should be inclined to come to the East. From their departure the Turkish Government promises to take charge of the colonist. Even before their arrival in their adoptive country, plots of land will be assigned to each colonist, according to his means

and capital, which must amount to a minimum of 46l. They will have every facility for transporting their goods and chattels there. They are exempt from taxation for six years if settled in Europe, and 12 if in Asia. The free exercise of their religion is assured to them.

*The Bank of England and the late Crisis.*—The lessons of the late crisis will not be entirely lost. The Bank of England has just adopted an arrangement, which was demonstrated on that occasion to be essential for the future safety of the banking transactions of the country. Henceforth no discounts will be granted to the bill-brokers. If those houses choose to receive money at a call to an unlimited extent, they must themselves bear the responsibility of being at all times prepared to meet the engagements into which they may enter. They will no longer waive the power of encouraging a redundant manufacture of paper, relying on their immediate ability, in times of sudden pressure, to throw the onus of any difficulty on the Bank of England, and rendered confident as to their ultimate position by the endorsements of joint-stock banks, and the consequent unlimited commitment of a multitude of infatuated shareholders. It is plain the practice of the Bank of England in rediscounting for the bill-brokers was just as inherently vicious as that of the bill-brokers rediscounting for the joint-stock banks. It is true the Bank of England have always exercised much greater vigilance with regard to the character of any paper brought to them than was thought necessary by the establishments in question, but that makes no difference as regards the principle at stake, and no one can doubt that if the promoters of the late crisis had known from the first that a resort to the Bank of England to cover the consequence of their own want of prudence had been impossible, the commercial delinquencies fostered through so many years would never have been encountered. In relation also, to advances on bills, an equally proper and stringent course is to be adopted. Hitherto it has been common not only to discount for the money lenders bills not having more than three months to run, but also to make advances for a fortnight or shorter periods on bills maturing any time within six months. The one is to be discounted as well as the other.—*London Times.*

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## BANK ITEMS.

**NEW YORK.**—The annexed circular has been issued by the Albany Redemption Agency:

ALBANY, May 3d, 1858.

The Managers of the Assorting House, after consultation with numerous friends of the enterprise, and in accordance with their own convictions, have decided to make no change in their terms for receiving and assorting State Currency, but to adhere strictly to the agreement entered into with the Bank Convention of the 18th of February last. They believe that a partial reduction of rates, applied to Banks only, cannot be lasting, and that a general reduction is not desired by the interior Banks, as it will tend to require them to carry the burthen and pay the expenses of the exchanges between city and country, through the medium of their own circulating notes, and also subject them to serious competition with foreign and unsecured currency. The Assorting House has the cordial support and co-operation of nearly one hundred and seventy New York State Banks, which redeem through it daily, upon the terms agreed upon with the Convention; and its managers are confident that if those Banks will continue to send their currency to the Assorting House, direct or through the corresponding Banks, they will fully accomplish the objects for which it was established.

I am, very respectfully, your obedient servant,

JAMES A. HUSBAND, *Superintendent.*

The public are indebted to the Metropolitan Bank for the present system, whereby the discount has been reduced on Country Bank paper from  $\frac{3}{4}$  and  $\frac{1}{2}$  to only 1-4 per cent.,



thereby saving to this community several hundred thousand dollars annually. Our Merchants and our Banks are therefore under obligations to the Metropolitan for the introduction and consummation of this great change. Dispense with this system and our dealers would be at the mercy of the unprincipled among the brokers. The Metropolitan Bank system has worked well for a series of years, producing essential relief to our city Banks, and particularly to our merchants. The latter were previously subjected to an imposition of  $\frac{1}{2}$  to 1 per cent. discount on country bank paper; and great uncertainty frequently prevailed as to the standing or credit of the interior concerns. Unfounded reports were repeatedly set afloat as to the suspension or discredit of the country banks, and days elapsed before the rumors were confirmed or disproved. Now there is no uncertainty of the kind. If a Bank be discredited, it is not so at its own counter, but at its agency in New York, and it is known here before it is known at home.

**Bank Capital.**—The Bank Statement for the past month presents stronger features than that of the preceding. The Loans and deposits are gradually increasing; the Specie on hand exceeds fifty per cent. of the Capital reported, and according to the present indications of the Foreign exchange market, there will be no export of Gold for some weeks to come, consequently the Specie reserve will accumulate still further. Having revised the list of Bank Capitals, it will appear that the present aggregate is over sixty-six and a half millions. Seven of the Banks have increased their Capitals this year about \$2,500,000, and are receiving further subscriptions, viz:

	Paid In.	Proposed Am't.
Bank of New York.....	\$2,665,000	\$3,000,000
Merchants' Bank.....	2,890,000	3,000,000
Bank of America.....	2,971,000	3,000,000
Bank of Commerce.....	8,491,000	10,000,000
American Exchange Bank.....	4,800,000	5,000,000
St. Nicholas Bank.....	747,000	750,000

**New York City.**—We are informed by reliable authority that Hon. JAMES M. COOK, Superintendent of the Bank Department, has been in town several days, examining the affairs of the Mechanics' Banking Association, under the law recently passed by the Legislature. He finds that the institution has paid all its debts, both principal and interest, and that there remains \$316,000 of valuable assets, as the Capital of the Bank as now organized. This is equal to 50 per cent. of the original Capital.

The East River Bank, after having been released from its Receiver by the usual action of the Court, was examined by Mr. COOK, the Bank Superintendent. The bank is now going on under a reduced capital, \$226,000. The original capital was \$312,000.

**MASSACHUSETTS.**—Henry A. Willis, Esq., has been elected Cashier of the Rollstone Bank in place of William B. Wood, Esq., resigned.

**RHODE ISLAND.**—A few years ago Mr. Peter Remington was robbed on the steamer Perry, of a valise containing bills belonging to the Newport banks, amounting to \$40,000. The robbery remained a mystery, and none of this money was ever recovered. Therefore, much interest is excited by the appearance of the following paragraph in a biographical sketch of Mike Phillips, or Jew Mike, an English thief, in the Police Gazette of May, 1858:

"The robbery in which Jew Mike was concerned, was the robbery of the bank porter, between Newport and Providence, Rhode Island. Mike and his associates ascertained that on a certain day the bank porter would convey an immense amount of money from Newport to Providence. The thieves provided themselves with a satchel similar to that of the porter's, and on the way to Providence, while one of the gang engaged his attention, Mike changed the satchel. When opened it contained to their delight \$40,000. As soon as a fair division of the spoils had been made, the 'mob' separated, and while one went west and another south, Mike took the safest plan to prevent arrest by going to London with his share of the plunder."

**Providence.**—Eli Aylsworth, Esq., was on the 6th May elected President of the Westminster Bank, in place of William B. Lawton, Esq., resigned. Raymond G. Place, Esq., was at the same time elected Cashier of the same bank.

## Condition of the Rhode Island Banks in 1858.

## PROVIDENCE BANKS.

		Capital.	Circulation.	Deposits.	Due other Banks.
Jan.	11.....	\$14,608,400	1,552,822	2,025,956	1,388,435
March	15.....	14,613,750	1,810,787	1,902,082	1,048,980
April	5.....	14,618,800	1,409,695	1,946,998	1,080,817
April	19.....	14,618,800	1,483,226	1,965,816	996,961
May	3.....	14,617,150	1,393,553	2,068,335	1,089,383
		Loans.	Specie.	Bills of other banks.	Deposits in other banks.
Jan.	11.....	\$17,701,725	565,553	761,870	915,519
March	15.....	16,925,849	520,828	632,423	1,280,975
April	5.....	17,037,949	591,861	698,003	1,201,302
April	19.....	17,169,822	564,033	732,739	980,815
May	3.....	17,203,225	566,869	701,593	1,042,367

## BANKS OUT OF PROVIDENCE.

		Capital.	Circulation.	Deposits.	Due other Banks.
Jan.	11.....	\$5,559,069	1,347,006	732,228	71,015
March	15.....	5,567,479	1,141,116	778,843	53,784
April	5.....	5,575,779	1,281,347	788,183	47,665
April	19.....	5,578,059	1,329,594	794,498	49,731
May	3.....	5,579,239	1,237,974	835,145	69,169
		Loans.	Specie.	Bills of other banks.	Deposits in other banks.
Jan.	11.....	\$7,144,229	174,778	108,419	380,291
March	15.....	6,938,567	160,111	87,412	435,148
April	5.....	7,036,933	162,918	120,204	455,155
April	19.....	7,104,607	163,416	126,827	424,579
May	3.....	7,133,595	163,784	94,023	432,919

CONNECTICUT.—The Governor of Connecticut in his Message recommends more stringent regulations as to the banks of that State. He says:

From the examination I have given this subject, I am led to recommend—First. That the Banks be prohibited from having interest on deposits. Second. That they be prohibited from making loans on call. Third. That their circulation be limited to an amount not exceeding seventy-five per cent. on their capital stock. Fourth. That they be required to make monthly returns of their condition to the Bank Commissioner. Fifth. That they be required to keep on hand an amount of specie equal to ten per cent., on the total amount of their indebtedness, and if during any month their average amount shall not be equal to this requirement, all discount shall cease until they shall be restored to such a condition. We have seventy-six banks in the State with an aggregate capital of \$20,613,723, the condition of which will appear in detail in the report of the Bank Commissioners. Their observation and experience will enable them to give you valuable suggestions relative to the operation of our Banking system. Their report will also exhibit the condition of the several Saving and Building Associations—under our laws they possess the peculiar privilege of taking a higher premium for the use of money than private citizens or any other associations. It will be well to consider whether you may not with a true and just regard to all their rights, and your obligations to the public, limit a time for closing their business, or enact a law which prohibits them from taking any bonus on any future loans, and confine them to an interest of 6 per cent. per annum.

PENNSYLVANIA.—William Milnes, Esq., Merchant of Philadelphia, has been elected Cashier of the Anthracite Bank of Tamaqua, in place of George Wiggan, Esq., who was elected temporarily to fill the post a short time ago.

Erie.—The Bank of Commerce has commenced business at Erie. B. Grant, Esq., President. G. J. Ball, Esq., Cashier.

**Warren.**—J. Y. James, Esq., has been appointed President of the Warren County Bank at Warren.

**INDIANA.**—V. A. Pepin, Esq., has resigned the Cashiership of the Branch Bank of the State of Indiana at New Albany, and was succeeded by Walter Mann, Esq., on the 1st May.

**Terre Haute.**—Samuel S. Early, Esq., has been elected President of the Prairie City Bank, Terre Haute, in place of C. W. Barbour, Esq., resigned.

**OHIO.**—New York, Boston, Philadelphia and Baltimore, have adopted the Clearing House system. It is now proposed at Cincinnati for the country Banks of that State. The report of the Committee of the Cincinnati Chamber of Commerce, on the expediency of establishing a Clearing House, favors the establishment of the proposed system. A Committee representing the Banks of Ohio and Indiana, and probably of Kentucky, will meet in Cincinnati early in May, to consider the matter, on which occasion the Chamber of Commerce Committee have been invited to meet with the representatives of the banks. Such a Clearing House will do much towards equalizing the rates of exchange on the Eastern cities. It is known that while the Ohio Banks did not suspend in the year 1857, it was difficult to procure Eastern Exchange at Cincinnati or any other place in Ohio under 5 to 6 per cent. premium. Now the rates approach the specie standard, or the cost of transmitting specie to New York.

**TENNESSEE.**—A meeting of Philadelphia stockholders in the Planters' Bank of Nashville, and the Union Bank of Tennessee, and which was numerously attended, was held recently at the Board of Trade room, in that city, to take action on the late acts of the Legislature of that State, affecting said Banks. After considerable discussion, EVANS RODGERS, Esq., offered a series of resolutions in opposition to the acceptance of said acts, which were unanimously adopted, when the meeting adjourned. The stock in the above Banks is mainly held in that city. The general sentiment expressed at the meeting, was in favor of an early resumption of specie payments.

**CANADA.**—Canadians are momentarily expecting the circulation of their new coinage, for which they must be pretty well prepared after their experience with their present (or late) compound currency. The new coins have been prepared at the London mint, and the first consignment is soon expected, if it has not already arrived. The silver coinage consists of five, ten, and twenty cent pieces. Cents have also been struck. The currency hitherto has been of three sorts, that of Halifax, which was the Colonial currency; the American decimal; and the sterling. Of these the *Toronto Leader* says:

“The Halifax currency had a shilling, which there was no coin to represent—and although it might have been measured by the French franc, that coin never found its way into circulation here. Our shillings were imaginary; three pence, for practical currency purposes, less than the English shilling or the American quarter dollar. Our pence were, of course, equally out of joint with any other currency with which they were like to come in contact. They were not sterling pence; and our half pence were neither American cents nor French sous. The dollar had forced itself into our paper currency; bills were, also, dollar bills. The mixture, confusion and complication were as great as it is possible to conceive.”

**KENTUCKY.**—The Deposit Bank at Covington, Kentucky, has commenced operations. President, D. G. Hatch, Esq. Cashier, Geo. C. Swan, Esq.

**Somerset.**—Eben Milton, Esq., has been appointed Cashier of the Farmers' Bank of Kentucky at Somerset, in place of John G. Lair, Esq., resigned.

**KANSAS.**—The Kansas Valley Bank has been established at Atchison. President, Samuel C. Pomeroy. Cashier, A. C. Swift.

**MISSOURI.**—A Branch of the Exchange Bank of St. Louis, has been established at Glasgow, with a present capital of \$100,000.

**Boonville.**—A Branch of the Bank of St. Louis has been established at Boonville, Cooper County, with present capital of \$110,000. E. W. Brown, Esq., President, William E. Burr, Esq., (for several years teller of the Bank of Kentucky, Lexington,) Cashier.

**Brunswick.**—A Branch of the Merchants' Bank, of St. Louis, has been established at Brunswick, Chariton Co., on the Missouri River. Branches are also authorized at Osceola, St. Clair Co., and at St. Genevieve.

**OHIO.**—T. S. Goodman, Esq., has been appointed Cashier of the Chillicothe branch of the State Bank of Ohio, in place of James B. Scott, Esq.

**Springfield.**—Charles A. Phelps, Esq. (formerly teller) succeeds W. McMeen, Esq., as Cashier of the Springfield Bank.

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PRIVATE BANKERS.

*Office Bankers' Magazine and Statistical Register, New York, 162 Pearl-street, June, 1858.*

**CIRCULAR TO PRIVATE BANKERS.**—The numerous calls upon the undersigned, for the names of responsible banking firms in the South and West, to whom to confide collection paper, induces him to propose to keep in his office, a register of private bankers in the United States, containing their printed cards, showing their individual names, style of firm, location (*town, county, and State*), references, &c. A register of this kind, for reference by our merchants and bankers, is essentially necessary after the extraordinary revulsion of the year 1857, and the numerous changes that have taken place among private banking firms throughout the United States. In pursuance of this suggestion, bankers are requested to send to this office, one or two of their **PRINTED CARDS**, showing

*I. The style of the firm as private bankers.—II. The individual names of the several partners.—III. The town or city and the name of the county and State where located.—IV. References in New York: (or names of parties in New York, Philadelphia, Boston, or Baltimore, on whom they generally draw.)*

Our Subscribers are requested to report any recent changes among the banking firms in their vicinity, for publication in our lists of Banks and Private Bankers.

The *Bankers' Magazine* will hereafter contain a **MONTHLY SUMMARY** of the changes among private bankers in all parts of the United States, new firms established, and old firms giving up business.

**MISSOURI.**—Robert Aull, Esq., having been elected President of the Farmers' Bank of Missouri, at Lexington, has relinquished business as a private banker.

**OHIO.**—Messrs. James A. Raynor and Wedworth W. Clarke have established a banking house at Toledo, Ohio, under the firm of Raynor and Clarke, having succeeded to the business and to the stand of Messrs. W. S. Williams & Co., No. 158 Summit-street. (*See their card.*)

**IOWA.**—Messrs. Greene, Merritt & Co. are successors to the banking firm of Greene, Weare & Co., at Cedar Rapids, Iowa; with connections, viz., Greene, Traer & Co., Vinton; Merritt, Sherman & Co., Fort Dodge; B. Rice & Co., Des Moines, Iowa. (*See their card on the cover of this work.*)

**NEW YORK.**—Messrs. Geo. S. Wright & Co., of Cincinnati, have established a branch of their house at No. 59 Wall-street, New York city.

**GEORGE PEABODY, LONDON.**—The circumstance of Mr. Peabody having recently entirely paid off the advances he obtained from the Bank of England toward the termination of the late crisis, has had a very favorable effect, and will further extend the general feeling as to the high position of his house. Although it is scarcely possible to over-estimate the influence he has exercised during his whole career in raising the estimate of American credit in London, it may be questioned whether the proofs of prudence and solidity given by the firm during the trying period just passed, have not had a greater effect in this direction than any thing in its previous conduct. The remark is, that it is impossible to surmise what might have happened generally as regards other houses if the convulsion had continued, but that in this case, at all events, the public had tangible evidence of actual resources that would have been sufficient under every conceivable contingency. The deposit of securities for \$4,000,000 was a fact which left nothing to conjecture. That only a little more than a third of the sum thus secured was applied for, and that even this has been discharged within four months instead of eight or nine, originally contemplated, are incidents which most appropriately finish the history of the transaction.—*London Cor. N. Y. Advertiser.*

## CORRESPONDENCE OF THE BANKERS' MAGAZINE.

## QUOTATIONS OF EXCHANGE.

BANK OF ....., WISCONSIN, March, 1858.

*To the Editor of the Bankers' Magazine :*

Will you instruct your subscribers in regard to the standard of quotations of foreign exchange, when it is spoken of as "109," "110," &c., what is par? By giving an explanation of this you will end a good many discussions among Western business men, and doubtless enlighten others who are no better "posted up" than the undersigned.

....., *Cashier.**Remarks.*—The current rates of exchange on European cities are as follows :

<i>Bills at 60 Days on</i>	<i>April 26.</i>	<i>May 11.</i>	<i>May 18.</i>
London,.....	108½ a 109	— a 109½	109½ a 110
Paris,.....	5 20 a 5 15	5 12½ a 5 11½	5 13½ a 5 11½
Basle and Zurich.....	5 17½ a 5 15	5 11½ a 5 10	5 11½ a 5 10
Antwerp,.....	5 17½ a 5 15	— a —	— a —
Amsterdam,.....	41½ a 41½	41½ a 41½	41½ a 41½
Hamburg,.....	36½ a 37	— a 37	— a 37
Bremen,.....	78½ a 79½	— a 80	79½ a 79½
Frankfort on the Main,.....	41½ a 41½	— a 42	41½ a 41½
Berlin,.....	72½ a 73	73 a 73½	— a 73½
Leipsic,.....	72½ a 73	73 a 73½	— a 73½
Cologne,.....	72½ a 73	73 a 73½	— a 73½

Commercial bills on London are worth 107½ a 108½, according to the character of the drawers. For the benefit of our correspondent, as well as those who do not understand the process of converting dollars into foreign funds, it may be well to state the real prices according to the above quotations.

On Paris, 5.20 a 5.15 is 5 francs and 20 or 15 centimes in Paris for every dollar paid here; or 520 or 515 francs for every hundred dollars. Of course 5.15 is a higher price than 5.20—or in other words, the purchaser *gets less in Paris for his money paid in New York.*

On Amsterdam and Frankfort, O. M., bills are sold at 41½ a 41½ cents for every guilder. Thus a bill for 1,000 guilders realizes \$412 50 to \$417 50 at New York.

On Hamburg the quotation is 36½ to 36½ cents per marc banco—a money of account, as is the pound sterling—there being no such money either in gold, silver, or paper; a bill for 1,000 marcs banco is understood to cost here \$365 a \$368 75.

On Berlin, Leipsic, or Cologne, the quotation is 72½ or 73 cents per Prussian thaler, a silver coin weighing 11 cwt. 9 gr., valued in sterling at 2s. 11d. a 3s., or from 72 to 73 cents United States currency. Thus a bill for 1,000 thalers is valued at \$725 a \$730.

On Bremen the quotation is 78½ a 79 cents per rix dollar, the current money of account at that city. Thus a bill of 1,000 rix dollars on Bremen sells at New York for \$787 50 a 790.

The quotations for sterling bills, 108½ a 109, &c., is an anomaly in commerce, and sustained here by long usage. The pound sterling is computed at \$4 44 (four dollars and forty-four cents), when in fact the English gold sovereign, which represents the

pound sterling, is worth \$4 88, 4 84 to 4 86. Thus a bill on London for one hundred pounds sterling is worth the nominal par..... \$444 44  
 Add nine per cent. nominal premium or..... 40 00

Total cost..... \$484 44  
 Add one per cent. for sixty days interest..... 4 84

Actual cost..... \$489 28  
 Or if money be worth only four per cent., as at present, the bill will net about \$487 67.

It has been suggested repeatedly of late years, that the quotations for sterling bills in this market be made in the same way as for gold sovereigns. Thus, if a party applies at a broker's for 100 sovereigns for remittance, he is told they are worth \$483 a 486: so should sterling bills be quoted, so many dollars and cents *per pound*. It is time that this anomaly in commercial transactions were abolished by our bill drawers, and that the quotations be reduced to a common sense standard, as is the case with bills on Bremen, Hamburg, and *all other* places on which bills are drawn here. As the purchase and sale of bills on England are confined to some five or six leading houses in or near Wall street, it only remains for these few houses to establish a new tariff or table of quotations.

*Collections in the South and West.*—Several new banking houses have commenced operations lately. The cards of these may be found on the cover of this work, and a complete list of all the banking houses, as well as of all the banks in the United States, may be found in the "Merchants and Bankers' Register," for 1858, published early in February, the second edition of which is now published. The cards of bankers in the following places may be found on the cover of this magazine:

MASSACHUSETTS.—Boston.—NEW YORK.—New York City, Buffalo.  
 PENNSYLVANIA.—Philadelphia, Pittsburg, Scranton.—MARYLAND.—Baltimore.  
 DISTRICT OF COLUMBIA.—Washington.  
 VIRGINIA.—Fredericksburg, Lynchburg, Richmond.  
 ALABAMA.—Mobile, Montgomery.—ARKANSAS.—Helena.  
 CALIFORNIA.—Sacramento.  
 ILLINOIS.—Beardstown, Chicago, Dixon, Moline, Peoria, Peru, Port Byron, Rockford, Quincy, Springfield, Sterling.  
 INDIANA.—New Albany, Richmond.  
 IOWA.—Cedar Rapids, Council Bluffs, Chariton, Clinton, Fairfield, Davenport, Des Moines, Dubuque, Fort Dodge, Iowa City, Keokuk, Muscatine, Sioux City.  
 KENTUCKY.—Lexington, Louisville.—LOUISIANA.—New Orleans.  
 MICHIGAN.—Battle Creek, Grand Rapids.  
 MINNESOTA.—Minneapolis, St. Paul, St. Anthony.  
 MISSOURI.—Boonville, Glasgow, Hannibal, St. Louis.  
 OHIO.—Cincinnati, Cleveland, Newark, Sandusky, Toledo.  
 TENNESSEE.—Nashville.—TEXAS.—Galveston, San Antonio.  
 WISCONSIN.—Milwaukee, Mineral Point, Sheboygan, Fond du Lac.  
 CANADA.—Kingston, &c.

☞ Owing to the place occupied by the new Bank list in the present number, we defer, until our next number, our "Notes on the Money Market."

#### DEATHS.

At ITHACA, N. Y., May 4th, NATHAN T. WILLIAMS, Esq., for the past twenty years cashier of the Tompkins County Bank.

At KINGSTON, Upper Canada, May 12th, FRANCIS ARCHIBALD HARPER, Esq., Commissioner of the Trust and Loan Company of Upper Canada, and formerly, for many years, Cashier of the Commercial Bank of the Midland District, in his 70th year.

# BANKS OF THE UNITED STATES.

LOCATION, NAME, PRESIDENT, CASHIER, AND CAPITAL OF EACH.

Maine, .....	Maryland, .....	Kentucky, .....
New-Hampshire, .....	District of Columbia, .....	Louisiana, .....
Vermont, .....	Virginia, .....	Michigan, .....
Massachusetts, .....	North Carolina, .....	Mississippi, .....
Rhode-Island, .....	South Carolina, .....	Missouri, .....
Connecticut, .....	Georgia, .....	Nebraska, .....
New-York, .....	—	Ohio, .....
New-Jersey, .....	Alabama, .....	Tennessee, .....
Pennsylvania, .....	Illinois, .....	Texas, .....
Delaware, .....	Indiana, .....	Wisconsin, .....

## MAINE.

<i>Location.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Alfred.....	Alfred Bank.....	James O. McIntyre...	John N. Stimson.....	\$50,000
Auburn.....	Auburn Bank.....	J. H. Roak.....	William Libby.....	75,000
Augusta.....	Augusta Bank.....	Samuel Cony.....	Joseph J. Eveleth.....	88,000
“.....	Freeman's Bank.....	Benjamin Davis.....	Daniel Pike.....	100,000
“.....	Granite Bank.....	William A. Brooks.....	Silas Leonard.....	75,000
“.....	State Bank.....	George W. Stanley.....	William R. Smith.....	100,000
Bangor.....	Bk. of the State of Me.	Geo. K. Jewett.....	William S. Dennett...	150,000
“.....	Eastern Bank.....	Amos M. Roberts.....	William H. Mills.....	200,000
“.....	Farmers' Bank.....	James Dunning.....	William H. Parsons..	100,000
“.....	Kenduskeag Bank.....	George W. Pickering.	Theodore S. Dodd.....	75,000
“.....	Market Bank.....	Samuel F. Hersey.....	J. Wyman.....	100,000
“.....	Mercantile Bank.....	James Walker.....	John S. Ricker.....	50,000
“.....	Merchants' Bank.....	W. A. Blake.....	M. T. Stickney.....	100,000
“.....	Norombega Bank.....	Tho. A. White.....	G. R. Smith.....	50,000
“.....	Traders' Bank.....	Walter Brown.....	Ebenezer Trask.....	100,000
Bath.....	Lincoln Bank.....	George F. Patten.....	John Shaw.....	200,000
“.....	Long Reach Bank.....	D. C. Magoun.....	D. N. Magoun.....	51,200
“.....	Sagadahock Bank.....	Thomas D. Robinson..	Daniel F. Baker.....	100,000
“.....	City Bank.....	J. H. McClellan.....	Otis Kimball.....	250,000
“.....	Bath Bank.....	Freeman Clark.....	F. Partridge.....	100,000
Belfast.....	Bank of Commerce.	Asa Faunce.....	C. Palmer.....	75,000
“.....	Belfast Bank.....	Thomas Marshall.....	Nathaniel H. Bradbury	100,000
Biddeford.....	Biddeford Bank.....	William P. Haines.....	Seth S. Fairfield.....	150,000
“.....	City Bank.....	Charles C. Sawyer.....	S. A. Boothby.....	50,000
Bowdoinham.	Village Bank.....	R. Purvinton.....	B. Butterfield.....	50,000
Brunswick...	Maine Bank.....	S. R. Jackson.....	Angustus C. Robbins..	87,500
“.....	Pejepscot Bank.....	Joseph Badger.....	John Rogers.....	100,000
“.....	Union Bank.....	Joseph McKean.....	.....	60,000
Bucksport...	Bucksport Bank.....	E. Barnard.....	E. Swazey.....	75,000
Calais.....	Calais Bank.....	George Downes.....	Joseph A. Lee.....	100,000
Damariscotta.	Marine Bank.....	Benjamin D. Metcalf..	B. F. Shaw.....	50,000
Eastport.....	Frontier Bank.....	William M. Brooks.....	Enoch J. Noyes.....	75,000
Farmington...	Sandy River Bank.....	Samuel Belcher.....	Joseph A. Linscott..	50,000
Gardiner.....	Gardiner Bank.....	W. B. Grant.....	James F. Patterson..	100,000
“.....	Oakland Bank.....	N. Wood.....	S. Bowman.....	50,000
“.....	Cobbossee Contee Bk..	Edward Swan.....	Joseph Adams.....	100,000
Hallowell.....	Northern Bank.....	J. Gardner.....	Ichabod Nutter.....	100,000
“.....	American Bank.....	Calvin Spaulding.....	A. H. Howard.....	100,000
Kennebunk...	Ocean Bank.....	Joseph Titcomb.....	Christopher Littlefield	100,000
Lewiston.....	Lewiston Falls Bank..	Daniel Holland.....	Albert H. Small.....	200,000
Newcastle...	Newcastle Bank.....	Joseph Haines.....	D. W. Chapman.....	50,000
Old Town.....	Lumberman's Bank.....	W. H. Smith.....	E. B. Pierce.....	50,000
Orono.....	Orono Bank.....	Nathan H. Allen.....	E. P. Butler.....	50,000
Portland.....	Atlantic Bank.....	John M. Wood.....	George D. Willes.....	100,000
“.....	Bank of Cumberland..	William Moulton.....	Samuel Small, Jr.....	200,000

Location.	Name of Bank.	President.	Cashier.	Capital.
Portland	Canal Bank	William W. Thomas	Josiah B. Scott	\$600,000
"	Casco Bank	Eliphalet Greely	Edward P. Gerrish	600,000
"	Manuf. & Traders' Bk.	Rufus Horton	Edward Gould	250,000
"	Mechanics' Bank	Wm. Woodbury	Charles Payson	225,000
Richmond	Mechanics' Bank	Allen Haines	Wm. H. Stephenson	100,000
Rockland	Richmond Bank	William Patten	F. R. Theobald	75,000
"	Lime Rock Bank	H. G. Berry	A. D. Nichols	100,000
"	North Bank	John Bird	S. N. Hatch	50,000
"	Rockland Bank	A. H. Kimball	William H. Titcomb	150,000
Saco	Manufacturers' Bank	Tristram Jordan, Jr.	Tristram Scammon	100,000
"	York Bank	Daniel Cleaves	John C. Bradbury	100,000
Searsport	Searsport Bank	Jeremiah Merithew	Charles Gordon	50,000
Skowhegan	Skowhegan Bank	Abner Coburn	William Philbrick	75,000
"	Bank of Somerset	William Rowell	E. Kidder	50,000
S. Berwick	South Berwick Bank	Theodore F. Jewett	Edward Hayman	100,000
Thomaston	Thomaston Bank	William Singer	John D. Barnard	50,000
"	Georges Bank	Edward O'Brien	J. G. Levensaler	50,000
Waldoboro	Medomak Bank	J. H. Kennedy	George Allen	50,000
"	Waldoboro Bank	Isaac Reed	B. B. Haskell	50,000
Waterville	Ticonic Bank	Joseph Eaton	S. Redington	125,000
"	People's Bank	John R. Philbrick	S. Percival	75,000
"	Waterville Bank	D. L. Milliken	Angustus Perkins	100,000
Winthrop	Bank of Winthrop	C. M. Bailey	David Stanley	75,000
Wiscasset	Mariners' Bank	Henry Clark	S. P. Baker	50,000

Total 69 Banks.

Circulation \$5,000,000.

Specie \$660,000.

\$7,536,700

**NEW-HAMPSHIRE.**

Claremont	Claremont Bank	Ambrose Cossit	John L. Farwell	\$100,000
Charlestown	Connecticut River Bk.	Hope Lathrop	George Olcott	100,000
Concord	Mechanics' Bank	George Minot	Charles Minot	100,000
"	Merrimac County Bk.	Francis N. Fisk	Ebenezer S. Towle	80,000
"	State Capitol Bank	S. Butterfield	Edson Hill	150,000
"	Union Bank	G. B. Chandler	A. C. Pierce	50,000
Derry	Derry Bank	John Ordway	David Currier	60,000
Dover	Strafford Bank	William Woodman	Asa A. Tufts	120,000
"	Dover Bank	Joseph H. Smith	Thomas L. Smith	100,000
"	Cochecho Bank	Thomas Stackpole	Ezekiel Hurd	100,000
"	Langdon Bank	Andrew Peirce, Jr.	Calvin Hale	100,000
East Jeffrey	Monadnoc Bank	John Fox	Peter Upton	50,000
Epping	Pawtuckaway Bank	John H. Pearson	Charles W. Sargent	50,000
Exeter	Granite State Bank	Moses Sanborn	Samuel H. Stevens	125,000
"	Exeter Bank	John Scammon	James M. Lovering	
Farmington	Farmington Bank	Hiram Barker	John D. Lyman	75,000
Francestown	Francestown Bank	Daniel Fuller	Paul H. Bixby	60,000
Keene	Ashuelot Bank	Thomas M. Edwards	Thomas H. Leverett	100,000
"	Cheshire Bank	Levi Chamberlain	R. H. Porter	100,000
"	Cheshire County Bank	Zebina Newell	G. W. Tilden	100,000
Lancaster	White Mountain Bank	James B. Sumner	George C. Williams	50,000
Laconia	Belknap County Bank	Warren Lovell	N. B. Gale	80,000
Lebanon	Lebanon Bank	Robert Kimball	James H. Kendrick	100,000
Manchester	Amoskeag Bank	John S. Kidder	Moody Currier	200,000
"	Manchester Bank	James U. Parker	Nathan Parker	125,000
"	City Bank	Isaac C. Flunders	E. W. Harrington	150,000
"	Merrimac River Bank	William G. Means	Frederick Smyth	150,000
Milford	Souhegan Bank	Thomas Chace	H. A. Daniels	100,000
Nashua	Nashua Bank	Isaac Spalding	John M. Hunt	125,000
"	Indian Head Bank	William D. Beason	A. McKean	100,000
"	Pennichuck Bank	Aaron W. Sawyer	Harrison Hobbs	100,000
New-Ipswich	New-Ipswich Bank	Jonas M. Melville	George Barrett	100,000
New Market	New Market Bank	L. D. Creighton	S. A. Haley	60,000
Newport	Sugar River Bank	Ralph Metcalf	Paul J. Wheeler	50,000
Ossipee	Pine River Bank	L. D. Sawyer	William Sawyer, Jr.	50,000
Peterboro	Peterborough Bank	A. C. Cochran	C. G. Cheney	50,000
Pittsfield	Pittsfield Bank	James Drake	John L. French	50,000
Portsmouth	Mechanics & Traders' Bk. of New-Hampshire	Richard Jenness	James F. Shores	141,000
"	Piscataqua Exch'ge Bk	Peter Jenness	J. P. Bartlett	150,000
"	Rockingham Bank	William H. Y. Hackett	Samuel Lord	200,000
"	Rockingham Bank	Jonathan M. Treddick	John J. Pkering	200,000
Rochester	Farmers & Mechs' Bk.	N. V. Whitehouse	T. E. Sawyer	100,000
"	Rochester Bank	John McDuffie	Franklin McDuffie	80,000



Location.	Name of Bank.	President.	Cashier.	Capital.
Rollinsford...	Salmon Falls Bank...	Hiram R. Roberts.....	William H. Morton....	\$50,000
Sanbornton...	Citizens' Bank.....	Asa P. Cate.....	William T. Cass.....	50,000
Sandwich....	Carroll County Bank..	Daniel Hoitt.....	Stephen Beede.....	50,000
Somersworth..	Great Falls Bank.....	William T. Cass.....	David H. Buffum.....	150,000
"	Somersworth Bank....	Oliver H. Lord.....	George L. Dearborn..	100,000
Warner.....	Warner Bank.....	Jason H. Ames.....	Francis Wilkins.....	50,000
Winchester...	Winchester Bank.....	Henry Kingman.....	Erastus Snow.....	100,000
Wolfboro....	Lake Bank.....	John M. Brackett... .	Abel Haley.....	75,000
<b>Total 51 Banks.</b>		<b>Circulation \$3,400,000.</b>	<b>Specie \$200,000.</b>	<b>\$4,958,000</b>

**VERMONT.**

Bellows Falls.	Bank of Bellows Falls.	Nathaniel Fullerton ..	James H. Williams...	\$100,000
Bennington..	Stark Bank .....	Isaac Weeks .....	George W. Harman...	80,000
Bethel.....	White River Bank.....	Augustus P. Hunton..	F. W. Anderson.....	75,000
Bradford....	Bradford Bank .....	George W. Prichard..	Benjamin T. Blodgett.	100,000
Brandon.....	Brandon Bank .....	John A. Conant.....	Lorenzo Bixby.....	75,000
Brattleboro..	Bank of Brattleboro..	Samuel Root.....	Philip Wells.....	150,000
"	Windham Co. Bank...	N. Williston.....	S. M. Waite.....	100,000
Burlington...	Bank of Burlington..	Philo Doolittle.....	Richard G. Cole.....	150,000
"	Commercial Bank....	Lucius E. Chittenden.	Vernon P. Noyes.....	150,000
"	Farmers & Mechanics'	Frederick Fletcher...	Charles F. Warner....	150,000
"	Merchants' Bank.....	Henry P. Hickok... .	S. M. Pope.....	150,000
Castleton...	Bank of Castleton...	Timothy W. Rice.....	Cyrenius M. Willard..	100,000
Chelsea.....	Orange County Bank.	Lement Bacon.....	Preston S. Smith.....	50,000
Danby.....	Danby Bank.....	I. J. Vail.....	J. H. Vail.....	
Danville....	Bank of Caledonia....	Lewis H. Delano.....	G. A. Burbank.....	75,000
Derby Line..	People's Bank.....	Portus Baxter.....	Stephen Foster.....	50,000
Hyde Park...	Lamoille County Bank	Lucius H. Noyes.....	Carlos S. Noyes.....	50,000
Irasburg....	Bank of Orleans.....	Elijah Cleveland....	Isaac N. Cushman....	50,000
Jamaica.....	West River Bank.....	James H. Phelps.....	John E. Butler.....	50,000
Lyndon.....	Bank of Lyndon.....	Epaphras B. Chase...	S. B. Mattocks.....	75,000
Manchester..	Battenkill Bank.....	Major Hawley.....	William P. Black.....	75,000
Middlebury..	Bank of Middlebury..	Paris Fletcher.....	Joseph Warner.....	100,000
Montpelier...	Bank of Montpelier..	E. P. Jewett.....	George Howes.....	100,000
"	Vermont Bank.....	Geo. W. Collamer...	John A. Page.....	100,000
Northfield..	Northfield Bank.....	Calvin Ainsworth....	Henry M. Bates.....	100,000
Orwell.....	Farmers' Bank.....	J. H. Thomas.....	Stephen C. Bull.....	100,000
Poultney....	Bank of Poultney....	Samuel P. Hooker....	Merritt Clark.....	50,000
Proctorsville.	Bank of Black River..	E. F. Parker.....	George S. Hill.....	50,000
Royalton....	Bank of Royalton....	William Skinner.....	William H. Baxter....	100,000
Rutland.....	Bank of Rutland.....	George T. Hodges....	John B. Page.....	800,000
Springfield..	Exchange Bank.....	Joseph W. Colburn..	Albert Brown.....	50,000
St. Albans...	St. Albans Bank.....	Hiram B. Sowles....	Henry Howes.....	150,000
"	Franklin County Bank	Oscar A. Burton.....	Marcus W. Beardsley.	100,000
St. Johnsbury	Passumpsic Bank....	Barron Moulton.....	Edward C. Redington.	100,000
Sheldon.....	Missisquoi Bank.....	William Green.....	Homer G. Hubbell....	100,000
Swanton Falls	Union Bank.....	Joseph Blake.....	Norman A. Lasell....	75,000
Vergennes... Waterbury..	Bank of Vergennes... Bank of Waterbury...	Samuel P. Strong.... Leander Hutchings...	Joseph D. Atwell.... Benj. H. Dewey.....	150,000 80,000
Wells River..	Bank of Newbury....	Robert Harvey.....	George Leslie.....	75,000
Windsor....	Ascutney Bank.....	Allen Wardner.....	Henry Wardner.....	50,000
Woodstock...	Woodstock Bank.....	Oliver P. Chandler...	Eliakim Johnson....	
<b>Total 41 Banks.</b>		<b>Circulation \$3,700,000.</b>	<b>Specie \$200,000.</b>	<b>\$3,785,000</b>

**MASSACHUSETTS.**

Abington....	Abington Bank.....	Asaph Dunbar.....	J. N. Farrar.....	\$150,000
Andover....	Andover Bank.....	John Flint.....	Moses Foster, Jr.....	250,000
Athol.....	Miller's River Bank..	Seth Hapgood.....	A. Harding, Jr.....	150,000
Attleborough	Attleborough Bank...	E. Ira Richards.....	W. D. Cotton.....	100,000
Beverly.....	Beverly Bank.....	Samuel Endicott....	Robert G. Bennett....	125,000
"	Bass River Bank.....	Henry Kitfield.....	Jonathan Nichols....	100,000
Blackstone..	Worcester County Bk.	Henry S. Mansfield..	M. Farnum.....	100,000
Brighton....	Bank of Brighton....	Stephen H. Bennett..	Robert N. Woodworth.	250,000
"	Brighton Market Bank	Life Baldwin.....	Abner J. Benyon.....	250,000
Cambridge...	Charles River Bank...	Charles C. Little....	John B. Dana.....	100,000
"	Market Bank.....	George Meacham....	Warren Sanger.....	150,000
"	Cambridge City Bank.	John Livermore.....	Edward Richardson..	100,000

Location.	Name of Bank.	President.	Cashier.	Capital.
Cambridge...	Lechmere Bank.....	Lewis Hall.....	John Savage, Jr.....	\$100,000
Cambridgep't	Cambridge Bank.....	Thomas Whittemore..	Lucius R. Paige.....	100,000
Cambridge...	Nonsett Bank.....	Charles H. French....	F. W. Deane.....	100,000
Charlestown..	Bunker Hill Bank.....	Edward Lawrence....	Thomas Marshall....	300,000
"	Monument Bank.....	Peter Hubbell.....	George L. Foote.....	150,000
Chelsea.....	Tradesman's Bank.....	Isaac Stebbins.....	William R. Pearmain..	150,000
Chicopee.....	Cabot Bank.....	Jerome Wells.....	Henry H. Harris.....	150,000
Concord.....	Concord Bank.....	Daniel Shattuck.....	John M. Cheney.....	100,000
Conway.....	Conway Bank.....	Luther Bodman, Jr... Daniel Richards.....	William C. Robinson..	150,000
Danvers.....	Village Bank.....	Daniel Richards.....	William L. Weston....	200,000
Dedham.....	Dedham Bank.....	Jeremy Stimson.....	L. H. Kingsbury.....	300,000
Dorchester ..	Blue Hill Bank.....	H. Temple.....	Edward J. Bispham... William B. Brooks...	150,000 100,000
"	Mattapan Bank.....	Oliver Hall.....	Joseph T. Pease.....	100,000
Edgartown....	Martha's Vineyard Bk.	D. Fisher.....	Reuben Nye.....	300,000
Fairhaven....	Fairhaven Bank.....	Ezekiel Sawin.....	Henry H. Fish.....	350,000
Fall River....	Fall River Bank.....	David Anthony.....	Leander Borden.....	200,000
"	Massasoit Bank.....	Israel Buffinton....	Azariah S. Tripp.....	600,000
"	Metacomet Bank.....	Jefferson Borden....	C. J. Holmes, Jr.....	100,000
"	Wamsutta Bank.....	S. A. Chase.....	Samuel P. Bourne....	100,000
Falmouth....	Falmouth Bank.....	John Jenkins.....	Francis Jaques.....	200,000
Fitchburg....	Fitchburg Bank.....	Francis Perkins.....	Samuel J. Giles.....	150,000
"	Rollstone Bank.....	Moses Wood.....	Benjamin F. Somes... Jonathan Cary.....	800,000 100,000
Framingham..	Framingham Bank.....	Sullivan Fay.....	J. B. Prindle.....	300,000
Gloucester... ".....	Bank of Cape Ann... Gloucester Bank.....	G. P. Low..... Isaac Somes.....	Charles I. Fuller..... Edmund W. Russell...	200,000 200,000
Grafton.....	Grafton Bank.....	J. W. Slocumb.....	Obed Brooks.....	150,000
Gt. Barringt'n	Mahawie Bank.....	John L. Dodge.....	James E. Gale.....	200,000
Greenfield....	Franklin County Bank	Henry W. Cushman... Franklin Ripley....	Eleazar A. Porter... James Noyes.....	200,000 200,000
Harwich.....	Bank of Cape Cod....	Prince S. Crowell....	William Caldwell....	100,000
Haverhill....	Haverhill Bank.....	John A. Appleton....	John O. Lovett.....	140,000
"	Merrimac Bank.....	E. J. M. Hale.....	Rufus F. Brewer.....	100,000
"	Union Bank.....	George Cogswell....	Charles W. Ranlet... James S. Tileston...	200,000 100,000
"	Essex Bank.....	James Gale.....	Caleb T. Symmes....	200,000
Hingham.....	Hingham Bank.....	Nathaniel Richards..	Nathaniel White....	500,000
Holliston....	Holliston Bank.....	William S. Batchelder	Samuel C. Woodward..	100,000
Holyoke.....	Hadley Falls Bank....	Rufus D. Woods.....	Edward A. Bliss.....	300,000
Hopkinton....	Hopkinton Bank.....	L. H. Bowker.....	Cheney Hatch.....	200,000
Lancaster....	Lancaster Bank.....	Jacob Fisher.....	John A. Knowles.... Nathaniel Wright...	200,000 200,000
Lawrence....	Bay State Bank.....	Charles S. Storrow... Levi Sprague.....	John N. Pierce, Jr... Artemas S. Tyler....	100,000 200,000
"	Pemberton Bank.....	Thomas Sedgwick.... Cheney Hatch.....	John F. Rogers..... John H. Buttrick...	600,000 150,000
Lee.....	Lee Bank.....	Thomas Sedgwick....	E. W. Mudge.....	200,000
Leicester....	Leicester Bank.....	Cheney Hatch.....	Benj. V. French, Jr... William Bassett....	100,000 250,000
Lowell.....	Appleton Bank.....	John A. Knowles.... Nathaniel Wright...	Charles Merrill.... J. P. Turner.....	100,000 100,000
"	Lowell Bank.....	Nathaniel Wright...	J. Sparhawk, Jr.... G. Foot.....	120,000 100,000
"	Merchants' Bank.....	Harlin Pillsbury....	David Atwood.....	100,000
"	Prescott Bank.....	Joel Adams.....	A. G. Underwood....	250,000
"	Railroad Bank.....	Samuel W. Stickney..	J. R. Flynt.....	150,000
"	Wamesit Bank.....	Horace Howard.....	William Mitchell....	200,000
Lynn.....	Lighton Bank.....	Henry Newhall.....	John Andrews.....	200,000
"	City Bank.....	John C. Abbott.....	Gyles P. Stone.....	210,000
"	Lynn Mechanics' Bank	Isaiah Breed.....	William Stone.....	150,000
Malden.....	Malden Bank.....	Elisha S. Converse... Knott Martin.....	Thomas B. White.... John P. Barker.....	100,000 600,000
Marblehead..	Grand Bank.....	Knott Martin.....	John P. Barker.....	600,000
"	Marblehead Bank.....	John Hooper.....	E. Williams Hervey..	600,000
Methuen.....	Spicket Falls Bank... J. W. Carlton.....	J. W. Carlton.....	P. C. Howland.....	600,000
Millbury....	Millbury Bank.....	Simon Farnsworth... A. C. Mayhew.....	Daniel Kingsley.... William B. Hale....	150,000 200,000
Milford.....	Milford Bank.....	A. C. Mayhew.....	Charles White.....	200,000
Monson.....	Monson Bank.....	W. N. Flynt.....	Charles R. Littlefield..	200,000
Nantucket... Newburyport	Pacific Bank..... Mechanics' Bank.....	John W. Barrett.... Moses Davenport... Micajah Lunt.....	Charles E. Littlefield.. Rufus P. Kingman...	350,000 100,000
"	Merchants' Bank.....	Micajah Lunt.....		
"	Ocean Bank.....	William Stone.....		
New-Bedford	Bedford Commercial..	Edw. Mott Robinson..		
"	Marine Bank.....	Joseph Grinnell....		
"	Mechanics' Bank.....	Thomas Mandell....		
"	Merchants' Bank.....	Charles R. Tucker... Levi Thaxter.....		
Newton.....	Newton Bank.....	Levi Thaxter.....		
Northampton	Holyoke Bank.....	Samuel Williston... J. H. Butler.....		
"	Northampton Bank...	J. H. Butler.....		
North-Adams	Adams Bank.....	William E. Brayton..		
N.Bridgew't'r	N. Bridgewater Bank..	Martin Wales.....		

Location.	Name of Bank.	President.	Cashier.	Capital.
Northboro'...	Northborough Bank	George C. Davis	A. W. Seaver	\$100,000
Oxford	Oxford Bank	Emory Sanford	W. Olney	100,000
Pittsfield.	Agricultural Bank	G. W. Campbell	John R. Warriner	200,000
"	Pittsfield Bank	D. Carson	J. D. Adams	500,000
Plymouth	Old Colony Bank	Jacob H. Loud	George G. Dyer	200,000
"	Plymouth Bank	Isaac L. Hedge	Isaac N. Stoddard	150,000
Provincet'wn	Provincetown Bank	Nathan Freeman	Elijah Smith	100,000
Quincy	Quincy Stone Bank	Josiah Brigham	John C. Randall	150,000
"	Mt. Wollaston Bank	Charles F. Adams	Lewis Congdon	150,000
Randolph	Randolph Bank	Royal Turner	Seth Turner	150,000
Rockport	Rockport Bank	E. Eames	J. R. Gott	150,000
Roxbury	People's Bank	Samuel Guild	Baman Stone	150,000
"	Rockland Bank	Samuel Walker	Samuel Little	150,000
Salem	Asiatic Bank	Joseph S. Cabot	William H. Foster	315,000
"	Commercial Bank	William Sutton	Edward H. Payson	200,000
"	Exchange Bank	John Webster	J. Chadwick	200,000
"	Mercantile Bank	John Dwyer	Joseph H. Hippen	200,000
"	Merchants' Bank	Benjamin H. Silsbee	Nathaniel B. Perkins	200,000
"	Naumkeag Bank	David Pingree	J. Hardy Towne	500,000
"	Salem Bank	George Peabody	Charles M. Endicott	250,000
Salisbury	Powow River Bank	Seth Clark	John B. Webster	100,000
Shelburne...	Shelburne Falls Bank	C. Hotchkiss	E. S. Francis	100,000
Springfield	Pyncheon Bank	James Kirkham	H. Alexander, Jr.	150,000
"	Agawam Bank	Theodore Stebbins	Frederick S. Bailey	250,000
"	Chicopee Bank	Philo F. Wilcox	T. Warner, Jr.	800,000
"	John Hancock Bank	James M. Thompson	Edmund D. Chapin	150,000
"	Springfield Bank	Edward A. Morris	Lewis Warriner	800,000
"	Western Bank	Caleb Rice	J. L. Warriner	250,000
Southbridge..	Southbridge Bank	Jacob Edwards, Jr.	Samuel M. Lane	150,000
S. Danvers..	Danvers Bank	Eben Sutton	Eben A. Osborne	150,000
"	Warren Bank	Lewis Allen	Francis Baker	250,000
S. Reading	South-Reading Bank	T. Emerson	L. Eaton	100,000
Stockbridge..	Housatonic Bank	C. M. Owen	D. R. Williams	200,000
Taunton...	Bristol County Bank	Theodore Dean	William Brewster	350,000
"	Machinists' Bank	William Mason	Charles R. Vickery	200,000
"	Taunton Bank	Lovett Morse	Charles J. H. Bassett	400,000
Townsend	Townsend Bank	Walter Fessenden	Edward Ordway	100,000
Uxbridge	Blackstone Bank	Paul Whiting	Ebenezer W. Hayward	100,000
Waltham	Waltham Bank	Charles Bemis	D. A. Kimball	200,000
Ware	Hampshire Manufac's	Orrin Sage	William Hyde	350,000
Wareham	Wareham Bank	J. B. Tobey	Thomas R. Miles	100,000
Westfield	Westfield Bank	W. G. Bates	Henry Hooker	150,000
"	Hampden Bank	E. B. Gillett	R. Weller	150,000
Weymouth	Union Bk. of W. & B.	Minot Tirrell	John W. Loud	150,000
Woburn...	Woburn Bank	Abijah Thompson	E. J. Jenks	150,000
Worcester	Citizens' Bank	Francis T. Merrick	Geo. A. Trumbull	150,000
"	Central Bank	John C. Mason	George C. Bigelow	350,000
"	City Bank	George W. Richardson	Nathaniel Paine	400,000
"	Mechanics' Bank	Alexander DeWitt	Scott Berry	350,000
"	Quinsigamond Bank	Isaac Davis	J. S. Farnum	250,000
"	Worcester Bank	Stephen Salisbury	William Cross	800,000
Wrentham...	Wrentham Bank	Dnaiel A. Cook	Calvin Fisher, Jr.	150,000
Yarm'th Port	Barnstable Bank	Isaiah Crowell	Amos Otis	350,000

*Total 137 Banks. Circulation \$9,800,000 Specie \$1,500,000. \$28,476,000*

**Boston, Mass.**

8 Kilby street	Atlantic Bank	Nathaniel Harris	Benjamin Dodd	\$500,000
8 " "	Atlas Bank	Charles H. Brown	Joseph White	500,000
83 State street	Bank of Commerce	Benjamin E. Bates	Caleb Henry Warner	2,000,000
"	B. of Mutual Redemp.	James G. Carney		
65 " "	Bank of N. America	George W. Crockett	John K. Hall	750,000
Blackstone st.	Blackstone Bank	Frederick Gould	Joshua Loring	750,000
48 State street	Boston Bank	Robert Hooper	James C. Wild	900,000
Boylston "	Boylston Bank	Timothy Gilbert	John J. Soren	400,000
South-Boston	Broadway Bank	Isaac Adams	Horace H. White	150,000
61 State street	City Bank	William T. Andrews	Charles C. Barry	1,000,000
40 " "	Columbian Bank	John T. Coolidge	Albert Drake	750,000
70 " "	Eagle Bank	Waldo Flint	Robert S. Covill	700,000
23 Kilby st...	Eliot Bank	William A. Howe	R. L. Day	600,000
28 State street	Exchange Bank	George W. Thayer	Joseph M. Marsh	1,000,000

Location.	Name of Bank.	President.	Cashier.	Capital.
43 S. M'rk't st.	Faneuil Hall Bank....	Nathan Robbins.....	Jonas Bennett.....	\$500,000
217 Federal st.	Freeman's Bank.....	Solomon Piper.....	Jeremy Drake.....	400,000
22 State street	Globe Bank.....	Ignatius Sargent.....	Charles Sprague.....	1,000,000
61 " "	Granite Bank.....	Alpheus Hardy.....	Archibald Foster.....	900,000
66 " "	Hamilton Bank.....	Daniel Denny.....	S. S. Blanchard.....	500,000
" "	Hide and Leather Bank	Lee Claffin.....	John S. March.....	500,000
97 " "	Howard Banking Co.	Charles Ellis.....	George E. Hersey.....	500,000
1 Mer. Exch..	Market Bank.....	Josiah Stickney.....	Jonathan Brown, Jr..	560,000
66 State street	Massachusetts Bank..	John J. Dixwell.....	James Dodd.....	800,000
75 " "	Maverick Bank.....	Samuel Hall.....	Samuel Phillips, Jr..	400,000
95 Dorch'r av.	Mechanics' Bank.....	James W. Converse..	Alvan Simonds.....	250,000
28 State street	Merchants' Bank.....	Franklin Haven.....	John K. Fuller.....	4,000,000
40 " "	National Bank.....	John H. Wilkins.....	Charles B. Hall.....	750,000
67 " "	New-England Bank...	Thomas Lamb.....	Seth Pettee.....	1,000,000
18 Kilby " "	North Bank.....	Charles G. Nazro.....	John B. Witherbee...	750,000
41 State street	Shawmut Bank.....	William Bramhall...	Stephen G. Davis.....	750,000
18 Kilby " "	Shoe & Leat'r Dealers'	Caleb Stetson.....	Samuel Carr.....	1,000,000
40 State " "	State Bank.....	Samuel Frothingham.	James Sivret.....	1,800,000
60 " "	Suffolk Bank.....	J. Amory Davis.....	Edward Tyler.....	1,000,000
91 " "	Traders' Bank.....	Isaac Parker.....	Jeremiah Gore.....	600,000
41 " "	Tremont Bank.....	Andrew T. Hall.....	A. T. Frothingham...	1,250,000
40 " "	Union Bank.....	Thaddeus Nichols...	Lemuel Gulliver.....	1,000,000
47 " "	Washington Bank.....	Almon D. Hodges...	Charles A. Putnam...	750,000
18 Exch'ge st.	Webster Bank.....	William Thomas.....	Solomon Lincoln.....	1,500,000

Total 38 Banks.

Circulation \$6,000,000.

Specie \$8,000,000.

\$32,460,000

**RHODE-ISLAND.**

Alton.....	Richmond Bank.....	F. B. Segur.....	J. B. Potter.....	\$50,000
Ashaway.....	Ashaway Bank.....	J. R. Wells.....	J. L. Spencer.....	75,000
Bristol.....	Bank of Bristol.....	Byron Diman.....	Martin Bennett.....	150,000
".....	Commercial Bank.....	Jacob Babbit.....	J. Frederic Baars.....	52,500
".....	Eagle Bank.....	Robert Rogers.....	J. E. French.....	50,000
".....	Freeman's Bank.....	Nathaniel Bullock..	L. C. Richmond.....	65,000
Burrillville	Granite Bank.....	D. M. Salisbury.....	J. S. Cook.....	60,000
Carolina Mills	Washington Co. Bk..	R. G. Hazard.....	J. H. Babcock.....	60,000
Chepachet...	Franklin Bank.....	Horace Kimball.....	H. A. Kimball.....	50,000
Cranston.....	Cranston Bank.....	Caleb Congdon.....	W. H. A. Aldrich.....	34,125
".....	Elmwood Bank.....	W. V. Daboll.....	C. H. Bassett.....	79,600
Coventry.....	Bank of Kent.....	Peleg Wilbur.....	Anthony Tarbox.....	50,000
".....	Coventry Bank.....	C. A. Whitman.....	T. A. Whitman.....	100,000
Cumberland..	Citizens' Bank.....	John Ellis.....	J. F. Brown.....	56,900
E. Greenwich.	Greenwich Bank.....	Henry Sweet.....	S. M. Knowles.....	50,000
".....	R. I. Exchange Bank..	J. B. Poirce.....	D. C. Kenyon.....	60,000
Exeter.....	Exeter Bank.....	Christopher C. Greene	Thomas Phillips.....	29,900
Fall River...	Fall River Union Bank	Nathaniel B. Bordon..	William Coggeshall..	200,000
".....	Pocasset Bank.....	Oliver Chace.....	W. H. Brackett.....	200,000
Newport.....	Aquidneck Bank.....	Rufus B. Kinsley.....	John W. Vose.....	100,000
".....	Merchants' Bank.....	S. H. Cottrell.....	Charles D. Hammett..	100,000
".....	New-Eng. Commercial	George Bowen.....	George T. Weaver.....	75,000
".....	Newport Bank.....	William Vernon.....	Henry C. Stevens.....	120,000
".....	Newport Exch'ng'e Bk.	Nathan Hammet.....	David W. Holloway..	60,000
".....	R. I. Union Bank.....	Charles Devens.....	Robert P. Lee.....	165,000
".....	Bank of Rhode Island.	Peleg Clarke.....	William A. Clarke.....	100,000
".....	Traders' Bank.....	Edwin Wilbur.....	Benjamin Mumford..	100,000
N. Kingstown	North-Kingstown Bk..	John J. Reynolds.....	Pardon T. Hammond..	75,000
".....	Narragansett Bank...	Ezra D. Davis.....	Nicholas N. Spink...	50,000
S. Kingstown	Landholders' Bank...	Elisha R. Potter.....	A. Potter.....	150,000
".....	People's Exchange Bk.	Carder Hazard.....	Attmore Robinson...	70,000
".....	Wakefield Bank.....	Sylvester Robinson..	Thomas P. Wells.....	100,000
N. Providence	New-Eng. Pacific Bk..	Joseph Metcalfe.....	S. Cooke.....	180,000
".....	North-Providence Bk.	G. L. Spencer.....	John C. Tower.....	134,750
".....	People's Bank.....	S. Benedict.....	Olney Arnold.....	175,000
".....	Slater Bank.....	Lewis Fairbrother...	J. O. Starkweather...	122,000
Phenix.....	Phenix Village Bank..	William B. Spencer...	H. D. Brown.....	50,000
Scituate.....	Citizens' Union Bank.	Isaac Saunders.....	John A. Harris.....	53,325
Smithfield...	Smithfield Exchange..	Elisha Smith.....	William Winsor.....	100,000
".....	Village Bank.....	William S. Slater.....	William H. Seagrave..	100,000
Warren.....	Hope Bank.....	Charles Smith.....	Thomas C. Williams...	180,000
".....	Sewamset Bank.....	George Lewis Cooke..	William T. Freeborn..	71,500
".....	Warren Bank.....	Nathan M. Wheaton..	George W. Carr.....	200,000

Location.	Name of Bank.	President.	Cashier.	Capital.
Warwick	Contreville Bank	Cyrus Harris	Moses Fifield, Jr.	\$100,000
"	Warwick Bank	William D. Brayton	J. Westcott	25,000
Westerly	Phenix Bank	Rowse Babcock	Ethan Foster	150,000
"	Washington Bank	Nathan F. Dixon	Charles Perry	150,000
"	Niantic Bank	H. N. Campbell	James M. Pendleton	200,000
Woonsocket.	Cumberland Bank	Davis Cook	George Cook	125,000
"	Railroad Bank	Edward Harris	R. G. Randall	108,850
"	Globe Bank	Spencer Mowry	R. P. Smith	100,000
"	Producers' Bank	Libeus Gaskill	Elijah B. Newell	200,000
"	Smithfield Union Bank	John Osborne	Elisha T. Read	125,000
"	Woonsocket Falls Bk.	Ezekiel Fowler	L. W. Ballou	164,650
<b>Total 54 Banks.</b>		<b>Circulation \$2,700,000.</b>	<b>Specie \$150,000.</b>	<b>\$5,492,900</b>

Providence, R. I.

21 Market sq.	American Bank	Shubael Hutchins	William H. Dart	\$1,006,250
Weybosset st.	Arcade Bank	Earl P. Mason	Manton E. Hoard	792,000
43 " "	Atlantic Bank	Hiram Hill	C. M. Stone	130,000
N. Main street	Atlas Bank	Henry J. Angell	Harvey F. Payton	100,000
Weybosset st.	Bank of America	Adnah Sackett	E. N. Davis	195,600
Market square	Bank of Commerce	Amos D. Smith	Joseph H. Bourn	1,308,100
Weybosset st.	Bank of N. America	Elisha Harris	Henry E. Hudson	800,000
6 What-cheer	Blackstone Canal Bank	Tully D. Bowen	John Luther	500,000
Weybosset st.	Butchers and Drovers'	H. J. Burroughs	William Knight	246,450
41 W'stmns'r	City Bank	A. C. Barstow	Amos W. Snow	301,050
143 S. Main.	Commercial Bank	William P. Bullock	David Andrews	757,250
8 What-cheer	Continental Bank	Rhodes B. Chapman	A. G. Durfee	222,950
28 Market sq.	Eagle Bank	W. Sheldon	Stephen S. Wardwell	500,000
55 W'stmns'r	Exchange Bank	John Barstow	Henry G. Gladding	500,000
27 S. Main.	Globe Bank	W. Sprague	T. Salisbury	600,000
Weybosset st.	Grocers & Producers'	John R. Balch	H. J. Steers	153,800
154 High st.	High-Street Bank	Robert Knight	James E. Butts	120,000
Weybosset st.	Jackson Bank	Alfred Anthony	J. A. Bosworth	209,150
3 Canal street.	Liberty Bank	D. Evans	C. R. Drowne	121,150
21 W'stmns'r	Manufacturers' Bank	W. A. Robinson, Jr.	William S. Patten	500,000
27 South Main	Marine Bank	O. A. Washburn, Jr.	George R. Drowne	140,100
207 N. Main.	Mechanics & Manuf.'s	James H. Read	A. G. Stillwell	238,900
27 S. Main	Mechanics' Bank	Amasa Manton	John A. Field	500,000
W'stmns'r st.	Mercantile Bank	William H. Greene	C. H. Tompkins	100,000
Merch. Bk. Bg	Merchants' Bank	Josiah Chapin	Charles T. Robbins	750,000
11 Market sq.	National Bank	George W. Hallett	Henry C. Cranston	160,000
Weybosset st.	Northern Bank	Stephen T. Olney	Peter H. Brown	221,500
41 W'stmns'r	Pawtuxet Bank	Christopher Rhodes	T. R. Green	150,000
W't-cheer Bg.	Phenix Bank	Edward Pearce	Benjamin White	323,850
48 S. Main.	Providence Bank	Robert H. Ives	Benj. W. Ham	500,000
23 Market sq.	Roger Williams Bank	Jabez C. Knight	William H. Waterman	500,000
Weybosset st.	Smithfield Lime Rock	Thomas J. Hill	J. W. Angell	228,900
32 W'stmns'r	State Bank	John P. Meriam	Fayette P. Brown	150,000
4 Union Bg.	Traders' Bank	Earl Carpenter	Edwin Knight	200,000
4	Union Bank	John H. Ormsbee	James B. Hoskins	500,000
42 Weybosset	Westminster Bank	Eli Aylsworth	Raymond G. Place	109,600
55 W'stmns'r.	Weybosset Bank	Alexander F. Adie	William C. Townsend	500,000
4 Union Bldg.	What-cheer Bank	Henry A. Hidden	Albert C. Greene	157,550
<b>Total 38 Banks.</b>		<b>Circulation \$1,400,000.</b>	<b>Specie \$550,000.</b>	<b>\$14,544,050</b>

CONNECTICUT.

Bethel	Hatters' Bank	Ezra Morgan	William A. Judd	\$100,000
Birmingham	Manufacturers' Bank	Edward N. Shelton	Joseph Arnold	305,300
Bridgeport.	Bridgeport Bank	Sherman Hartwell	George Burroughs	210,000
"	Connecticut Bank	Philo C. Calhoun	Charles Foote	338,100
"	Farmers' Bank	Stephen Tomlinson	Charles Webb	300,000
"	Pequonnock Bank	Charles B. Hubbell	W. R. Higby	200,000
"	Bridgeport City Bank	Ira Sherman	R. T. Clarke	117,540
Brooklyn	Windham County Bk.	John Gallup	A. F. Fisher	104,000
Clinton	Clinton Bank	J. D. Leffingwell	A. Hall	100,000
Colchester	Colchester Bank	A. B. Isham	Theodore F. Sharpe	100,000
Danbury	Danbury Bank	Samuel Tweedy	Jabez Ambsbury	324,000
"	Pahquoque Bank	A. Scoley	William P. Seeley	250,800
Deep River	Deep River Bank	Ulysses Pratt	Gideon Parker	158,900

Location.	Name of Bank.	President.	Cashier.	Capital.
East-Haddam	East-Haddam Bank	S. Arnold	Thomas C. Bordman	\$71,400
"	Bank of New-England	George E. Goodspeed	Thomas Groes, Jr.	130,000
Essex	Saybrook Bank	Edward N. Pratt	Jared E. Redfield	93,600
Falls Village	Iron Bank	Lee Canfield	A. C. Randall	206,000
Hartford	Connecticut River Bk.	Alfred Smith	John A. Butler	250,000
"	City Bank	G. F. Davis	Phineas S. Riley	550,000
"	Exchange Bank	Elisha Colt	A. G. Hammond	585,000
"	Farmers & Mechanics'	Charles Boswell	John C. Tracy	915,000
"	Hartford Bank	Henry A. Perkins	George Ripley	1,132,800
"	Merchants & Manuf.	George Beach, Jr.	James S. Tryon	200,000
"	Phoenix Bank	George Beach	John L. Bunce	1,285,500
"	State Bank	T. Belknap	W. H. D. Callender	440,000
"	Charter Oak Bank	Charles T. Hillyer	J. F. Morris	550,000
"	Mercantile Bank	J. W. Seymour	James B. Powell	541,200
Jewett City	Jewett City Bank	David Smith	Lemuel Tyler	62,100
Litchfield	Litchfield Bank	J. G. Beckwith	E. L. Houghton	50,000
Meriden	Meriden Bank	Joel H. Guy	O. B. Arnold	305,000
Middletown	Middlesex County Bk.	Charles R. Sebor	William S. Camp	248,700
"	Middletown Bank	John H. Watkinson	Melvin B. Copeland	269,300
"	Central Bank	Edwin Stearns	Geo. W. Harris	150,000
Mystic	Mystic Bank	John W. Hull	Elisha D. Wightman	52,950
" River	Mystic River Bank	Charles Mallory	G. W. Noyes	100,000
New-Haven	City Bank	Ezra C. Read	Henry C. Young	500,000
"	Mechanics' Bank	John Fitch	John W. Fitch	300,000
"	New-Haven Bank	Hervey Sanford	Amos Townsend	464,800
"	New-Haven Co. Bank	Henry Hotchkiss	Ransom Burritt	561,800
"	Merchants' Bank	Nathan Peck	H. B. Smith	500,000
"	Quinnipiac Bank	W. S. Charnley	A. McAllister	500,000
"	Elm City Bank	E. C. Seranton	D. R. Satterlee	625,000
"	Tradesmen's Bank	M. G. Elliott	W. Atwater	300,000
New-London	New-London Bank	A. N. R. Rainsdell	R. N. Belden	150,875
"	Bank of Commerce	Acors Barns	Charles Butler	200,000
"	Union Bank	Robert Coit	Charles G. Sistrare	150,000
"	Whaling Bank	Peter C. Turner	Joseph C. Doglase	163,750
New-Milford	Bank of Litchfield Co.	Daniel Marsh	John J. Conklin	125,000
Norfolk	Norfolk Bank	E. T. Butler	A. G. Pettibone	50,500
Norwalk	Bank of Norwalk	Ebenezer Hill	R. B. Craufurd	300,000
"	Fairfield County Bank	Charles Isaacs	John A. Moorhead	292,000
Norwich	Merchants' Bank	William Williams	J. M. Meech	218,160
"	Norwich Bank	Charles Johnson	Frank Johnson	219,500
"	Quinebaug Bank	Samuel C. Morgan	Lewis A. Hyde	350,000
"	Thames Bank	Franklin Nichols	Charles Bard	582,000
"	Uncas Bank	James A. Hovey	Edward H. Learned	300,000
"	Shetucket Bank	Charles Osgood	J. L. Devotion	100,000
Rockville	Rockville Bank	Allen Hammond	Elliot B. Preston	300,000
Seymour	Bk. of North America	T. Ransom	H. F. Norcross	150,000
Southport	Southport Bank	Jessup Alvord	Francis D. Perry	103,000
Staff'd Sprgs.	Stafford Bank	George M. Ives	S. Newton	155,000
Stamford	Stamford Bank	John W. Leeds	Francis R. Leeds	201,000
Stonington	Stonington Bank	Ephraim Williams	Francis Amy	60,000
"	Ocean Bank	Stiles Stanton	W. J. H. Pollard	100,000
"	Pawcatuck Bank	Otho M. Stillman	James A. Morgan	75,000
Thompson	Thompson Bank	Talcott Crosby	Joseph B. Gay	70,000
Tolland	Tolland County Bank	Alvan P. Hyde	George D. Hastings	86,800
Waterbury	Waterbury Bank	J. P. Elton	A. S. Chase	510,000
"	Citizens' Bank	S. W. Hall	F. J. Kingsbury	192,500
W. Meriden	Home Bank	Eli Butler	S. Dodd, Jr.	152,000
Westport	Saugatuck Bank	Horace Staples	Benj. L. Woodworth	175,000
W. Winsted	Hurlbut Bank	William H. Phelps	Rufus E. Holmes	180,000
"	Winsted Bank	George Dudley	Henry Gay	225,700
Windham	Windham Bank	S. H. Wallcott	Samuel Bingham	116,300
Woodbury	Woodbury Bank	Daniel Curtis	W. S. Curtis	100,000

Total 75 Banks.

Circulation \$9,540,000.

Specie \$1,000,000. \$20,701,475

## NEW-YORK.

Adams	Hungerford's Bank	S. D. Hungerford	George W. Bond	\$125,000
Addison	Addison Bank	William R. Smith	C. H. Henderson	50,000
Albany	*Albany City Bank	Erastus Corning	Henry H. Martin	500,000
"	Albany Exchange Bk.	C. P. Williams	Joseph M. Lovett	311,100
"	Bank of Albany	Jacob H. Ten Eye	Edward E. Kendrick	500,000

Location.	Name of Bank.	President.	Cashier.	Capital.
Albany.....	Bank of the Capitol...	John G. White.....	Horatio G. Gilbert....	\$519,600
".....	Bank of the Interior....	John B. Plumble.....	John F. Batchelder....	169,425
".....	Commercial Bank.....	John L. Schoolcraft...	Powers L. Green.....	500,000
".....	Mechanics & Far. Bk....	Thomas W. Olcott.....	Thomas Olcott.....	350,000
".....	Merchants' Bank.....	John Tweddle.....	John Sill.....	400,000
".....	National Bank.....	William E. Bleecker...	R. C. Martin.....	600,000
".....	New-York State Bank...	Rufus H. King.....	John H. Van Antwerp...	350,000
".....	Union Bank of Albany...	Billings P. Learned...	Adam Van Allen.....	500,000
Albion.....	Bank of Albion.....	Roswell S. Burrows...	Lenzo Burrows.....	100,000
Amsterdam...	Farmers' Bank of A....	Isaac Jackson.....	Marquis Barnes.....	117,500
Attica.....	Farmers' Bank.....	L. Doty.....	R. P. Taylor.....	54,533
Auburn.....	Auburn City Bank.....	F. L. Sheldon.....	George W. Leonard....	200,000
".....	Auburn Exch. Bk.....	W. T. Graves.....	W. C. Beardsley.....	200,000
".....	Bank of Auburn.....	James S. Seymour.....	Corydon H. Merriman...	200,000
".....	*Cayuga County Bank...	Nelson Beardsley.....	Josiah N. Starin.....	250,000
Ballston Spa...	Ballston Spa Bank.....	John W. Thompson.....	John J. Lee.....	125,000
Batavia.....	Bank of Genesee.....	Hayden U. Howard....	Trumbull C. Kimberly...	150,000
Bath.....	Bank of Bath.....	Constant Cook.....	H. H. Cook.....	50,000
".....	*Steuben County Bank...	John Magee.....	Daniel C. Howell.....	150,000
Binghamton..	Bank of Binghamton..	Ammi Doubleday....	William R. Osborn....	200,000
".....	Broome County Bank...	Cyrus Strong.....	Tracy R. Morgan.....	100,000
".....	Susquehanna Valley B.	Sherman D. Phelps...	George Pratt.....	100,000
Brockport...	Brockport Exch'ge Bk.	J. S. Thomas.....	J. Henry Markell.....	50,000
Brooklyn.....	*Atlantic Bank.....	Daniel Embury.....	William C. Rushmore...	500,000
".....	*Brooklyn Bank.....	Thomas Messenger...	Peter S. Henderson...	150,000
".....	Central Bk. of Brookl'n	Edward Copland.....	John K. Pruyn.....	200,000
".....	City Bank of Brooklyn	John Skillman.....	Robert P. Perrin.....	300,000
".....	Long-Island Bank.....	William S. Herriman...	George L. Sampson....	400,000
".....	Mechanics' B., Br'kl'n	Conklin Brush.....	Geo. W. White.....	300,000
Buffalo.....	Bank of Attica.....	Andrew J. Rich.....	Charles Townsend....	250,000
".....	Buffalo City Bank.....	John L. Kimberly....	Joseph Stringham....	296,400
".....	Clinton Bank.....	Gibson T. Williams...	James M. Smith.....	250,000
".....	Far. & Mech. B. of Gen.	Elbridge G. Spaulding	Cornel R. Ganson.....	150,000
".....	International Bank.....	M. S. Hawley.....	Charles T. Coit.....	400,000
".....	Manuf. & Traders' Bk.	Henry Martin.....	F. F. Fairman.....	500,000
".....	Marine Bank of Buffalo	George Palmer.....	James M. Ganson.....	300,000
".....	New-York & Erie Bk.	John S. Ganson.....	Edward Pierson.....	300,000
".....	White's Bk. of Buffalo	George C. White.....	F. Gridley.....	200,000
Canajoharie..	Canajoharie Bank.....	John C. Smith.....	Walstine Moyer.....	125,000
".....	Spraker Bank.....	James Spraker.....	D. H. Fonda.....	100,000
Canandaigua..	Bank of Canandaigua.	Theodore E. Hart....	H. J. Messenger.....	25,000
Canastota.....	Canastota Bank.....	Daniel Crouse.....	George Crouse.....	110,000
Carmel.....	Bank of Commerce....	Ebenezer Kelley....	W. Townsend.....	42,420
Catskill.....	Catskill Bank.....	R. H. King.....	John A. Cooke.....	128,965
".....	*Tanners' Bank.....	S. Sherwood Day....	Frederick Hill.....	100,000
Cazenovia.....	Bank of Cazenovia....	Charles Stebbins...	Benjamin F. Jervis...	120,000
Cherry Valley	Central B. of Cherry V.	Horatio J. Olcott....	William H. Baldwin...	200,000
Chester.....	Chester Bank.....	James Burt.....	J. T. Johnson.....	125,500
Chittenango..	Chittenango Bank.....	Damon Wells.....	D. H. Rasbach.....	150,000
Clyde.....	Briggs' Bank of Clyde	Samuel S. Briggs....	W. H. Coffin.....	62,611
".....	Commercial Bank of C.	Isaac Miller.....	B. M. Vanderveer....	50,800
Cooperstown..	Bank of Cooperstown.	Theodore Keese.....	Dorr Russell.....	200,000
".....	Otsego County Bank...	W. H. Averell.....	Henry Scott.....	200,000
".....	Worthington Bank.....	J. R. Worthington...	none.....	50,000
Corning.....	Bank of Corning.....	Hiram W. Boetwick...	Laurin Mallory.....	104,500
".....	Geo. Washington Bk....	J. N. Hungerford....	Geo. W. Patterson, Jr.	50,000
Cortland.....	Randall Bank.....	William K. Randall...	Jonathan Hubbard....	50,000
Coxsackie....	Bank of Coxsackie....	Wm. B. V. Heermance	Jacob C. Van Dyck....	142,000
Crescent.....	Far. Bk. of Saratoga Co.	Alfred Noxon.....	James Peters.....	200,000
Cuba.....	Cuba Bank.....	Benjamin Chamberlain	M. J. Green.....	100,000
Dansville.....	Bank of Dansville....	Lester Bradner.....	Lauren C. Woodruff...	150,250
Delhi.....	Delaware Bank.....	Charles Marvine....	Walter H. Griswold...	150,000
Dover Plains.	Dover Plains Bank...	David L. Belding....	Edgar Vincent.....	50,000
Deposit.....	Deposit Bank.....	Charles Knapp.....	Bolivar Radeker.....	125,000
Dundee.....	J. T. Raplee's Bank...	J. T. Raplee.....	S. S. Raplee.....	50,000
Dunkirk.....	Lake Shore Bank.....	Truman R. Colman...	Langley Fullagar....	89,200
Elmira.....	Bank of Chemung....	S. Benjamin.....	Tracy Beadle.....	100,000
".....	*Chemung Canal Bk....	John Arnot.....	John Arnot, Jr.....	200,000
".....	Elmira Bank.....	John Parmenter....	Anson C. Ely.....	200,000
Fayetteville..	Bank of Fayetteville..	Hervey Edwards.....	Hiram Eaton.....	115,400
Fishkill.....	Bank of Fishkill.....	Joseph I. Jackson....	Jas. E. Van Steenberg	150,000

\* Chartered (or Safety Fund) Banks. The others are established under the General Banking Law.

Location.	Name of Bank.	President.	Cashier.	Capital.
Fonda.....	Mohawk River Bank..	Daniel Spraker.....	E. S. Gillett.....	\$100,000
Fort Edward..	Bank of Fort Edward..	Joseph Parry.....	Asahel Wing.....	200,000
"	Farmers' Bank.....	George Harvey.....	George Clements.....	165,295
Fort Plain..	Fort Plain Bank.....	John H. Moyer.....	D. F. Young.....	150,000
Frankfort....	Frankfort Bank.....	William Bridenbecker	R. Ethridge.....	105,000
Fredonia....	Fredonia Bank.....	R. Green.....	S. M. Clement.....	100,000
"	H. J. Miner's, of Utica	Hiram J. Miner.....	H. D. Miner.....	25,000
Fulton.....	Citizens' Bank.....	Sands N. Kenyon.....	Amos A. Bradley.....	166,100
"	Oswego River Bank..	J. J. Wolcott.....	D. W. Gardner.....	114,300
Geneseo....	Geneseo Valley Bank..	James S. Wadsworth..	James S. Orton.....	150,000
Geneva.....	Bank of Geneva.....	William T. Scott.....	S. H. Verplanck.....	205,000
Gloversville..	Fulton County Bank..	Isaac Le Fever.....	John McLaren, Jr.....	150,000
Glen's Falls..	Commercial Bank.....	William McDonald.....	Isaiah Scott.....	136,400
"	Glen's Falls Bank.....	Benjamin P. Burhans..	John Alden.....	112,000
Goshen.....	*Bank of Orange Co..	Ambrose S. Murray..	Charles J. Everett.....	105,660
"	Goshen Bank.....	William Murray.....	William T. Russell.....	110,000
Greenwich... Hamilton....	Washington Co. Bank..	Henry Holmes.....	Edwin Andrews.....	200,000
"	Hamilton Bank.....	Adon Smith.....	D. B. West.....	110,000
Havana.....	Bank of Havana.....	Charles Cook.....	T. L. Minier.....	50,000
Hudson.....	Farmers' Bank of Ill..	E. Gifford.....	Albert R. Holmes.....	300,000
"	Hudson River Bank..	Robert A. Barnard.....	Aaron B. Scott.....	250,000
Ilion.....	Ilion Bank.....	George Tuckerman.....	H. H. Devendorf.....	100,000
Ithaca.....	Meroh. & Farmers' Bk..	Josiah B. Williams.....	Charles E. Hardy.....	80,000
"	*Tompkins Co. Bk.....	C. L. Grant, V. P.....	"	250,000
Jamestown..	*Chautauque Co. Bk..	Samuel Barrett.....	Robert Newland.....	100,000
"	Jamestown Bank.....	Alonzo Kent.....	J. E. Mayhew.....	91,190
Johnstown... Keeseville..	Montgomery Co. Bk..	Edward Wells.....	Nathan P. Wells.....	100,000
"	*Essex County Bank..	Silas Arnold.....	Andrew Thompson.....	100,000
Kinderhook..	Bank of Kinderhook..	John P. Beekman.....	Franklin G. Guion.....	250,000
"	Union B. of Kinderhook	William H. Tobey.....	William H. Rainey.....	200,000
Kingston....	*Kingston Bank.....	Jona. H. Hasbrouck..	Corn. H. Van Gaasbeck	200,000
"	State of New-York Bk..	Jacob Burhans.....	Benj. M. Hasbrouck..	125,000
"	*Ulster County Bank..	Cornelius Bruyn.....	C. D. Bruyn.....	100,000
Lancaster... Lansingburgh	Merch. Bk. of Erie Co.	George Bruce.....	William W. Bruce.....	50,000
"	Bank of Lansingburgh	Frederick B. Leonard..	Alexander Walsh.....	150,000
"	Farmers' Bank of L...	Daniel Fish.....	Anson Groesbeck.....	171,300
"	Rensselaer County Bk.	Edward Tracy.....	Henry W. Mosher.....	200,000
Leonardsville	Leonardsville Bank..	Nathan T. Brown.....	Dennis Hardin.....	100,000
Le Roy.....	Geneseo County Bank..	Miles P. Lampion.....	S. T. Howard.....	200,000
Lima.....	Bank of Lima.....	John Mosher.....	H. W. Hamlin.....	50,000
Little Falls..	*Herkimer County Bk.	Henry P. Alexander.....	Albert G. Story.....	200,000
Lockport....	Exch. Bk. at Lockport	William Keep.....	Renssel'r S. Wilkinson	150,000
"	Niagara Co. Bank.....	Willard J. Daniels.....	S. R. Daniels.....	100,000
Lowville....	Bank of Lowville.....	James L. Leonard.....	Cornelius P. Leonard..	102,450
Ludingtonville	Bank of Kent.....	D. Kent.....	Geo. Ludington.....	111,940
Lyons.....	Lyons Bank.....	D. W. Parshall.....	P. R. Westfall.....	43,600
Mahopac....	Lake Mahopac Bank..	R. D. Baldwin.....	none.....	30,850
Malone.....	Bank of Malone.....	S. C. Wead.....	William A. Wheeler..	146,800
Medina.....	Medina Bank.....	Henry Flagler.....	C. H. Safford.....	50,000
Middletown..	Middletown Bank.....	Joseph Davis.....	William M. Graham.....	125,000
"	Walkill Bank.....	E. P. Wheeler.....	C. T. King.....	125,000
Mohawk.....	Mohawk Valley Bank..	Elias Roote.....	R. H. Pomeroy.....	150,000
Monticello..	Union Bank.....	N. S. Hammond.....	George Bennett.....	150,000
Mount Morris	Geneseo River Bank..	John Vernam.....	E. C. Galusha.....	130,000
Newark.....	Bank of Newark.....	Fletcher Williams.....	E. W. Hayes.....	100,000
Newburgh....	Bank of Newburgh.....	George W. Kerr.....	Francis Scott.....	300,000
"	*Highland Bank.....	George Cornwell.....	Alfred Post.....	200,000
"	Powell Bank.....	H. Ramsdell.....	Thomas C. Ring.....	120,000
"	Quassaick Bank.....	Eben. W. Farrington..	Jonathan N. Weed.....	300,000
New-Paltz... N. Wh. Creek	Huguenot Bk. of N. P.	Roeliff Eltinge.....	N. Le Fever.....	125,000
"	Cambridge Valley Bk.	Orin Kellogg.....	James Thompson.....	167,439
Norwich....	Bank of Chenango.....	Walter M. Conkey.....	William B. Pellet.....	150,000
"	Bank of Norwich.....	James H. Smith.....	Warren Newton.....	125,000
Ogdensburgh	Judson Bank.....	John D. Judson.....	Daniel Judson.....	122,000
"	*Ogdensburgh Bank..	James Averell.....	Collins A. Burnham.....	100,000
"	Oswegatchie Bank.....	A. Chapman.....	E. N. Merriam.....	200,000
Oneida Depot	Oneida Valley Bank..	N. Higginbotham.....	Theodore F. Hand.....	105,000
Oswego.....	The City Bank.....	Hamilton Murray.....	Delos De Wolf.....	276,400
"	Lake Ontario Bank..	James Platt.....	E. B. Judson.....	250,000
"	Luther Wright's Bank	Luther Wright.....	S. H. Lathrop.....	300,000
"	Marine Bank.....	Elias Root.....	John R. Noyes.....	186,000
Owego.....	*Bank of Oswego.....	Lyman Truman.....	Edward W. Warner.....	200,000



Location.	Name of Bank.	President.	Cashier.	Capital.
Owego	Bank of Tioga	John J. Taylor	J. Wright	\$100,000
Painted Post	Bank of Cayuga Lake	Cephas Platt	none	10,000
Palmyra	Cuyler's Bank	George W. Cuyler	Stephen P. Seymour	100,000
Pawling	Bank of Pawling	A. J. Akin	J. W. Bowdiah	175,000
Peekskill	*Westchester Co. Bk.	Charles A. G. Depew	Dorin F. Clapp	200,000
Perry	Smith's Bank of Perry	Rufus H. Smith	Anson D. Smith	50,000
Pine Plains	Pine Plains Bank	Reuben W. Bostwick	R. Bostwick	
Plattsburgh	Iron Bank	P. F. Bellinger	H. Walworth	50,000
"	Mercantile Bank of P.	Julius M. Noyes	F. C. Bellinger	
Port Jervis	Bank of Port Jervis	Thomas King	A. P. Thompson	180,000
Potsdam	Frontier Bank	Bloomfield Usher	Luke Usher	100,000
Poughkeepsie	*Bk. of Poughkeepsie	Thomas L. Davies	Reuben North	200,000
"	Falkkill Bank	W. C. Sterling	John F. Hull	200,000
"	*Far. & Manufact'ers	William A. Davies	Frederick W. Davis	800,000
"	Merchants' Bank in P.	James Emott	Joseph C. Harris	150,000
Pulaski	Pulaski Bank	G. A. Wood	R. L. Ingersoll	100,000
Rhinebeck	Bank of Rhinebeck	Henry De Lamater	John T. Banker	125,000
Rochester	Commercial Bank of R.	Aaa Sprague	Hobart F. Atkinson	500,000
"	Eagle Bank of Roch'er	W. H. Cheney	Ralph Lester	200,000
"	Farmers' & Mech. Bk.	Jacob Gould	William R. Seward	125,000
"	Flour City Bank	F. Gorton	E. H. Vredenburg	800,000
"	Manufacturers' Bank	George H. Mumford	James W. Russell	200,600
"	Monroe Co. Bank	Freeman Clarke	L. W. Clarke	100,000
"	Perrin Bank	Darius Perrin	H. J. Perrin	71,620
"	Rochester Bank	John W. Dwinelle	Edward M. Smith	200,000
"	*Rochester City Bank	Thomas H. Rochester	Benjamin F. Young	400,000
"	Union Bank of Roch'r	Aaron Erickson	Oliver L. Terry	500,000
Rome	*Bank of Rome	John Stryker	George R. Thomas	100,000
"	Fort Stanwix Bank	David Utley	Samuel Wardwell	150,000
"	Oneida Central Bank	Daniel Cady	G. F. Bicknell	163,400
"	Rome Exchange Bank	Edward Huntington	F. H. Thomas	100,000
Rondout	Bank of Rondout	Jansen Hasbrouck	Edgar B. Newkirk	150,000
Sag Harbor	Suffolk County Bank	William Adams	G. S. Adams	20,000
Salem	Bank of Salem	Bernard Blair	B. F. Bancroft	147,850
Saratoga Spr.	Bk. of Saratoga Springs	J. Beekman Finlay	John S. Leake	100,000
"	Commercial Bank	John Willard	Isaac Fowler	125,000
Saugerties	Bank of Ulster	J. Kiersted, Jr.	Andrew J. Ketcham	150,000
Schenectady	Mohawk Bk. of Schen.	James R. Craig	Nicholas Switz	200,000
"	*Schenectady Bank	Jay Cady	William L. Goodrich	150,000
Schoharie	Schoharie County Bk.	Charles Goodyear	R. C. Martin	100,000
Schuylerville	Bk. Old Saratoga	William Wilcox	G. S. Bristin	105,650
Seneca Falls	Bank of Seneca Falls	Erastus Partridge	L. C. Partridge	80,000
Silver Creek	Bank of Silver Creek	George W. Tew	Clark C. Swift	100,800
Sing Sing	Bank of Sing Sing	Benjamin Brandreth	Warren J. Wixson	150,000
Somers	Farm. & Drovers' Bk.	Gerard Crane	H. M. Bissell	111,150
South-East	Croton River Bank	Thomas Drew	Thomas H. Reed	111,500
Syracuse	Bank of Syracuse	Horace White	Orrin Ballard	200,000
"	*Bank of Salina		James Munroe	150,000
"	Burnet Bank	N. F. Graves	John J. Peck	83,400
"	Central City Bank	E. W. Leavenworth	A. T. Butler	127,200
"	Mechanics' Bank	Thomas B. Fitch	Edward B. Wicks	140,000
"	Merchants' Bank	John D. Norton	P. Outwater, Jr.	180,000
"	Onondaga Bank	Bur Burton	George J. Gardner	115,000
"	Onondaga County Bk.	Hamilton White		150,000
"	Salt Springs Bank	William Clark	C. L. Alvord	200,000
"	Syracuse City Bank	George F. Comstock	J. Sherman	250,000
Tonawanda	Niagara River Bank	John B. Griffin	Gordon Bailey	104,000
Troy	Bank of Troy	Joseph M. Warren	Tracy Taylor	440,000
"	Central Bank of Troy	J. L. Van Schoonhoven	John B. Kellogg	800,000
"	Commercial Bank of T.	Elias Plum	Frederick Lanke	300,000
"	Farmers' Bank	John T. McCoun	Charles P. Hartt	350,000
"	Manufacturers' Bank	Roger A. Flood	C. M. Willington	250,000
"	Market Bank of Troy	Hiram Miller	A. C. Gunnison	300,000
"	Mer. & Mech. Bk. of T.	D. T. Vail	Francis Sims	300,000
"	Mutual Bank of Troy	John P. Albertson	George A. Stone	234,450
"	State Bank of Troy	Alfred Wotkyns	Willard Gay	250,000
"	*Troy City Bank	John A. Griswold	Silas K. Stow	300,000
"	Union Bank of Troy	L. A. Battershall	Pliny M. Corbin	300,000
Utica	Bank of Utica	Thomas Walker	Publius V. Rogers	600,000
"	*Oneida Bank	Charles A. Mann	George Langford	400,000
"	Oneida County Bank	C. H. Doolittle	J. M. Butler	125,000
"	Utica City Bank	H. Denio	C. S. Wilson	200,000

Location.	Names of Bank.	President.	Cashier.	Capital.
Unadilla.....	Unadilla Bank.....	Arnold B. Watson....	Clark I. Hayes.....	\$115,550
Vernon.....	Bank of Vernon.....	John J. Knox.....	Everett C. Cayer.....	100,000
Warsaw.....	Wyoming County Bk.	J. H. Darling.....	E. Maynard.....	60,000
Waterford.....	Saratoga County Bk..	John Knickerbacker..	W. T. Seymour.....	148,725
Waterloo.....	*Seneca County Bank.	David S. Skants.....	William V. I. Mercer.	200,000
Watertown.....	Bank of Watertown...	William H. Angel.....	Louis L. Angel.....	47,779
".....	Black River Bank.....	Loveland Paddock....	James P. Lee.....	110,000
".....	Jefferson County Bank	Norris M. Woodruff..	Orville V. Brainard..	200,000
".....	Union Bk. of Watert'n	Abner Baker.....	Samuel B. Upham....	187,900
".....	Wat'r'n B. & Loan Co.	G. C. Sherman.....	G. H. Sherman.....	100,000
".....	Wooster Sherman's B.	W. Sherman.....	none.....	50,000
Waterville.....	Bank of Waterville...	Julius Candee.....	Daniel B. Goodwin...	120,000
Waverly.....	Waverly Bank.....	Francis Tyler.....	G. H. Fairchild.....	106,100
Weedsport.....	Weedsport Bank.....	Lyman Soule.....	R. L. Mack.....	100,000
Westfield.....	Bank of Westfield....	S. H. Hungerford....	L. A. Skinner.....	50,000
".....	Merchants' Bank of W.	Hugh Johnston.....	William Johnston...	40,000
West-Troy.....	Bank of West-Troy....	J. M. Haswell.....	F. J. Suydam.....	250,000
W. Winfield.....	West-Winfield Bank..	D. R. Carrier.....	Alonzo Wood.....	125,000
Whitehall.....	*Bank of Whitehall...	Dennis Jones.....	E. W. Parker.....	100,000
".....	Commercial Bk. of W.	A. H. Griswold.....	S. W. Bailey.....	108,200
Whitestown.....	Bank of Whitestown..	Joseph Bruce.....	Israel J. Gray.....	120,000
W'msburgh.....	Far. & Cit. Bk. of L. I.	Samuel W. Lowere... James D. Sparkman..	Oren M. Beach..... Theodore T. Disbrow..	200,000 222,400
".....	Mechanics' Bk. of W.	N. Waterbury.....	George Field.....	500,000
Yonkers.....	Williamsburgh City B. Bank of Yonkers.....	John Olmsted.....	Egbert Howland.....	150,000
<b>Total 244 Banks.</b>		<b>Circulation</b> \$16,000,000	<b>Specie</b> \$2,000,000.	<b>\$42,658,507</b>

**New-York City.**

126 Broadway	American Exch'ge Bk.	William A. Booth....	Robert S. Oakley....	\$4,800,000
117 Nassau st.	Artisans' Bank.....	Nathan C. Platt.....	Richard A. Tooker....	600,000
Wm. & Beav'r	Atlantic Bank.....	James E. Southworth.	George D. Arthur....	400,000
46 Wall street	Bank of America.....	George Newbold....	James Punnett.....	3,000,000
81 Nassau st..	Bank of Commerce...	John A. Stevens.....	Henry F. Vail.....	8,600,000
Nassau & Pine	Bk. of Commonwealth	Edward Haight.....	George Ellis.....	750,000
48 Wall street	Bank of New-York....	Anthony P. Halsey... William F. Havemeyer	William B. Meeker... Isaac Seymour.....	2,700,000 1,000,000
44 " " "	Bk. of North America	James T. Soutter....	Robert H. Lowry....	2,000,000
2 " " "	Bank of the Republic.	Reuben Withers....	George W. Duer.....	2,000,000
Wm. & Ex. Pl.	*Bank State of N. Y..	Francis A. Palmer....	John L. Everitt.....	1,000,000
237 Broadway	Broadway Bank.....	Richard Williamson..	J. H. Eldredge.....	173,300
338 Third av..	Bull's Head Bank.....	Jacob Aims.....	Benedict Lewis, Jr...	800,000
124 Bowery..	Butchers & Drovers'	John Leveridge....	Osmond H. Schreiner.	450,000
Ch'm & Duane	Chatham Bank.....	John Q. Jones.....	George G. Williams..	300,000
270 Broadway	Chemical Bank.....	Jay Jarvis.....	Sylvester R. Comstock	400,000
58 Bowery...	Citizens' Bank.....	Moses Taylor.....	Robert Strong.....	1,000,000
52 Wall street	City Bank.....	William T. Hooker... Eben W. Dunham....	Benjamin F. Warner.. Frederick A. Platt...	2,000,000 1,000,000
9 Nassau.....	Continental Bank....	Charles Jenkins....	William S. Carman..	313,918
13 William st.	Corn Exchange Bank..	Joseph Kernochan..	William J. Lane.....	600,000
Third Av.....	East River Bank.....	Benj. F. Wheelwright	William Hawes.....	200,000
87 Fulton st.	Greenwich Bank.....	Charles Denison....	Samuel B. White.....	300,000
402 Hudson..	Grocers' Bank.....	William H. Johnson..	Thomas L. Taylor....	1,000,000
59 Barclay st.	Hanover Bank.....	Lucius Hopkins....	James Buell.....	1,500,000
37 Nassau st.	Importers & Traders'.	John Thomson.....	Daniel V. H. Bertholf.	500,000
245 Broadway	Irving Bank.....	William H. Macy....	Thomas R. Acly.....	600,000
295 Greenw'h	*Leather Manufact..	Caleb O. Halstead... Thomas Williams, Jr.	James M. Morrison... James C. Beach.....	2,050,000 658,800
45 William st.	*Manhattan Company	Richard S. Williams..	Robert H. Haydock..	1,000,000
40 Wall street	Marine Bank.....	Shepherd Knapp....	Gideon De Angelis..	2,000,000
Wall & Water	Market Bank.....	M. M. e eman.....	J. H. Fonda.....	300,000
286 Pearl st..	Mechanics' Bank....	Ephraim D. Brown..	George W. Youlee....	400,000
35 Wall street	" Banking Asso.	Daniel H. Arnold....	Edwin J. Blake.....	1,000,000
38 Wall st....	Mechanics & Traders'.	Augustus E. Silliman.	Jacob D. Vermilye...	2,500,000
153 Bowery..	Mercantile Bank.....	James Barnes.....	Edward J. Oakley....	1,235,000
182 Broadway	Merchants' Bank....	John Earl Williams..	George I. Seney.....	4,000,000
42 Wall street	Merchants' Exchange.	Hamilt'n Blydenburgh	F. M. Harris.....	1,000,000
185 Greenw'h	Metropolitan Bank..	James Gallatin....	F. D. Tappen.....	1,500,000
110 Broadway	Nassau Bank.....	Francis Leland.....	Alex. Masterton, Jr..	200,000
11 Beckman..	National Bank.....	David Palmer.....	Frederick T. Hayes..	200,000
86 Wall street	New-York County Bk.	Selah Van Duzer....	Daniel B. Halstead..	180,000
8th av. & 14th	*N. York Dry Dock Co.	David Palmer.....	Parker Handy.....	1,000,000
Av. D. & 10th	New-York Exch. Bk..	D. Randolph Martin..		
187 Greenw'h	Ocean Bank.....			

Location.	Name of Bank.	President.	Cashier.	Capital.
811 E. Br'way	Oriental Bank.....	Joseph M. Price.....	Washington A. Hall..	800,000
461 Broadway	Pacifico Bank.....	Jacob Campbell, Jr..	Robert Buck.....	422,700
Beekman st...	Park Bank.....	Reuben W. Howes....	Charles A. Macy.....	2,000,000
895 Canal.....	People's Bank.....	Charles F. Hunter....	Godfrey W. Leake....	412,500
45 Wall street	Phenix Bank.....	Thomas Tileston....	Peter M. Bryson....	1,800,000
Wall & New.	Saint Nicholas Bank..	Caleb Barstow.....	Archibald Parkhurst..	750,000
284 Pearl st...	*Seventh Ward Bank	William Halsey.....	Alfred S. Fraser....	500,000
272 Broadway	Shoe and Leather Bk..	Andrew V. Stout.....	William A. Kissam....	1,500,000
177 Chatham.	Tradesmen's Bank....	William H. Falls....	Richard Berry.....	800,000
84 Wall street	Union Bank.....	Frederick Deming....	Edward H. Arthur....	1,500,000
<i>Total 58 Banks.</i>		<i>Circulation \$6,600,000.</i>	<i>Specie \$34,000,000.</i>	<i>\$ 67,146,018</i>

**NEW-JERSEY.**

Belvidere....	Belvidere Bank.....	John I. Blair.....	Israel Harris.....	\$176,850
Bordentown..	Bordentown Bk'g Co.	John L. McKnight...	S. C. Forker.....	50,125
Bridgeton...	Cumberland Bank....	James B. Potter.....	William G. Nixon....	102,100
Burlington...	Mechanics' Bank....	William R. Allen....	James Sterling.....	50,000
"	Burlington Bank....	George W. South....	John Rodgers.....	50,000
Camden.....	Farm. & Mechanics Bk.	N. N. Stokes.....	James H. Stevens....	150,000
"	State Bank.....	John Gill.....	Thomas Ackley.....	280,000
Clinton.....	Clinton Bank of N. J.	Robert Foster.....	N. W. Voorhees....	80,000
Deckertown..	Farmers' Bank.....	James C. Havens....	J. A. Whitaker.....	75,000
Dover.....	Union Bank.....	Guy Hinchman.....	Elisha C. Segur.....	100,000
Elizabeth....	State Bank.....	Keen Pruden.....	A. S. Woodruff.....	350,000
Flemington..	Hunterdon County Bk.	George A. Allen....	William Emery.....	100,000
Freehold....	Freehold County Bank	James S. Lawrence...	Jacob B. Rue.....	100,000
Frenchtown..	Union Bank.....	Henry Lott.....	Newbury D. Williams.	75,000
Hackettstown	Hackettstown Bank..	William Rea.....	George Roe.....	100,700
Hightstown..	Central Bank of N. J.	R. E. Morrison.....	Thomas Applegat....	150,000
Hoboken.....	Hoboken City Bank..	Benj. S. Taylor.....	John W. Van Boskerck	50,000
Jersey City..	Bk. of Jersey City..	John Cassedy.....	A. S. Hatch.....	250,000
"	Hudson County Bank.	John Griffith.....	Lewis C. Condit....	180,400
"	Mech. & Traders' Bk.	M. B. Bramhall....	John S. Fox.....	200,000
Lambertville.	Lambertville Bank..	Samuel D. Stryker...	Martin L. Reeve....	87,000
Medford....	Burlington County Bk.	William Irick.....	Jonathan Oliphant...	70,000
Millville....	Millville Bank.....	Nath'l Stratton....	Lewis Mulford.....	40,000
Morristown..	Morris County Bank..	H. A. Ford.....	Theodore T. Wood...	90,500
Mount Holly.	Farmers' Bank of N. J.	John Black.....	John Beatty.....	100,000
"	Mount Holly Bank..	Moses Wills.....	T. D. Armstrong....	25,000
Middlet'n Pt.	Farmers & Merchants'	Asbury Fountain...	H. W. Johnson....	100,000
Newark.....	Mechanics' Bank....	Joseph A. Halsey...	Matthias W. Day....	500,000
"	Newark Bk. & Ins. Co.	James B. Pinneo....	Charles G. Rockwood.	508,650
"	State Bank.....	Samuel Meeker....	James D. Orton....	600,000
"	Newark City Bank..	Samuel H. Pennington	Charles S. Graham...	250,000
N. Brunswick	Bank of New Jersey..	John Van Dyke....	Moses F. Webb.....	300,000
"	State Bank.....	John B. Hill.....	Moses Coddington...	200,000
Newton.....	Sussex Bank.....	David Ryerson.....	Samuel D. Morford...	185,000
Orange.....	Orange Bank.....	Daniel Babbit.....	William H. Vermilye.	221,500
Paterson....	Catact City Bank....	Charles Sanford...	F. M. Cochran.....	50,000
"	Merchants' Bank....	W. H. Seely.....	James E. Johnston...	50,000
"	Passaic County Bank.	George M. Stimpson.	George M. Stimpson.	20,000
Perth Amboy.	City Bank.....	Benjamin D. Stelle...	S. V. R. Paterson....	25,000
Philipsburg.	Philipsburg Bank....	Charles Sitgreaves...	Lewis C. Reese.....	148,000
Princeton...	Princeton Bank....	R. S. Field.....	George T. Olmsted...	100,000
Rahway.....	Farmers & Mechanics'	Benjamin M. Price...	Frederick King.....	200,000
Rockaway...	Iron Bank.....	N. Mott.....	William J. Wood.....	50,000
Salem.....	Salem Banking Co....	Calvin Belden.....	Henry B. Ware.....	75,000
Somerville...	Somerset County Bank	Joshua Doughty...	William G. Steele...	100,000
Trenton.....	Mech. & Manufact'rs'	Joseph G. Brearley...	Jonathan Fisk.....	250,000
"	Trenton Banking Co..	Philemon Dickinson..	Thomas J. Stryker...	280,000
Woodbury...	Gloucester County Bk.	William R. Tatum....	James W. Caldwell...	100,000
<i>Total 48 Banks.</i>		<i>Circulation \$3,700,000.</i>	<i>Specie \$850,000.</i>	<i>\$7,223,625</i>

**PENNSYLVANIA.**

Allegheny...	Allegheny Bank.....	Hopewell Hepburn...	J. W. Cook.....	\$500,000
Allentown...	Allentown Bank.....	Jacob Dillinger.....	Charles W. Cooper...	140,000
Bristol.....	Farmers' B., Bucks Co.	A. Burton.....	Robert C. Beatty....	92,220
Brownsville..	Monongahela Bank..	James L. Bowman...	David Smyth Knox...	200,000
Carlisle.....	Carlisle Deposit Bank	Richard Parker.....	N. E. Musselman....	72,000

Location.	Name of Bank.	President.	Cashier.	Capital.
Chambersburg	Bank of Chambersburg	Joseph Culbertson	James Lesley	\$258,838
Catasauqua	Bank of Catasauqua	Eli J. Saege	M. H. Horn, Jr.	100,000
Chester	Bank of Delaware Co.	Jesse J. Maris	James G. McCollin	200,000
Coatsville	Bank of Chester Valley	Abram Gibbons, Jr.	Francis F. Davis	75,000
Columbia	Columbia Bank	Barton Evans	Samuel Shoch	322,600
Danville	Bank of Danville	Edward H. Baldy	George A. Frick	200,000
Doylestown	Doylestown Bank	Charles E. Dubois	John J. Brock	105,000
Easton	Easton Bank	David D. Wagener	William Hackett	400,000
"	Farmers & Mechanics'	Peter S. Michler	McEvers Forman	280,000
Erie	Bank of Commerce	B. Graut	Gideon J. Ball	100,000
Gettysburg	Bank of Gettysburg	G. Swope	Thomas D. Carson	138,195
Hanover	Hanover Saving Fund	Jacob Wirt	R. A. Eichelberger	50,000
Harrisburg	Dauphin Deposit Bank	James McCormick	Robert J. Ross	50,000
"	Harrisburg Bank	William M. Kerr	James W. Weir	300,000
"	Mechanics' Sav'gs Bk.	Philip Dougherty	Jacob C. Bomberger	50,000
Hollidaysburg	Central Bank			
Honesdale	Honesdale Bank	Richard L. Seely	Stephen D. Ward	150,000
Kittanning	Bank of Kittanning	James E. Brown	John B. Finlay	100,000
Lancaster	Farmers' Bank	Christ Hager	Henry R. Reed	350,000
"	Lancaster County Bk.	John Landes	William L. Peiper	267,945
"	Lancaster Sav'gs Inst.	Emmanuel Schaffer	A. E. Roberts	50,000
Lebanon	Lebanon Bank	John W. Gloninger	Edw. A. Uhler	180,000
"	Lebanon Valley Bk.		George Gleim	
Lewisburg	Lewisburg Bank	William Cameron	William Pollock	150,000
Lock Haven	Lock Haven Bank	L. A. Mackey	Philip Krebs	200,000
Mauch Chunk	Mauch Chunk Bank	Hiram Wolf	A. W. Leisenring	100,000
Middletown	Bank of Middletown	George Snuller	Simon Cameron	200,000
New Brighton	Bank of Beaver Co.	Silas Merrick	Edward Hoops	75,000
Newcastle	Bank of Lawrence Co.	David Sankey	Cyrus Clark	100,000
Norristown	Bk. of Montgomery Co.	John Boyer	William H. Slingluff	893,170
Northumb.	B. of Northumberland	John B. Packer	Joseph R. Priestly	200,000
Pittsburgh	Bank of Pittsburgh	John Graham	John Harper	1,142,700
"	Exchange Bank	Thomas M. Howe	Henry M. Murray	1,000,000
"	Iron City Bank	James McAuley	John Magoffin	400,000
"	Merch. & Manufact's	H. L. Bollman	William H. Denny	600,000
"	Citizens' Bank	Oliver Blackburn	Edward D. Jones	200,000
"	Mechanics' Bank	Reuben Miller, Jr.	George D. McGrew	500,000
Pottstown	Bank of Pottstown	Henry Potts	William Mintzer	50,000
Pottsville	Miners' Bank	John Shippen	Charles Loeser	486,320
"	Farmers' Bk. of S. Co.	Henry Saylor	Joseph W. Cake	100,000
Reading	Farmers' Bank	Isaac Eckert	Henry H. Muhlenberg	500,000
"	Reading Savings Bank	A. F. Boas	J. S. Rightmyer	10,000
"	Union Bank	David McKnight	Charles B. McKnight	100,000
Shrewsbury	Shrewsbury Sav. Inst.	Henry Latimer	John Hoshour	12,300
Smithport	McKean County Bank	Daniel Kingsbury	William H. Diedrich	100,000
Stroudsburg	Stroudsburg Bank		James H. Stroud	
Tamaqua	Anthraccite Bank	William Donaldson	William Mihnes	72,380
Warren	Warren County Bank	J. Y. James	Rufus P. King	100,000
Washington	Franklin Bank	Colin M. Reed	James McIlvaine	150,000
Waynesburg	Farm. & Drovers' Bk.	Jesse Hook	Jesse Lazear	100,000
Westchester	Bank of Chester Co.	William Darlington	William W. Jefferis	225,000
Wellsboro	Tioga County Bank	T. L. Baldwin	John W. Guernsey	100,000
Wilkesbarre	Wyoming Bank	George M. Hollenback	Edward S. Loop	150,000
Williamsport	West Branch Bank	O. Watson	S. Jones	100,000
York	York Bank	Henry Welsh	Samuel Wagner	500,000
"	York County Bank	Eli Lewis	William Wagner	100,000
<b>Total 60 Banks.</b>		<b>Circulation \$10,400,000</b>	<b>Specie \$2,000,000.</b>	<b>\$13,548,668</b>
<b>Philadelphia.</b>				
Chestnut st.	Bank of Commerce	Adolph E. Borie	James C. Donnell	\$250,000
"	Bk. of North America	John N. Dickson	John Hockley	1,000,000
Vine street	B. Northern Liberties	Isaac Koons	William Gummers	500,000
Main street	Bank of Germantown	Charles Magarge	Samuel Harvey, Jr.	200,000
Vine street	Bk. of Penn Township	Elijah Dallett	James Russell	350,000
Sixth street	City Bank	William F. Hughes	Joseph S. Riley, Jr.	500,000
Chestnut st.	Commercial Bk. of Pa.	Joseph Jones	S. C. Palmer	841,000
"	Far. & Mechanics' Bk.	Singleton A. Mercer	William Rushton, Jr.	2,000,000
"	Commonwealth Bank	Robert Morris	Henry Grambo	260,000
\$d,near Wood	Consolidation Bank	James V. Watson	Joseph N. Piersol	300,000
Third street	Girard Bank	Charles S. Boker	William L. Schaffer	1,250,000
Beach street	Kensington Bank	John T. Smith	Charles T. Yerkes	260,000

Location.	Name of Bank.	President.	Cashier.	Capital.
Vine "	Manuf. & Mechanics'	John Jordan, Jr. ....	M. W. Woodward ....	\$550,000
Third "	Mechanics' Bank. ....	Joseph B. Mitchell ...	Joseph G. Mitchell ...	800,000
Chestnut st. . . . .	Philadelphia Bank. ....	Thomas Robins. ....	B. E. Comegys. ....	1,800,000
Second street. . . . .	Southwark Bank. ....	John B. Austin. ....	Francis P. Steel. ....	250,000
" "	Tradesmen's Bank. ....	Charles H. Rogers. ....	John Castner. ....	150,000
Chestnut "	Western Bank. ....	Joseph Patterson. ....	George M. Troutman . .	418,600

*Total 18 Banks. Circulation \$2,350,000. Specie \$7,000,000. \$11,410,000*

**DELAWARE.**

Delaware City	Delaware City Bank. . . . .	G. Maxwell. ....	William W. Ferris. . . . .	\$50,000
Dover. . . . .	Farmers' Bank of Del.	Henry Ridgely. ....	James P. Wild. ....	186,000
Georgetown. . . . .	Do. do. Branch	James Anderson. ....	Isaac Tunnell. ....	120,000
Newcastle. . . . .	Do. do. do.	Andrew C. Gray. ....	Howell J. Terry. ....	138,000
Newark. . . . .	Bank of Newark. ....	Daniel Thompson. ....	John Miller. ....	50,000
Odessa. . . . .	Newcastle County Bk.	Charles Tatman. ....	Benjamin F. Chatham . .	50,000
Smyrna. . . . .	Bank of Smyrna. ....	Ayres Stockly. ....	William M. Bell. ....	100,000
Wilmington. . . . .	Farmers' Bk., Branch.	David C. Wilson. ....	Robert D. Hicks. ....	236,000
" "	Bank of Delaware. ....	Henry Latimer. ....	Samuel Floyd. ....	110,000
" "	Union Bank of Del. . . . .	E. W. Gilpin. ....	J. T. Warner. ....	300,000
" "	Wilmington & B'wine.	George Bush. ....	W. S. Hagany. ....	200,000
" "	Mechanics' Bank. ....	Mahlon Betts. ....	Samuel Biddle. ....	200,000

*Total 12 Banks. Circulation \$1,000,000. Specie \$250,000. \$1,740,000*

**MARYLAND.**

Annapolis. . . . .	Farmers' Bk. of Md.	George Wells. ....	N. Hammond. ....	\$251,700
Chestertown. . . . .	Farm. and Mech. Bk. . . . .	George B. Westcott. . . . .	Samuel W. Spencer. . . . .	100,000
Cumberland. . . . .	Cumberland Bank. . . . .	Joseph Shriver. ....	Edwin T. Shriver. ....	112,937
" "	Cumb. Savings Bank. . . . .	James M. Schley. . . . .	William O. Spayth. . . . .	51,560
Easton. . . . .	Easton Bank. ....	William H. Groome. . . . .	Richard Thomas. ....	200,000
Frederick. . . . .	Central Bank. ....	Richard Potts. ....	Godfrey Koontz. ....	200,000
" "	Farmers & Mechanics'	William Tyler. ....	Thomas W. Morgan. . . . .	125,450
" "	Frederick County Bk. . . . .	Alexander B. Hanson. . . . .	John H. Williams. . . . .	150,000
Hagerstown. . . . .	Hagerstown Bank. . . . .	J. Dixon Roman. ....	Elie Beatty. ....	250,000
" "	Washington Co. Br. B.	.....	George Kealhofer. ....	.....
Port Deposit. . . . .	Cecil Bank. ....	Jacob Tome. ....	Thomas C. Bond. ....	100,000
Westminster. . . . .	Bank of Westminster.	John K. Longwell. . . . .	John Fisher. ....	91,112
" "	Farmers & Mechanics'	J. L. Warfield. ....	Jacob Reese. ....	66,000
Williamsport. . . . .	Washington Co. Bank.	Daniel Weisel. ....	E. C. Dubois. ....	150,000

*Total 14 Banks. Circulation \$1,700,000. Specie \$500,000. \$1,848,740*

**Baltimore.**

Baltimore st. . . . .	Bank of Baltimore. . . . .	C. C. Jamison. ....	Patrick Gibson. ....	\$1,202,200
South street. . . . .	Bank of Commerce. . . . .	James W. Alnutt. ....	George C. Miller. ....	600,000
North " " " " " "	Chesapeake Bank. . . . .	John S. Gittings. ....	H. Chamberlaine, Jr. . . . .	364,400
Pratt " " " " " "	Citizens' Bank. ....	John Clark. ....	William L. Richardson . . . . .	500,000
Howard " " " " " "	Com. & Farmers'	Jesse Slingsluff. ....	Trueman Cross. ....	512,560
Balt " " " " " "	Exchange Bank. ....	.....	William L. Montague . . . . .	100,000
South " " " " " "	Far. and Merchants'	J. Hanson Thomas. . . . .	James Mott. ....	718,200
South " " " " " "	Farmers & Planters'. . . . .	William E. Mayhew. . . . .	Thomas B. Rutter. ....	800,000
Broadway. . . . .	Fells Point Savings B.	James Frazier. ....	John W. Randolph. . . . .	350,000
North street. . . . .	Franklin Bank. ....	John L. Donaldson. . . . .	John M. Buck. ....	600,000
Howard " " " " " "	Howard Bank. ....	James F. Purvis. ....	John G. Lester. ....	160,800
Gay " " " " " "	Marine Bank. ....	Jacob Bier. ....	Philip Littig, Jr. ....	397,900
N. Calvert st. . . . .	Mechanics' Bank. ....	John B. Morris. ....	Charles R. Coleman. . . . .	600,000
Gay street. . . . .	Merchants' Bank. ....	Johns Hopkins. ....	D. Sprigg. ....	1,500,000
N. Charles st. . . . .	Union Bank of Md. . . . .	John M. Gordon. ....	Robert Mickie. ....	1,238,200
Eutaw street. . . . .	Western Bank. ....	Chauncey Brooks. ....	James Harvey. ....	600,000

*Total 15 Banks. Circulation \$3,000,000. Specie \$2,200,000. \$10,284,260*

**DIST. OF COLUMBIA.**

Georgetown. . . . .	Farmers & Mechanics'	Robert Read. ....	William Laird, Jr. . . . .	\$300,000
" "	Bank of Commerce. . . . .	Charles E. Rittenhouse . . . . .	Hugh B. Sweeney. ....	100,000
Washington. . . . .	Bank of Washington. . . . .	William Gunton. ....	James Adams. ....	279,000
" "	Bk. of the Metropolis. . . . .	Thomas Carbory. ....	Richard Smith. ....	353,300
" "	Patriotic Bank. ....	John Purdy. ....	Chauncey Bestor. ....	250,000

*Total 5 Banks. Circulation \$850,000. Specie \$300,000. \$1,282,300*

## VIRGINIA.

Location.	Name of Bank.	President.	Cashier.	Capital.
Abingdon....	Exchange Bank of Va.	J. C. Greenway.....	Robert R. Preston....	\$150,000
Alexandria....	Exchange Bank of Va.	Robert Jamieson....	John Hooff.....	265,800
"	Farmers' Bank of Va.	William Gregory.....	W. H. Marbury.....	300,000
"	B. of the Old Dominion	William N. McVeigh..	James McKenzie.....	382,100
Blacksburg....	Farmers' Bank.....	James R. Kent.....	W. H. Peck.....	100,000
Buchanan.....	Bank of Virginia.....	Charles T. Beale.....	Jordan Anthony.....	125,000
Charleston....	Bank of Virginia.....	James C. McFarland..	Samuel Hannah.....	150,000
Charlottesville	Bank of the Valley....	John Moler.....	Cato Moore.....	160,000
"	Monticello Bank.....	N. H. Massie.....	B. C. Flannagan.....	200,000
"	Farmers' Bank of Va..	John R. Jones.....	William A. Bibb.....	116,000
Christ'sburg..	Bank of the Valley....	David Wade.....	C. B. Gardner.....	150,000
"	Exchange Bank of Va.	E. A. Williams.....	Augustus C. Finley..	300,000
Danville.....	Bank of Virginia.....	Thomas P. Atkinson..	George E. Welsh.....	125,000
"	Farmers' Bank of Va..	Nathaniel T. Greene..	George W. Johnson..	120,000
Fairmont.....	Fairmont Bank.....	John P. Chisler.....	G. H. Sprigg.....	57,700
Farmville....	Farmers' Bank of Va..	C. C. Read.....	Archibald Vaughan..	153,100
Fincastle....	Farmers' Bk. Fincastle	James McDowell.....	William McCreery....	100,000
Fredericks'bg	Farmers' Bank of Va..	John H. Wallace.....	Arthur Goodwin.....	260,000
"	Bank of Virginia.....	Walker P. Conway....	William K. Gordon....	290,000
"	Bank of Commerce....	J. B. Ficklen.....	John M. Herndon....	203,000
Harrisonburg	Bank of Rockingham..	A. B. Irick.....	C. C. Strayer.....	217,300
Howardsville	Bank of Howardsville.	W. A. Turner.....	D. J. Hartshook.....	150,000
Jeffersonville	North-Western Bank..	John W. Johnston....	John A. Kelly.....	190,800
"	Trans-Alleghany Bank	Wm. P. Floyd.....	Thomas H. Gillespie..	150,000
Leesburg....	Bank of the Valley....	John Janney.....	William A. Powell....	150,000
Lewisburg....	Farmers' Bank of Va..	James H. Nesmith....	Thomas Mathews....	100,000
Lexington....	Bank of Rockbridge..	E. F. Paxton.....	J. H. Myers.....	100,000
Lynchburg....	Bank of Virginia.....	Cheswell Dabney....	John M. Otey.....	300,000
"	Farmers' Bank of Va..	William Radford....	Alexander Tompkins.	325,000
"	Exchange Bank of Va.	John G. Meem.....	William M. Blackford.	375,400
"	Merchants' Bank.....	Charles R. Slaughter.	Robert C. Mitchell..	500,000
Malden.....	Bank of Kanawha.....	Henry Fitzhugh.....	A. Spencer Nye.....	300,000
Martinsburg..	Bank of Berkeley.....	John Blair Hoge.....	D. Burkhardt.....	100,000
Moorsfield....	Bank of the Valley....	Thomas Maslin.....	Samuel H. Alexander.	125,000
Morgantown..	Merch. & Mechanics'.	Matthew Gay.....	William Wagner.....	100,000
Norfolk.....	Bank of Virginia.....	Myer Myers.....	Robert W. Bowden..	200,000
"	Exchange Bank of Va.	William W. Sharp....	George W. Camp.....	400,900
"	Farmers' Bank of Va..	Duncan Robertson..	A. Tunstall.....	290,000
Parkersburg..	North-Western Bank..	James Cook.....	Beverly Smith.....	103,100
Pearisburg....	B. Old Dominion Br..	A. G. Pendleton....	Andrew H. Johnston.	100,000
Petersburg....	Bank of Virginia.....	Joseph Bragg.....	George W. Stainback.	325,000
"	Exchange Bank of Va.	Thomas S. Gholson..	C. F. Fisher.....	592,100
"	Farmers' Bank of Va..	John Kevan.....	Pleasant C. Osborne..	270,000
Philippi.....	Bank of Philippi.....	C. W. Parrott.....	C. W. Parrott.....	100,000
Point Pleas'nt	Merch. & Mechanics'.	James Capehart....	James D. Thompson..	200,000
Portsmouth..	Bank of Virginia.....	John G. Hatton.....	William H. Wilson..	225,000
Richmond....	Bank of Virginia.....	James Caskie.....	Samuel Marx.....	861,250
"	Exchange Bank of Va.	John C. Hobson.....	William P. Strother..	748,300
"	Farmers' Bank of Va..	William H. MacFarland	John Adams Smith....	804,000
Romney.....	Bank of the Valley....	David Gibson.....	William A. Vance.....	130,000
Salem.....	Exchange Bank.....	William Watts.....	John B. J. Logan.....	101,500
Scottsville....	Bank of Scottsville..	J. W. Fraser.....	William D. Davis.....	77,000
Staunton....	Bank of the Valley....	Kenton Harper.....	Edwin M. Taylor....	225,000
"	Central Bank.....	William Kinney.....	W. H. Tams.....	237,200
Union.....	Bank of Virginia.....	John Echols.....	M. McDaniel.....	100,000
Weston.....	Exchange Bank of Va.	J. M. Bennett.....	R. J. McCandlish....	150,000
Wellsburg....	North-Western Bank..	Adam Kuhn.....	Samuel Jacob.....	140,000
Wheeling....	Merch. & Mechanics'.	Samuel Ott.....	Sobieski Brady.....	440,000
"	North-Western Bank..	John C. Campbell....	Daniel Lamb.....	517,800
"	Man. & Farmers' Bank	T. Sweeney.....	J. R. Dickey.....	182,500
"	Bank of Wheeling....	C. D. Hubbard.....	Daniel C. List.....	137,700
Winchester..	Bank of the Valley....	A. Stuart Baldwin..	Henry M. Brent.....	410,000
"	Bank of Winchester..	Robert Y. Conrad....	Robert B. Wolfe.....	113,000
Winchester..	Farmers' Bank of Va..	Robert L. Baker.....	Joseph H. Sherrard..	250,000
Wytheville....	Farmers' Bank of Va..	Stephen McGavock..	W. W. Hanson.....	130,000
"	South Western Bank..	Robt. Gibboney.....	T. J. Morrison.....	70,000

Total 66 Banks.

Circulation \$12,000,000.

Specie \$4,000,000. \$25,000,000

**NORTH CAROLINA.**

<i>Location.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Asheville.....	Bank of Cape Fear.....	.....	J. F. E. Hardy.....	\$125,000
Charlotte.....	Bank of State of N. C.	John Irwin.....	Thomas W. Dewey...	125,000
"	Bank of Charlotte.....	John J. Blackwood.....	.....	800,000
Elizabeth City	Bank of State of N. C.	William F. Martin.....	John C. Ehringhaus..	125,000
"	Farmers' Bank.....	Robinson White.....	Reuben F. Overman..	800,000
Fayetteville..	Bank of State of N. C.	Augustus W. Steel.....	Henderson C. Lucas..	150,000
"	Bank of Cape Fear.....	Charles T. Haigh.....	Archibald McLean...	325,000
"	Bank of Fayetteville..	John D. Starr.....	William G. Broadfoot.	880,000
"	Bank of Clarendon....	John D. Williams.....	John W. Sandford....	400,000
Greensboro..	Bank of Cape Fear.....	.....	Jesse H. Lindsay.....	100,000
"	Farmers' Bank.....	.....	W. A. Caldwell.....	120,000
Milton.....	Bank of State of N. C.	Samuel Watkins.....	William R. Hill.....	125,000
Morganton....	Bank of State of N. C.	Thomas Walton.....	E. J. Erwin.....	75,000
Newbern.....	Bank of State of N. C.	George S. Attmore....	John M. Roberts.....	100,000
"	Merchants' Bank.....	Charles Slover.....	William W. Clark....	225,000
Raleigh.....	Bank of State of N. C.	George W. Mordecai..	Charles Dewey.....	800,000
"	Bank of Cape Fear.....	.....	William H. Jones.....	150,000
Salem.....	Bank of Cape Fear.....	.....	Israel G. Lash.....	150,000
Salisbury....	Bank of Cape Fear.....	.....	Dolphin A. Davis....	125,000
Tarboro.....	Bank of State of N. C.	R. R. Bridgers.....	R. Chapman.....	150,000
Wadesboro....	Bank of Wadesboro....	W. R. Leak.....	Hampton B. Hammond	800,000
Washington...	Bank of Cape Fear.....	John Myers.....	W. R. S. Burbank....	175,000
"	Bank of Washington..	James E. Hoyt.....	M. Stevenson.....	375,000
Wilmington...	Bank of Cape Fear.....	Thomas H. Wright....	Henry R. Savage.....	400,000
"	Bank of State of N. C.	Edward P. Hall.....	William Boston.....	800,000
"	Commercial Bank.....	Oscar G. Parsley....	Timothy Savage.....	350,000
"	Bank of Wilmington..	John McRae.....	Stephen Jewett.....	541,000
Windsor.....	Bank of State of N. C.	Jonathan S. Tayloe..	L. S. Webb.....	100,000
Yanceyville..	Bank of Yanceyville..	Thomas D. Johnson..	Joseph J. Lawson....	200,000
<i>Total 29 Banks.</i>		<i>Circulation \$4,500,000.</i>	<i>Specie \$1,500,000.</i>	<b>\$6,591,000</b>

**SOUTH CAROLINA.**

Camden.....	Bank of Camden.....	William E. Johnson..	W. H. R. Workman..	\$400,000
" Branch	Bank of State of S. C.	C. J. Shannon.....	Joseph W. Doby.....	
Charleston...	Bank of State of S. C.	Charles M. Furman..	Thomas R. Waring....	1,123,460
"	Bank of Charleston..	J. K. Sass.....	John Cheesborough..	8,160,800
"	Bk. of South-Carolina.	William Birnie.....	George B. Reid.....	1,000,000
"	People's Bank.....	Donald L. McKay....	H. G. Loper.....	1,000,000
"	Planters & Mechanics'	Daniel Ravenel.....	C. H. Stevens.....	1,000,000
"	S. Western Railroad B.	James Rose.....	J. Clarence Cochran..	872,475
"	State Bank.....	Edward Sebring.....	B. M. Lee.....	1,100,000
"	Union Bank of S. C..	Henry Ravenel.....	William D. Clancy....	1,000,000
"	Farm. & Exchange Bk.	William M. Martin..	William C. Broese....	1,000,000
Chester.....	Bank of Chester.....	George S. Cameron..	John A. Bradley.....	800,000
Cheraw.....	Merchants' Bank.....	J. Eli Gregg.....	William Godfrey.....	400,000
Columbia....	Exchange Bank of Col.	J. S. Scott.....	Jesse Drafts.....	500,000
" Branch	Bank of State of S. C.	Robert H. Goodwyn..	John Fisher.....	
"	Commercial Bank.....	John A. Crawford..	E. J. Scott.....	800,000
Georgetown..	Bank of Georgetown..	James G. Henning....	R. E. Fraser.....	200,000
Hamburg.....	Bank of Hamburg.....	J. W. Stokes.....	A. C. DeCott.....	500,000
Newberry....	Bank of Newberry....	Benjamin D. Boyd...	R. L. McCaughrin...	800,000
Winnsboro..	Planters' B. of Fairfield	James B. Aiken.....	H. L. Elliot.....	800,000
<i>Total 20 Banks.</i>		<i>Circulation \$6,700,000.</i>	<i>Specie \$1,350,000.</i>	<b>\$14,956,735</b>

**GEORGIA.**

Albany.....	Marine Bank.....	Agency.....	Y. G. Rust.....	
"	Mech. & Planters' Bk.	"	G. C. Carmichael. <i>agent</i>	
"	Planters' Bank.....	"	R. H. D. Sorrel.. "	
Americus....	Bank of Savannah....	"	F. M. Coker..... "	
"	Marine Bank.....	"	G. M. Taylor..... "	
Atlanta.....	Bank of Fulton.....	Amherst W. Stone..	Wm. M. Williams....	\$178,000
"	Bank State of Georgia.	Agency.....	A. J. Brady..... <i>agent</i>	
"	Geo. R. R. & Bank. Co.	"	Perino Brown.....	
Athens.....	Bank of State of Geo..	Blanton M. Hill.....	Henry Hull, Jr.....	100,000

Location.	Name of Bank.	President.	Cashier.	Capital.
Athens	Bank of Athens	Stevens Thomas	Albin P. Dearing	100,000
Augusta	Augusta Ins. & Bk. Co.	Wm. M. D'Antignac	Robert Walton	600,000
"	Bank of Augusta	John Bones	James W. Davies	600,000
"	Bank of State of Geo.	Thomas Barrett	Greenville Simmons	400,000
"	Geo. R. R. & Bank. Co.	John P. King	Joseph Milligan	500,000
"	Mechanics' Bank	Thomas S. Metcalf	Milo Hatch	500,000
"	Union Bank	Edward Thomas	John Craig	300,000
"	City Bank	Artemas Gould	W. J. Sams	500,000
Bainbridge	Southern Bank	N. L. Cloud	B. H. Gee	100,000
Brunswick	Commercial Bank	P. J. Phillips	W. W. Barker	100,000
Cartersville	Railroad Bank	Agency	John S. Rowland. <i>agt.</i>	
Columbus	Bank of Columbus	William H. Young	David Adams	250,000
"	Mechanics' Bank	Agency	J. D. Carter	
"	Bank of State of Geo.	"	P. J. Semmes	
"	Marine Bank	"	L. G. Bowers	
"	Union Bank	"	H. H. Epping	
"	Bank of Savannah	"	S. M. Farrar	
Dalton	Cherokee Ins. & B. Co.	N. B. Curtiss	James H. Bard	125,000
"	Planters' & Mec's Bk.	James Morris	T. B. Thompson	250,000
Dublin	Bank of Savannah	Agency	Freeman H. Rowe	
Eatonton	Bank of State of Geo.	John Hudson	D. R. Adams	100,000
Forsyth	Marine Bank	Agency	Benier Pye. <i>agent</i>	
Greensboro	Bank of State of Geo.	"	C. A. Davis	
"	Bank of Greensboro	E. Keach	C. C. Norton	50,000
Griffin	Bank of State of Geo.	Agency	M. G. Dobbins. <i>agent</i>	
"	Exchange Bank	P. R. Bearden	H. L. McClung	100,000
"	Marine Bank	Agency	A. Fleming. <i>agent</i>	
"	Planters' Bank	"	A. Merritt	
La Grange	Bank of Augusta	"	B. B. Amos	
"	La Grange Bank	Thomas Burch	W. H. Tuller	150,000
Macon	Bank of Middle Geo.	Isaac Scott	H. M. North	125,000
"	Bank of State of Geo.	Agency	J. H. R. Washington, <i>a.</i>	
"	Marine Bank	"	I. C. Plant	
"	Merchants' Bank	Wm. Y. Bray	Edward J. Stow	200,000
"	Manufacturers' Bank	Elijah Bond	Geo. W. Hardie, <i>acting</i>	125,000
"	Mechanics' Bank	Agency	N. C. Monroe. <i>agent</i>	
"	Bank of Savannah	"	J. E. Jones	
Madison	Bank of State of Geo.	"	John W. Porter. <i>agent</i>	
Milledgeville	Planters' Bank	"	A. M. Nisbet	
Newnan	Bank of Augusta	"	J. J. Pinson	
Ringgold	Northwestern Bank	W. H. Juman	A. B. Cowan	100,000
"	Railroad Bank	Agency	H. J. Sargent. <i>agent</i>	
Rome	Planters' Bank	"	N. J. Bayard	
"	Bank of Empire State	A. R. Smith	C. J. Cunningham	100,000
"	Bank of Savannah	Agency	A. M. Sloan. <i>agent</i>	
"	Bank of State of Geo.	"	W. E. Alexander	
Sandersville	Planters' Bank	"	William Hodge	
Savannah	Bank of Commerce	G. B. Lamar	J. C. Ferrill	500,000
"	Bank of State of Geo.	Anthony Porter	J. K. Tefft	1,500,000
"	Bank of Savannah	Lewis F. Harris	William B. Tinsley	500,000
"	Marine Bank	Charles F. Mills	William P. Hunter	1,000,000
"	Mech. Savings Bank	John S. Montmollin	J. B. Williams	250,000
"	Merch. & Plant'rs Bk.	Hiram Roberts	Augs. Barie	417,000
"	Planters' Bank	George W. Anderson	Hugh W. Mercer	535,400
"	Railroad Bank	Richard R. Cuyler	George A. Cuyler	205,790
Sparta	Planters' Bank	Agency	Thomas M. Turner	
Thomasville	Bank of Savannah	"	Edw. Remington, <i>agt.</i>	
Washington	Bank of State of Geo.	Samuel Barnett	J. J. Robertson	100,000
	<b>67 Banks and Agencies.</b>	<b>Circulation \$5,000,000.</b>	<b>Specie \$1,500,000.</b>	<b>\$10,711,190</b>
<b>ALABAMA.</b>				
Huntsville	Northern Bank of Ala.	J. J. Donegan	Theo. Lacy	\$200,000
Mobile	Bank of Mobile	William R. Hallett	J. S. Green	1,500,000
"	Southern Bank of Ala.	H. A. Schroeder	Daniel C. Sampson	500,000
Montgomery	Bank of Montgomery	E. C. Hannon	E. M. Burton	100,000
"	Central Bk. of Alabama	William Knox	H. W. Cater	700,000
Selma	Commer. Bk. of Ala.	W. J. Norris	W. T. Hatchett	300,000
	<b>Total 6 Banks.</b>	<b>Circulation \$4,000,000.</b>	<b>Specie \$2,000,000.</b>	<b>\$6,000,000</b>



ILLINOIS.

FREE BANKS.

Location.	Name of Bank.	President.	Cashier.	Circulation
Alton .....	Alton Bank.....	E. Marsh .....	Charles A. Caldwell ..	\$60,000
Aurora .....	Bank of Aurora.....	M. V. Hall.....	B. F. Hall.....	260,000
Belleville.....	Bank of Belleville....	Eugene Miltenberger..	S. E. Mandlebaum.....	230,000
Belvidere.....	Belvidere Bank.....	Alex. Neely.....	Chas. Neely.....	23,000
Benton .....	Frontier Bank.....	C. D. Chase.....	.....	50,000
Bloomington.....	Bank of Bloomington..	A. H. Moore.....	Edward Thorp.....	50,000
" .....	McLean County Bank..	A. Gridley.....	Theron Pardee.....	60,000
Bolton.....	Bank of Southern Ill..	W. W. Wright.....	Wm. S. Joiner.....	292,000
Charleston.....	Farm. & Traders' Bk..	Thomas A. Marshall....	John W. True.....	128,000
Chester .....	Bank of Chester.....	W. Poulterer.....	C. Miltenberger.....	55,000
Chicago .....	Bank of America.....	George Smith.....	E. W. Willard.....	50,000
" .....	Marine Bank.....	J. Y. Scammon.....	Benjamin F. Carver..	156,000
" .....	Chicago Bank.....	Thomas Burch.....	I. H. Burch.....	50,000
Decatur.....	Railroad Bank.....	P. D. Kline.....	H. B. Durfee.....	91,000
Elgin.....	Bank of Elgin.....	M. C. Town.....	A. J. Waldron.....	75,000
Equality.....	National Bank.....	E. D. Humphrey.....	W. H. Crawford.....	80,000
Fairfield.....	Corn Exchange Bank..	.....	Joseph W. Lewis.....	260,000
Galena.....	Bank of Galena.....	Henry Corwith.....	Charles C. P. Hunt...	68,000
Galesburg.....	Reed's Bank.....	A. D. Reed.....	E. S. Chapman.....	50,000
Grayville.....	Grayville Bank.....	E. Chase.....	L. B. Clark.....	472,000
" .....	Southern Bank of Ill..	Russell Hipckley.....	Charles D. Affleck....	105,000
Griggsville.....	Bank of Pike County..	Thomas L. Luders.....	R. McK. Ludlow.....	144,000
Hutsonville.....	Bank of Hutsonville..	William H. Marston....	Abram Brewer.....	100,000
Jacksonville.....	Morgan County Bank..	H. R. Reed.....	W. W. Wright.....	78,000
Joliet .....	Merchants & Drovers'	William Smith.....	R. E. Goodell.....	137,000
Marion .....	Agricultural Bank.....	S. B. Wheelock.....	R. M. Handley.....	69,000
McLeansboro.....	E. I. Tinkham & Co.'s Bk	Smith Tinkham.....	William Rickords.....	150,000
" .....	Bank of Republic.....	Chas. H. Rockwell....	John Rockwell.....	450,000
" .....	Hamilton County Bank	John A. Gwynne.....	A. G. Cloud.....	210,000
Monmouth.....	Warren Co. Bank.....	T. L. Mackey.....	J. Quinby.....	64,000
Naperville.....	Bank of Naperville....	Willard Scott.....	C. W. Keith.....	48,000
Ottawa.....	Bank of Ottawa.....	B. C. Cook.....	George S. Fisher.....	16,000
Oxford.....	Mississippi River Bk..	M. H. Merriman.....	C. C. Merriman.....	100,000
Paris.....	Edgar County Bank....	Hiram Sandford.....	Geo. E. Levings.....	75,000
Peoria.....	Central Bank.....	E. B. Elwood.....	C. S. Matteson.....	94,000
Peru.....	Bank of Peru.....	Theron D. Brewster....	Fred. S. Day.....	53,000
Quincy.....	Bank of Quincy.....	John McGinnis, Jr....	Mattland Boon.....	65,000
Raleigh.....	American Exch. Bank	William H. Parish.....	O. H. Miner.....	208,000
" .....	Bank of Raleigh.....	W. Stadden.....	R. C. Spain.....	291,000
" .....	International Bank...	R. C. Spain.....	J. Gilbert Smith.....	50,000
Robinson.....	Bk. of Commonwealth	W. A. S. Van Dusen....	J. H. Low.....	100,000
Rushville.....	Rushville Bank.....	William H. Ray.....	C. M. Wheelock.....	82,000
Shawneetown.....	State Bank of Illinois..	Joseph Bowles.....	A. B. Safford.....	750,000
Urbana.....	Grand Prairie Bank....	W. N. Coler.....	T. S. Hubbard.....	80,000
Washington.....	Prairie State Bank....	A. H. Danforth.....	A. G. Danforth.....	70,000
Waukegan.....	Bk. of Northern Ill..	David S. Smith.....	Charles D. Bickford..	58,000
W. Urbana.....	Cattle Bank.....	.....	C. M. Shery.....	50,000
<i>Total 45 Banks.</i>		<i>Circulation \$6,198,000.</i>	<i>Specie \$635,000.</i>	<i>\$6,198,000</i>

INDIANA.

FREE BANKS.

Bloomington.....	Bloomington Bank....	R. A. Akin.....	W. C. Turkington....	\$50,000
Cambridge.....	Cambridge City Bank..	Isaac Myer.....	Thos. Newby.....	81,000
Columbus.....	Kentucky Stock Bank..	W. F. Pidgin.....	B. F. Jones.....	50,000
Evansville.....	Canal Bank.....	John S. Hopkins.....	William T. Page.....	100,000
" .....	Crescent City Bank....	Willard Carpenter....	W. Baker.....	71,000
Franklin.....	Indiana Farmers' Bk..	S. Harriott.....	R. L. Overstreet.....	90,000
Goshen.....	Bank of Goshen.....	J. H. Barns.....	J. H. Defrees.....	25,000
" .....	Salem Bank.....	Thomas G. Harris.....	John Cook, Jr.....	50,000
Gosport.....	Bank of Gosport.....	W. D. Alexander.....	L. M. Hays.....	100,000
Greencastle.....	Exchange Bank.....	William D. Allen.....	A. D. Wood.....	50,000
Lima.....	La Grange Bank.....	J. B. Howe.....	S. P. Williams.....	60,000
Madison.....	Indiana Bank.....	E. G. Whitney.....	H. H. Barton.....	128,500

Location.	Name of Bank.	President.	Cashier.	Capital.
Michigan City	Bank of Indiana.....	C. B. Blair.....	W. W. Higgins.....	\$50,000
Mt. Vernon..	Bank of Mt. Vernon..	G. G. Baker.....	A. S. Curtis.....	23,000
New-Albany..	Bank of Salem.....	L. Bradley.....	E. Newland.....	75,000
Paoli.....	Bank of Paoli.....	James M. Haines.....	A. M. Black.....	50,000
Rockville.....	Parke County Bank..	Geo. K. Steele.....	C. W. Levings.....	86,000
Salem.....	Bank of Salem.....	W. C. De Paw.....	J. L. Monagh.....	50,000
Terre Haute..	Prairie City Bank....	Samuel S. Early.....	Jno. S. Beach.....	82,700
"	Southern Bank.....	J. H. Williams.....	F. S. Williams.....	59,000
Wabash.....	Bank of Rockville....	A. W. Brockway.....	J. L. Knight.....	59,000
Westfield....	Farmers' Bank.....	W. Robson.....	J. J. Reeve.....	70,000
<b>Total 22 Banks.</b>		<b>Circulation \$1,300,000.</b>	<b>Specie \$260,000.</b>	<b>\$1,455,200</b>

**BANK STATE OF INDIANA.**

Location.	Name of Bank.	President.	Cashier.	Capital.
Indianapolis.	Parent Bank.....	Hugh McCulloch.....	James M. Ray.....	
Bedford.....	Branch Bank.....	Elijah Sabin.....	George A. Thornton..	\$100,000
Connersville..	"	Newton Claypool.....	Edward F. Claypool..	100,000
Evansville...	"	George W. Rathbone..	Samuel Bayard.....	100,000
Fort Wayne..	"	Hugh McCulloch.....	Charles D. Bond.....	100,000
Indianapolis.	"	George Tousey.....	C. S. Stevenson.....	100,000
Jeffersonville.	"	James Montgomery....	William H. Fogg.....	100,000
Lafayette....	"	Moses Fowler.....	J. C. Brockenbrough..	100,000
Laporte.....	"	David G. Rose.....	Samuel Burson.....	100,000
Lawrenceb'rg	"	Elzey G. Burkam.....	Henry K. Hobbs.....	100,000
Lima.....	"	John B. Howe.....	Thomas S. Beals.....	100,000
Logansport...	"	William C. Haney.....	James Cheney.....	100,000
Madison.....	"	Joseph M. Moore.....	George D. Fitzhugh..	100,000
Muncie.....	"	John Marsh.....	John W. Burson.....	100,000
New-Albany..	"	John S. McDonald....	Walter Mann.....	100,000
Plymouth....	"	William J. Walker.....	B. P. Walker.....	100,000
Richmond....	"	Albert C. Blanchard..	Charles F. Coffin.....	200,000
Rushville....	"	George Hibben.....	W. C. McReynolds....	100,000
South Bend..	"	John Brownfield.....	Horatio Chapin.....	100,000
Terre Haute..	"	Levi G. Warren.....	Preston Hussey.....	100,000
Vincennes...	"	John Ross.....	J. F. Bayard.....	100,000
<b>Total 21 Banks.</b>		<b>Circulation \$2,300,000</b>	<b>Specie \$1,069,000.</b>	<b>\$2,100,000</b>

**KANSAS.**

Acheson....	Kansas Valley Bank..	Samuel C. Pomeroy...	A. C. Swift.....	\$100,000
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**KENTUCKY.**

Ashland....	Bank of Ashland.....	Hugh Means.....	E. W. Martin.....	\$400,000
Barbourville.	*Northern Bank.....	George M. Adams.....	William McClanahan..	200,000
Bowl'g Green	*Bank of Kentucky....	J. R. Underwood.....	Thomas C. Calvert....	175,000
Carrollton....	*Southern Bk. of Ky..	W. B. Winslow.....	John A. Crawford....	200,000
Covington....	*Farmers' Bank of Ky.	John W. Stevenson....	Thomas B. Page.....	400,000
"	*Northern Bk. of Ky..	James M. Preston.....	William Ernst.....	400,000
"	Deposit Bank.....	G. D. Hatch.....	George C. Swan.....	100,000
Danville....	*Bank of Kentucky....	James Kinnaird.....	Thomas Mitchell.....	220,000
"	Deposit Bank.....		G. Rice.....	100,000
Flemingsburg	*Bank of Louisville....	D. K. Stockton.....	D. K. Stockton.....	100,000
Frankfort....	*Bank of Kentucky....	A. W. Dudley.....	Edmund H. Taylor....	350,000
"	Farmers' Bank of Ky..	John H. Hanna.....	John B. Temple.....	300,000
Georgetown..	"	James F. Robinson....	Fabricius C. McCalla..	200,000
Greensburg..	*Bank of Kentucky....	John Barrett.....	Henry C. Wood.....	125,000
Harrdsburg..	*Commercial Bk. of Ky.	Peter R. Dunn.....	Thomas P. Mitchell..	150,000
Henderson....	*Farmers' Bank of Ky.	Owen Glass.....	David Banks.....	250,000
Hickman....	*Southern Bk. of Ky..	R. C. Prather.....	William Owens, Jr....	150,000
Hopkinsville.	*Bank of Kentucky....	J. P. Campbell.....	Isaac H. Caldwell....	250,000
Louisville....	Bank of Kentucky....	Virgil McKnight.....	S. H. Bullen.....	1,480,000
"	*Northern Bk. of Ky..	William Richardson..	John Milton.....	600,000
"	Bank of Louisville....	Joshua B. Bowles....	Charles Tilden.....	880,000
"	Franklin Savings Bk..	Charles Gallagher....	John D. O'Leary.....	200,000
"	Louisville Savings Ins.	G. W. Merriwether....	J. H. Rhorer, Treas..	500,000
"	Mechanics' Bank.....	John M. Stokes.....	H. S. Julian.....	100,000
"	*Southern Bank of Ky.	A. A. Gordon.....	Junius B. Alexander..	500,000
Lexington....	*Bank of Kentucky....	Henry Bell.....	Horace B. Hill.....	650,000
"	Northern Bank of Ky.	Matthew T. Scott.....	A. F. Hawkins.....	630,000
Maysville....	*Bank of Kentucky....	Andrew M. January....	James Barbour.....	450,000

<i>Location.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Maysville....	*Farmers' Bank.....	Harrison Taylor.....	James A. Johnson....	\$400,000
Mt. Sterling..	" " " " " " " " " "	Richard Apperson....	William Mitchel.....	200,000
Owensboro....	*Southern Bank of Ky.	S. M. Wing.....	James B. Anderson....	800,000
Paducah.....	*Bank of Louisville....	James Campbell.....	Samuel B. Hughes....	100,000
" " " " " " " " " "	Commercial Bk. of Ky.	L. M. Flournoy.....	J. L. Dallam.....	250,000
Paris.....	*Northern Bk. of Ky.	John B. Raine.....	Thomas Kelly.....	870,000
Princeton....	*Farmers' Bk. of Ky..	W. D. Tinsley.....	Caleb B. Henry.....	800,000
Richmond....	*Northern Bk. of Ky..	Daniel Brock.....	E. L. Shackelford....	150,000
Russellville..	Southern Bank of Ky.	George W. Norton....	M. B. Morton.....	400,000
Shelbyville..	*Bank of Ashland....	Josephus H. Wilson..	Shelby Vannatta....	200,000
Smithland....	*Southern Bk. of Ky..	T. M. Dvisa.....	B. Berner.....	800,000
Somerset....	*Farmers' Bk. of Ky..	Cyrenius Waite.....	Ebin Milton.....	100,000
Versailles....	*Commercial Bk. of Ky.	David Thornton.....	Richard D. Shipp....	100,000
	<i>Total 41 Banks.</i>	<i>Circulat'n \$18,500,000.</i>	<i>Specie \$5,000,000.</i>	<i>\$18,180,000</i>
	<i>* Branch Banks.</i>	<b>LOUISIANA.</b>		
Baton Rouge..	La. State Bank, Br....	J. B. Kleinpeter.....	William S. Pike.....	
New-Orleans.	Bank of Louisiana....	Wm. W. Montgomery..	Robert M. Davis....	\$2,798,000
" " " " " " " " " "	Louisiana State Bk....	J. M. Lapeyre.....	Chas. A. F. Rondeaux.	2,000,000
" " " " " " " " " "	" " " " " " " " " "	W. H. Avery.....	Robert J. Palfrey....	
" " " " " " " " " "	Mechanics & Traders'	U. H. Dudley.....	Gustavus Cruzat....	1,000,000
" " " " " " " " " "	N. O. Can'l & Bank. Co.	H. A. Rathbone.....	Alfred H. Kernion....	3,164,000
" " " " " " " " " "	Union Bank of La....	Alfred Penn.....	George A. Freret....	1,500,000
" " " " " " " " " "	Bank of New-Orleans.	Frank Williams.....	Mortimer Belly.....	2,000,000
" " " " " " " " " "	Citizens' Bank.....	James D. Denegre....	Eugene Rousseau....	1,500,000
" " " " " " " " " "	Southern Bank.....	Frederick Rodewald..	Thomas Layton.....	1,250,000
" " " " " " " " " "	Bank of James Robb..	Phœnix N. Wood....	William S. Mount....	600,000
" " " " " " " " " "	Bank of America.....	William G. Hewes....	Am. Fortier.....	500,000
" " " " " " " " " "	Crescent City Bank...			600,000
	<i>Total 18 Banks.</i>	<i>Circulation \$7,600,000.</i>	<i>Specie \$10,000,000.</i>	<i>\$16,557,000</i>
		<b>MICHIGAN.</b>		
Detroit.....	Michigan Insurance..	John Owen.....	Henry K. Sanger....	\$200,000
" " " " " " " " " "	Peninsular Bank.....	H. O. Moss.....	Samuel Medbury....	850,000
" " " " " " " " " "	Farmers & Mechanics	Julius D. Morton....	C. M. Davison.....	400,000
Mt. Clemens..	Bank Macomb County	H. C. Kibbe.....	R. E. Graves.....	100,000
Tecumseh....	Bank of Tecumseh....	James A. Raynor....	Wedworth W. Clarke.	150,000
	<i>Total 5 Banks.</i>	<i>Circulation \$1,000,000.</i>	<i>Specie \$350,000.</i>	<i>\$1,200,000</i>
		<b>MISSISSIPPI.</b>		
Aberdeen....	Miss. Mutual Ins. Co..	W. A. Sykes.....	James Carlisle.....	
Columbus....	Columbus Ins. Co....			\$336,000
Holly Springs	Northern Bank Miss..	F. W. Lucas.....	George West.....	200,000
Yazoo City...	Com. Bk. Manchester.	Jos. H. Johnston....	Sam. V. Mitchell....	800,000
	<i>Total 4 Banks.</i>	<i>Circulation \$1,000,000.</i>	<i>Specie \$50,000.</i>	<i>\$836,000</i>
		<b>MISSOURI.</b>		
Boonville....	Bank of St. Louis....	E. W. Brown.....	William E. Burr.....	\$150,000
Brunswick...	Merchants' Bank.....			150,000
Cape Girard'u	Bk. of State of Mo....	J. R. Wathan.....	Alfred T. Lacey.....	200,000
Chillicothe...	" " " " " " " " " "			200,000
Fayette.....	" " " " " " " " " "	Gerard Robinson....	William C. Boon.....	200,000
Jefferson City	" " " " " " " " " "			200,000
Lexington...	Farmers' Bank, Mo....	Robert Aull.....	Charles R. Morehead.	200,000
Louisiana....	Bank State of Mo....			200,000
St. Louis....	" " " " " " " " " "	James M. Hughes....	Antoine S. Robinson.	2,100,000
St. Louis....	Bank of St. Louis....	John J. Anderson....	John Brown.....	300,000
" " " " " " " " " "	City Bank.....	John Simonds.....		
" " " " " " " " " "	Exchange Bank.....		Robert E. Carr.....	300,000
" " " " " " " " " "	Mechanics' Bank.....	Joseph Charles.....	J. W. Willis.....	300,000
" " " " " " " " " "	Merchants' Bank.....		Robert F. Barry.....	300,000
" " " " " " " " " "	Southern Bank.....	James S. Watson....	James H. Britton....	300,000
Springfield...	Bank State of Mo....	John W. Hancock....	James R. Danforth...	200,000
	<i>Total 16 Banks.</i>	<i>Circulation \$1,200,000.</i>	<i>Specie \$1,500,000.</i>	<i>\$5,300,600</i>

**NEBRASKA.**

<i>Location.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
De Soto.....	Bank of De Soto.....			\$100,000
Florence.....	Bank of Florence.....	Geo. B. Sargent.....	J. M. Parker.....	
Nebraska City	Platte Valley Bank.....	S. F. Nuckolls.....	J. Garside.....	
Omaha City..	Bank of Nebraska....	B. F. Allen.....	S. Moffatt.....	
"	Western Mar. Ins. Co.	Thos. H. Benton, Jr.	Le Roy Tuttle.....	
"	Bank of Tekmeah.....			100,000

**O H I O.**

Ashtabula...	*Farmers' Branch Bk.	O. H. Fitch.....	Amos F. Hubbard....	\$100,000
Athens.....	*Athens Branch Bank	John Ballard.....	L. H. Stewart.....	100,000
Bridgeport..	*Belmont Branch Bk..	W. W. Holloway....	John C. Tallman....	100,000
Cadiz.....	*Harrison Branch Bk.	C. Dewey.....	Wm. Phillips.....	100,000
Canton.....	Stark County Bank....	J. A. Saxton.....	E. P. Grant.....	25,000
Chillicothe..	*Chillicothe Br'ch Bk.	Henry Massie.....	T. S. Goodman, Jr..	250,000
"	*Ross County Branch.	Noah L. Wilson.....	B. P. Kingsbury....	150,000
Cincinnati..	Commercial Bk. of Cin.	James Hall.....	Charles B. Foote....	50,000
Circleville..	Pickaway Co. Bank....	Marcus Brown.....	O. Ballard, Jr.....	103,550
Cleveland..	City Bk. of Cleveland..	Lemuel Wick.....	Albert Clark.....	50,000
"	*Commer'1 Br'nch Bk	William A. Otis....	Truman P. Handy....	175,000
"	*Merchants' Branch Bk.	Thomas M. Kelly....	George Mygatt.....	125,000
"	Bank of Commerce....	Joseph Perkins....	H. B. Hurbut.....	100,000
"	Forest City Bank.....	Ahira Cobb.....	William H. Stanley..	100,000
Columbus....	City Bank.....	William A. Platt....	Thomas Moodie.....	150,000
"	*Exchange Bank.....	David W. Deshler..	Charles J. Hardy....	125,000
"	*Franklin Branch Bk.		Joseph Hutcheson..	175,000
C'yahoga F'ls	*Summit County Bank	E. N. Sill.....	E. S. Comstock.....	100,000
Dayton.....	*Dayton Branch Bank	Peter Odlin.....	Charles G. Swain....	107,000
"	Dayton Bank.....	D. A. Haynes.....	Daniel Beckel.....	100,000
Delaware....	*Delaware County Bk.	Hosea Williams....	S. Moore, Jr.....	94,500
Eaton.....	*Preble County Bank.	Jonathan Harshman.	H. C. Hiestand.....	100,000
Elyria.....	*Lorain Bank.....	Elijah Dewitt.....	J. W. Hulbert.....	75,000
Franklin Mills	*Franklin Bank.....	Zenas Kent.....	Charles Peck, Jr....	98,600
Ironton.....	Iron Bank.....	James Rodgers....	George Willard.....	65,850
Lancaster..	*Hocking Valley Bank	D. Tallmadge.....	C. F. Garaghty.....	100,000
Logan.....	*Logan Branch Bank.	John Madeira.....	J. Walker.....	100,000
Mansfield..	*Farmers' Bank.....	James Purdy.....	H. Colby.....	100,000
Marietta....	*Marietta Branch Bk..	John Mills.....	Israel K. Waters....	100,000
Marion.....	Bank of Marion.....	W. W. Conklin....	J. Ault.....	50,000
Massillon..	*Union Bank.....	Daniel L. Collier..	Lewis Hurxthal, Jr.	100,000
"	Merchants' Bank....	Isaac Steese.....	S. Hunt.....	50,000
Mt. Pleasant	*Mt. Pleasant Bank..	James Gill.....	Jonathan.....	100,000
Mt. Vernon..	*Knox County Bank..	Henry B. Curtis....	J. Frank Binns.....	100,000
Norwalk....	*Norwalk Branch Bk.	Timothy Baker....	John Ga Andrews..	125,000
Painesville..	Bank of Geauga.....	Daniel Kerr.....	Salmon rdiner.....	50,000
Piqua.....	*Piqua Branch Bank..	William Scott.....	Joseph G. Young....	100,000
Portsmouth..	*Portsm'th Br'nch Bk.	Washington Kinney.	Peter Kinney.....	100,000
Ravenna....	*Portage County Bank	F. W. Seymour.....	John H. Ebbert.....	103,000
Ripley.....	*Farmers' Branch Bk.	Thomas McKaig....	Daniel P. Evans....	100,000
Salem.....	*Farmers' Branch Bk.	Joseph J. Brooks..	P. S. Campbell.....	100,000
Springfield..	*Mad River Valley Bk.	John Bacon.....	Thomas F. McGrew..	100,746
"	Springfield Bank....	John Ludlow.....	Charles A. Phelps..	50,000
Steuubenville	*Jefferson Branch Bk.	John Andrews....	William Spencer....	100,000
Toledo.....	*Toledo Branch.....	Amasa Stone, Jr..	Paul Jones.....	150,000
Troy.....	*Miami County Bank.	John G. Telford....	Rowell Gibbs.....	120,000
Urbana.....	Champaign Co. Bk....	S. A. Winslow.....	Henry P. Espy.....	26,000
Warren.....	Western Reserve Bk..	George Parsons....	George Taylor.....	75,000
Washington..	*Guernsey Branch Bk.	John McCurdy....	Geo. A. Endley.....	100,000
Wooster....	*Wayne County Bank.	E. Robison.....	E. Quinby, Jr.....	150,000
Xenia.....	*Xenia Branch Bank..	A. Hivling.....	A. Trader.....	100,000
Youngstown..	Mahoning County Bk.	William Rayen....	R. W. Taylor.....	50,000
Zanesville..	*Muskingum Branch.	H. J. Jewett.....	D. C. Conyers.....	100,000

*Total 53 Banks.*

*Circulation \$6,400,000.*

*Specie \$1,269,000.*

*\$5,413,746*

\* Branches of the State Bank of Ohio.

<b>TENNESSEE.</b>				
<i>Location.</i>	<i>Name of Bank.</i>	<i>President.</i>	<i>Cashier.</i>	<i>Capital.</i>
Athens.....	*Bk. of Tennessee....	William H. Bullew...	A. Blizard.....	\$249,150
".....	*Planters' Bk. of Tenn.	James H. Reagan.....	David Cleage.....	150,000
Chattanooga..	Bank of Chattanooga..	William Williams....	W. D. Fulton.....	212,000
".....	Union Bank.....	.....	.....	100,000
Clarksville..	†Bank of America....	M. D. Davie.....	C. M. Hiter.....	250,000
".....	†Bank of Tennessee...	R. W. Humphreys....	B. H. Wisdom.....	250,000
".....	*Planters' Bk. of Tenn.	H. F. Beaumont.....	William P. Hume....	250,000
".....	Northern Bk. of Tenn..	D. N. Kennedy.....	James L. Glenn....	100,000
Cleveland....	Ocoee Bank.....	Thomas H. Callaway..	Thomas J. Campbell..	130,000
Columbia.....	*Bank of Tennessee...	A. Mackey.....	J. C. Rye.....	190,000
".....	*Union Bank of Tenn.	William Park.....	S. A. Hamner.....	150,000
Dandridge... ".....	Dandridge Bank..... Bank of Jefferson....	John Roper..... W. H. Inman.....	William A. Branner.. W. P. Inman.....	50,000 100,000
Dresden.....	Bank of America....	.....	R. Y. Johnson.....	100,000
Franklin.....	*Planters' Bank.....	J. H. Otey.....	William S. Campbell..	100,000
Jackson.....	*Union Bank of Tenn.	Wm. B. Marshall....	E. F. McKnight.....	100,000
Knoxville....	Bank of Knoxville....	Dyer Pearl.....	E. G. Pearl.....	50,000
".....	Farmers' Bank.....	W. B. Shapard.....	William T. Wheless..	50,000
".....	*Union Bk. of Tenn.	P. Dickinson.....	John J. Craig.....	150,000
Lawrenceb'gr	Lawrenceburg Bank..	S. E. Rose.....	William Simonton....	95,000
Lebanon.....	Bank of Middle Tenn..	S. T. Mottley.....	C. W. Jackson.....	50,000
McMinnsville.	Buck's Bank.....	William White.....	W. White.....	50,000
Memphis.....	Commercial Bank....	Daniel B. Turner....	W. A. Jones.....	50,000
".....	Bank of Memphis....	John Overton.....	F. G. Roche.....	50,000
".....	Bank of West Tenn..	W. O. Lofland.....	C. D. Smith.....	50,000
".....	*Planters' Bk. of Tenn	E. McDavitt.....	James Penn.....	150,000
".....	River Bank of Tenn..	W. R. Cunningham..	M. J. Wicks.....	100,000
".....	*Union Bank of Tenn.	Samuel Mosby.....	Frederick W. Smith..	150,000
".....	Citizens' Bank.....	S. P. Walker.....	John A. Sannoner....	50,000
".....	Southern Bank.....	W. J. Davie.....	W. C. McClure.....	100,000
Murfreesboro'	Exchange Bank.....	William Spence.....	J. Spence.....	100,000
Nashville....	†Bank of Tennessee...	Cave Johnson.....	James Morton.....	1,300,000
".....	†Planters' Bk. of Tenn.	Orville Ewing.....	D. Weaver.....	1,500,000
".....	†Union Bank of Tenn.	John Kirkman.....	James Correy.....	2,000,000
".....	Bank of Commerce...	J. D. James.....	D. D. James.....	50,000
".....	Bank of the Union....	Daniel F. Carter....	G. H. Slaughter.....	100,000
".....	City Bank.....	Dyer Pearl.....	E. G. Pearl.....	50,000
".....	Merchants' Bank....	W. B. Shapard.....	J. Porterfield.....	50,000
Paris.....	Bank of Paris.....	W. B. Dortch.....	H. C. West.....	50,000
Pulaski.....	*Planters' Bk. of Tenn.	A. M. Ballentine....	G. W. Petway.....	150,000
Rogersville..	*Bank of Tennessee...	William Hutchison..	H. Fain.....	250,000
".....	Bank of America....	M. D. Davie.....	J. F. Foard.....	100,000
Shelbyville..	*Bank of Tennessee...	Robert Mathews....	R. N. Wallace.....	225,000
".....	Shelbyville Bank....	Edward Cooper.....	W. S. Jett.....	50,000
Somerville... Sparta.....	*Bank of Tennessee... * ".....	Alexander Williamson Wm. P. Goodbare....	James Pettit..... Joseph G. Mitchell..	250,000 225,000
Tazewell....	Bank of Tazewell....	E. H. Skaggs.....	C. Hitchings.....	50,000
".....	Bank of Claiborne...	R. J. Foster.....	I. L. Evans.....	50,000
Trenton.....	Bank of Tennessee...	John S. Davis.....	John A. Taliaferro...	250,000
".....	Bank of Trenton....	R. W. Hubbard.....	O. B. Caldwell.....	50,000
<i>Total 50 Banks.</i>		<i>Circulation \$4,500,000.</i>	<i>Specie \$1,500,000.</i>	<b>\$ 10,476,150</b>

**TEXAS.**

Galveston....	Comm. & Agricultural	Samuel M. Williams..	H. Jenkins.....	<b>\$322,000</b>
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**WISCONSIN.**

Baraboo.....	Sauk County Bank...	Simeon Mills.....	T. Thomas.....	\$50,000
Beaver Dam..	City Bank.....	Daniel D. Read.....	B. G. Bloss.....	25,000
".....	Dodge County Bank..	Samuel L. Rose.....	R. V. Bogert.....	50,000
".....	Mercantile Bank.....	Washington Bidwell..	W. S. Huntington...	50,000
Beloit.....	Bank of Beloit.....	George B. Sanderson..	Louis C. Hyde.....	60,000
".....	Rock River Bank....	Lucius G. Fisher....	E. R. Wadsworth....	50,000
Berlin.....	Marquette Co. Bank..	C. Cronkhite.....	D. B. Whitacre.....	50,000
Black R. Falls	Kankakee Bank.....	A. W. Mack.....	H. W. Harwood.....	50,000
Brinkerhoff..	St. Croix River Bank..	Aaron Blank.....	Enoch Totten.....	150,000

\* Branch Banks.

† Parent Banks.

Location.	Name of Bank.	President.	Cashier.	Capital.
Columbus...	Bank of Columbus...	Wm. L. Lewis.....	James C. Barnes.....	\$50,000
Conterelle	Lumbermen's Bank...	E. Barnes.....	J. B. Kenere.....	200,000
Delavan	Walworth County Bk.	William C. Allen.....	W. W. Dinamore.....	50,000
De Pers.	Brown Co. Bank.....	George A. Lawton.....	John O. Roorback.....	25,000
Eagle Point.	Arctic Bank.....	M. V. Hall.....	Isaac Plume.....	50,000
Eau Claire	Hull's Bank.....	B. F. Hull.....	D. R. Moore.....	50,000
Elkhorn	Elkhorn Bank.....	Legrand Rockwell.....	D. D. Spencer.....	25,000
Fond du Lac.	Bank of Fond du Lac.	Abram G. Butler.....	Charles W. Whinfield.	50,000
"	Exchange Bank.....	Geo. McWilliams.....	K. A. Darling.....	75,000
"	Bank of Northwest...	Benjamin F. Moore.....	Augus. G. Ruggles.....	50,000
Fox Lake...	Bank of Fox Lake...	John W. Davis.....	William J. Dexter.....	50,000
Green Bay...	Northern Bank.....	U. H. Peck.....	Robert Chappell.....	50,000
"	Fox River Bank.....	Francis Desnoyers.....	Geo. Aug. Lawton.....	25,000
Hudson	Hudson City Bank.....	J. O. Henning.....	M. S. Gibson.....	25,000
"	Farmers Bank.....	Otis Hoyt.....	C. E. Dexter.....	50,000
Janesville	Badger State Bank...	Edward L. Dimock.....	Henry C. Matteson.....	50,000
"	Rock County Bank.....	Timothy Jackman.....	James L. Kimball.....	50,000
"	Janesville City Bank...	John W. Hobson.....	H. Richardson.....	25,000
"	Central Bank of Wis.	Otis W. Norton.....	J. D. Rexford.....	100,000
"	Producers' Bank.....	William A. Barstow.....		100,000
Kenosha	City Bank.....	H. B. Towsee.....	E. G. Durant.....	100,000
"	Kenosha County Bank	John C. Coleman.....	J. H. Kimball.....	50,000
La Crosse	B'k City of La Crosse.	John M. Levy.....	Frank Hatch.....	25,000
"	Katanyan Bank.....	Wilson Colwell.....	George A. Beck.....	50,000
Madison	Bank of the Capitol...	Edward B. Smith.....	J. M. Dickinson.....	50,000
"	Merchants' Bank.....	L. H. Church.....	H. R. Church.....	50,000
"	State Bank.....	Samuel Marshall.....	J. Alder Ellis.....	50,000
"	Dane County Bank.....	N. B. Van Slyke.....	Timothy Brown.....	50,000
"	Wisconsin Bank.....	M. D. Miller.....	Noah Lee.....	100,000
Maranett	Green Bay Bank.....	Daniel Wells.....	N. Ludington.....	35,000
Milwaukee.	Wis. Mar. & F. Ins. Bk.	Alexander Mitchell.....	David Ferguson.....	100,000
"	Bank of Milwaukee.....	Charles D. Nash.....	T. R. B. Eldridge.....	300,000
"	State Bank.....	John G. Inbusch.....	Moses S. Scott.....	500,000
"	Farmers & Millers' Bk.	Edward D. Holton.....	Hoel H. Camm.....	500,000
"	Second Ward Bank...	Augus. C. Wilmans.....	Wm. H. Jacobs.....	25,000
"	Marine Bank.....	Jacob A. Hoover.....	J. H. Skidmore.....	50,000
"	Janeau Bank.....	James B. Cross.....	Samuel B. Scott.....	250,000
"	Globe Bank.....	Asahel Finch.....	Wm. K. Freeman.....	125,000
Montello	Bank of Montello.....	E. B. Kelsey.....	C. S. Kelsey.....	25,000
Monroe	Bank of Monroe.....	John A. Bingham.....	Julius B. Galusha.....	25,000
Neenah	Winnebago Co. Bank.	Aaron H. Cronkhite.....	C. C. Townsend.....	25,000
North Pepin.	Oakwood Bank.....	J. C. Mann.....	A. C. Allen.....	60,000
Oshkosh	Commercial Bank.....	Henry Strong.....	Nelson Fletcher.....	50,000
"	Bank of Oshkosh.....	John Fitzgerald.....	A. W. Kellogg.....	50,000
Pepin	Chippewa Bank.....	E. Lathrop.....	J. C. Mann.....	50,000
Platteville	Bank of Grant Co.....	E. R. Hinckley.....	L. McCarr.....	50,000
Portage City	Columbia County Bank	John P. McGregor.....	Fred. S. Halsey.....	50,000
Prairie du Ch.	Bk. of Prairie du Chien	Anson Eldred.....	Charles Ray.....	50,000
Racine	Bank of Racine.....	Henry J. Ullmann.....	Daniel Ullmann.....	50,000
"	Racine County Bank...	Reuben M. Norton.....	George C. Northrop.....	200,000
"	City Bank.....	Alex. McClurg.....	James J. Ullman.....	50,000
"	Commercial Bank.....	H. S. Durand.....	Jacob W. Moore.....	100,000
Richland	Pine River Valley Bk.	Israel Janney.....	D. Badger.....	50,000
Ripon	Bank of Ripon.....	Hiram H. Mead.....	Edward P. Brockway.....	25,000
Sheboygan	Bank of Sheboygan...	W. W. King.....	F. R. Townsend.....	100,000
"	German Bank.....	John Ewing.....	James H. Mead.....	50,000
Stevens' Point	Northwestern Bank...	Alonzo Wood.....	W. W. Wood.....	60,000
St. Croix	St. Croix Valley Bk...	H. S. Winsor.....	D. W. Armstrong.....	50,000
Watertown	Bank of Watertown...	Albert L. Pritchard.....	William H. Clark.....	100,000
"	Jefferson County Bank	Charles G. Hargor.....	Daniel Jones.....	75,000
Waukesha	Forest City Bank.....	S. A. Bean.....	Geo. E. Sickels.....	50,000
"	Waukesha County Bk.	Absalom Miner.....	O. Burroughs.....	100,000
Waupun	Waupun Bank.....	Seth B. Hills.....	L. B. Hills.....	25,000
"	Corn Exchange Bank.	Andrew Proudft.....	William Hobkirk.....	50,000
<b>Total 73 Banks.</b>		<b>Circulation \$3,000,000.</b>	<b>Specie \$530,000.</b>	<b>\$5,615,000</b>





**PATENTED**



**ANTI-PHOTOGRAPHIC BANKS NOTES**

**IN TWO PERMANENT INKS BY**

*Rowland H. H. Hatch & Co.*  
New York Exchange

CANADA BANK NOTE PRINTING CO.  
PATENTED IN THE U.S. 30 JUNE 1857

ANTI-PHOTOGRAPHIC & UNALTERABLE.  
ROWDON, WRIGHT, HATCH & EDSON.

**INK**



**1**



**PAY TO THE ORDER OF**

**TEN**

**DOLLARS**

**FIFTY DOLLARS**

**11**

**ANTI-PHOTOGRAPHIC BANKS BY**

**IN TWO PERMANENT LINKS BY**  
*Raymond, Wright, Hatch & Edson*  
*Wholesale New York Exchange*



CANADA BANK NOTE PRINTING LIME  
PATENTED IN THE U.S. 30 JUNE 1857

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RAYWOOD, WRIGHT, HATCH & EDSON.





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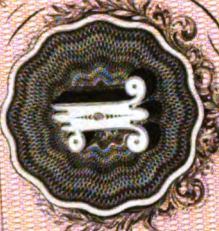
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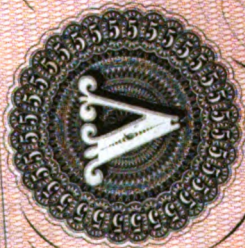
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